

CDP Nordic Report 2014

Natural capital disclosure for business resilience

October 2014





No other organization is gathering this type of corporate climate change data and providing it to the marketplace

Ban Ki-moon
Secretary General,
United Nations



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As sustainability is a key part of the Electrolux business strategy, CDP plays an important role by providing guidance on climate change reporting as well as how we can continue to grow our business sustainably.

Electrolux



Participating in CDP has been an important tool for NORDEN to track progress in our efforts to reduce CO₂ emissions. NORDEN's Executive Management embeds climate change implications in their business considerations and in the conduct of long-term market and risk analyses but a prerequisite to do so is to have the right reporting standards in place. CDP delivers these.

Michael Tønnes Jørgensen,
Chief Financial Officer,
D/S Norden



CEO foreword



One irrefutable fact is filtering through to companies and investors: the bottom line is at risk from environmental crisis.



The global economy has bounced back from crisis and a cautious optimism is beginning to pervade the markets. As we embrace recovery we must remember that greenhouse gas emissions continue to rise and we face steep financial risk if we do not mitigate them.

The unprecedented environmental challenges that we confront today—reducing greenhouse gas emissions, safeguarding water resources and preventing the destruction of forests—are also economic problems. One irrefutable fact is filtering through to companies and investors: the bottom line is at risk from environmental crisis.

The impact of climate events on economies around the world has increasingly been splashed across headlines in the last year, with the worst winter in 30 years suffered by the USA costing billions of dollars. Australia has experienced its hottest two years on record and the UK has had its wettest winter for hundreds of years costing the insurance industry over a billion pounds. Over three quarters of companies reporting to CDP this year have disclosed a physical risk from climate change. Investing in climate change-related resilience planning has become crucial for all corporations.

Investor engagement on these issues is increasing. In the US a record number of shareholder resolutions in the 2014 proxy season led 20 international corporations to commit to reduce greenhouse gas emissions or sustainably source palm oil.

As mainstream investors begin to recognize the real value at risk, we are seeing more action from some of the 767 investors who request disclosure through CDP. The Norwegian pension fund, Norges Bank, with assets worth \$800 billion, expects companies to show strategies for climate change risk mitigation and water management, and have divested from both timber and palm oil companies that did not meet their standards.

There is growing momentum on the policy front with President Obama's announcement of new federal rules to limit greenhouse gases in the US. In the EU, some 6,000 companies will be required to disclose on specific environmental, social and governance criteria as part of their mainstream reporting to investors. In China over 20,000 companies will be required to report their greenhouse gas emissions to the government.

There is a palpable sea change in approach by companies driven by a growing recognition that there is a cost associated with the carbon they emit. Measurement, transparency and accountability drives positive change in the world of business and investment. Our experience working with over 4,500 companies shows the multitude of benefits for companies that report their environmental impacts, unveiling risks and previously unseen opportunities.

We are standing at a juncture in history. With the prospect of a global climate deal coming from the United Nations process, governments, cities, the private sector and civil society have a great opportunity to take bold actions and build momentum in the run up to the Paris 2015 meeting. The decisions we make today can lead us to a profitable and secure future. A future that we can all be proud of.

Paul Simpson
Chief Executive Officer, CDP

CDP convenes investors for corporate accountability

CDP investor members 2014

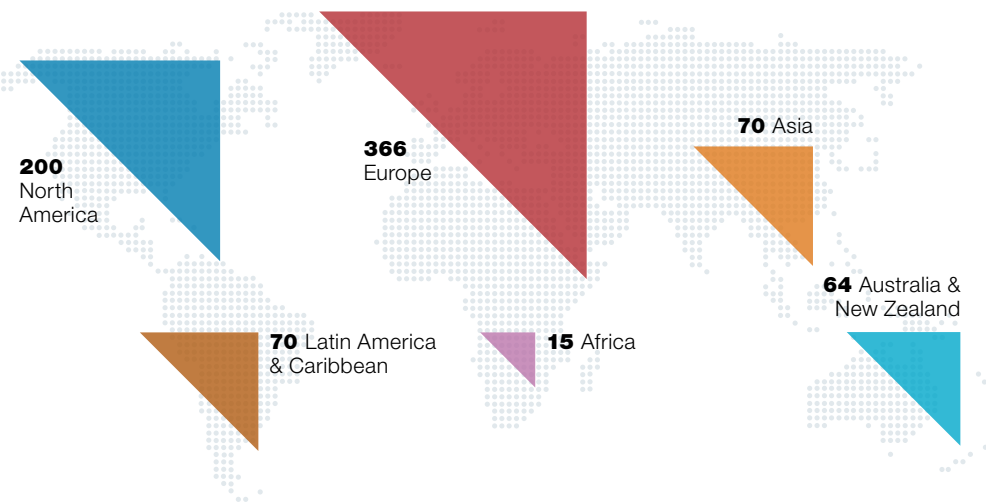
- ABRAPP—Associação Brasileira das Entidades Fechadas de Previdência Complementar
- AEGON N.V.
- ATP Group**
- Aviva plc
- Aviva Investors
- Bank of America Merrill Lynch
- Bendigo & Adelaide Bank Limited
- BlackRock
- Boston Common Asset Management, LLC
- BP Investment Management Limited
- California Public Employees' Retirement System
- California State Teachers' Retirement System
- Calvert Investment Management, Inc.
- Capricorn Investment Group, LLC
- Catholic Super
- CCLA Investment Management Ltd
- ClearBridge Investments
- Fachsf
- Fapes
- Fundação Itaú Unibanco
- Generation Investment Management
- Goldman Sachs Group Inc.
- Henderson Global Investors
- HSBC Holdings plc
- Infraprev
- KLP**
- Legg Mason Global Asset Management
- London Pensions Fund Authority
- Mobimo Holding AG
- Mongeral Aegon Seguros e Previdência S/A
- Morgan Stanley
- National Australia Bank Limited
- Neuberger Berman
- Nordea Investment Management**
- Norges Bank Investment Management**
- NEI Investments
- Petros
- PFA Pension**
- Previ
- Real Grandeza
- Robeco
- RobecoSAM AG
- Rockefeller Asset Management, Sustainability & Impact Investing Group
- Royal Bank of Canada
- Royal Bank of Scotland Group
- Sampension KP Livsforsikring A/S**
- Schroders
- Scottish Widows Investment Partnership
- SEB AB**
- Serpros
- Sistel
- Sompo Japan Nipponkoa Holdings, Inc
- Standard Chartered
- TD Asset Management
- The Wellcome Trust

767 investors, representing more than a third of the world’s invested capital, request corporate accountability through CDP.

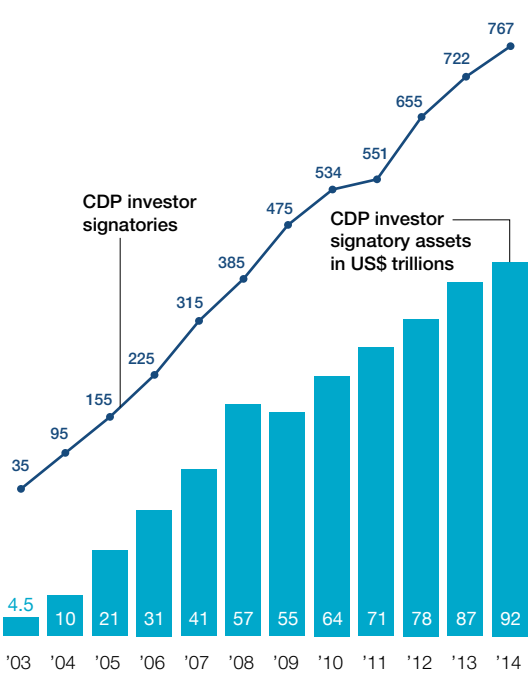
CDP works with investors globally to advance the investment opportunities and reduce the risks posed by climate change by asking over 5,000 of the world’s largest companies to report their climate strategies, GHG emissions and energy use through CDP’s standardized format.

Many of these investors also support the request for disclosure on water-related risks (water program) and on the five forest risk commodities most responsible for deforestation globally (forest program).

Where are the signatory investors located?*



CDP investor base continues to grow*



* There were 767 investor signatories on 1st February 2014 when the official CDP climate change letter was sent to companies, however some investors joined after this date and are only reflected in the 'geographical' and 'type' breakdown.

Investors by type

- 312 Asset managers
- 256 Asset owners
- 152 Banks
- 38 Insurance
- 27 Other

The data collected by CDP on behalf of the investment community raises awareness of the environmental risks within investors' portfolios and better equips them to engage with companies on these risks to protect shareholder value.

CDP data is used by investors in many ways, including to identify leaders among potential investments, identify the laggards for engagement dialogue and possible future divestment, construct internal ratings for portfolio managers and integrate environmental risk into portfolio and fund analysis.

Investors access CDP data through a variety of means, including through more than 7.5 million downloads from Bloomberg terminals annually. CDP provides the capital markets with this critical environmental data infrastructure to enable informed investment analysis.

“CDP is crucial in assessing the CO2 intensity and consequently the risk profile of a company. Hence Union Investment declines to discharge the supervisory and management board of a DAX30 company, if it did not follow on the request to disclose its emissions to CDP.”

Ingo Speich, Senior Fund Manager, Union Investment (\$200 billion AuM)

Portfolio carbon footprint and impact assessments
Asset owners and fund managers are using CDP data to evaluate the climate impact of their investments, both in terms of current emissions (carbon footprint) and forward-looking indicators of best practice. The results provide insights to develop the investment strategy, and indicates topics for company dialogue.

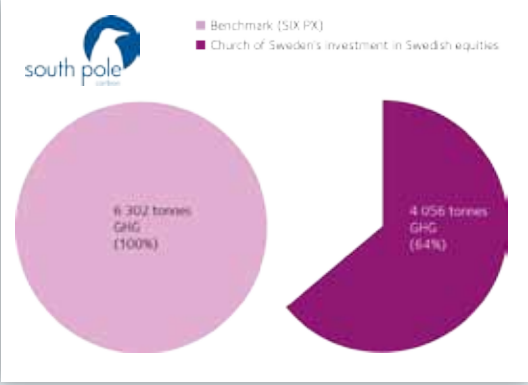
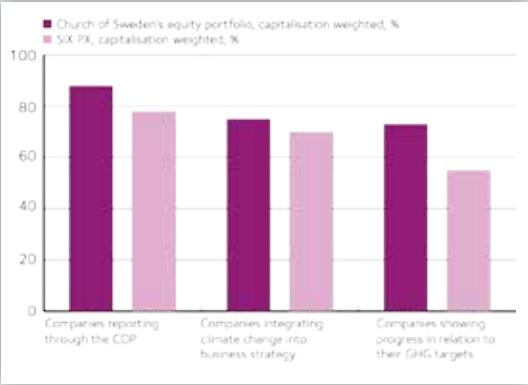
Nordic CDP investor signatories

- ATP Group
- Danske Bank A/S
- DIP - Danske civil- og akademiingeniørers Pensionskasse
- DNB ASA
- East Capital AB
- Eika Kapitalforvaltning AS
- eQ Asset Management Ltd
- Erik Penser Fondkommission
- Evli Bank Plc
- FIM Asset Management Ltd
- First Swedish National Pension Fund (AP1)
- Folketrygdfondet
- Folksam
- Fourth Swedish National Pension Fund, (AP4)
- Gjensidige Forsikring ASA
- Ilmarinen Mutual Pension Insurance Company
- KEVA
- KLP Insurance
- KPA Pension
- Landsorganisationen i Sverige
- LD Lønmodtagernes Dyrtidsfond
- Mistra, Foundation for Strategic Environmental Research
- Mutual Insurance Company Pension-Fennia
- Nativus Sustainable Investments
- Nordea Investment Management
- Norges Bank Investment Management (NBIM)
- Nykredit
- OP Fund Management Company Ltd
- Opplysningsvesenets fond (The Norwegian Church Endowment)
- Pension Denmark
- Pension Fund for Danish Lawyers and Economists
- Pensionsmyndigheten
- PFA Pension
- PKA
- Pohjola Asset Management Ltd
- Sampension KP Livsforsikring A/S
- Second Swedish National Pension Fund (AP2)
- Seligson & Co Fund Management Plc
- Seventh Swedish National Pension Fund (AP7)
- Skandia
- Skandinaviska Enskilda Banken AB (SEB AB)
- Storebrand ASA
- Svenska Kyrkan, Church of Sweden
- Svenska Kyrkans Pensionskassa
- Swedbank
- The Central Church Fund of Finland
- Third Swedish National Pension Fund (AP3)
- Tryg
- Unionen
- Unipension



“The results formed the basis for fruitful discussions with the asset managers on individual holdings which in some cases led to engagement with companies to lower their emissions.”

Gunnela Hahn, Head of Corporate Governance, Church of Sweden



Portfolio assessment based on CDP data for the Church of Sweden evaluates Swedish equities

Comment: The EU non-financial reporting Directive



A pragmatic EU wide approach to non-financial reporting is the optimal solution for business and investors.

Risks & Opportunities

On September 29th 2014, the EU Council approved a new Directive on disclosure of non-financial information for companies with over 500 employees within the EU. The directive will be rolled out over the next two years and must be enforced by 2017 under the EU Accounting Directive.

Unfortunately, Member States can individually choose how to interpret the environmental reporting component of the Directive. This could potentially create a patchwork of fragmented and incompatible reporting requirements, which would add complexity and cost to reporting companies and would not satisfy the needs of the investor community.

An EU-wide approach is needed, establishing standardised (or at least compatible) reporting frameworks, and promoting a consistent and integrated approach to reporting financial and non-financial corporate information.

CDP's position

CDP's long-term endorsement by nearly 800 institutional investors with over USD 92 trillion assets under management has de-facto introduced a standard for reporting corporate environmental information. Some 4,500 companies worldwide (of which around 1,000 alone are in Europe) already apply this reporting standard, cumulatively representing over half of the world's market capitalization.

Institutional investors use non-financial CDP data in their daily decision making via various information channels such as Bloomberg terminals, CSR reports, annual financial statements, ESG ratings, as well as directly through CDP. CDP data is also used to drive change through corporate supply chains, and to inform environmental policy that relates to business activity.

To ensure a level playing field among large, competitive companies, CDP has been supportive of EU wide legislation, making non-financial reporting mandatory within mainstream annual reports.

How CDP can help

Via the CDP reporting platform, companies already report information to investors that fulfils their requirements as regards environmental reporting. In addition to this, CDP has promoted the development of standards for mainstream non-financial reporting through its support of the Climate Disclosure Standards Board (CDSB), in coalition with seven other key environmental NGOs (CERES, The Climate Group, The Climate Registry, IETA, WBCSD, WEF, WRI).

CDSB's reporting framework is a unique tool, which would enable companies to use data from their CDP response to comply with the new EU accounting directive as regards environmental reporting. The CDSB reporting framework also provides the basis on which the social and governance reporting requirements could be built.

How your company can get involved

In order to make the new legislation meaningful, as well as simple to implement by companies, we encourage you to advocate your national governments directly and through your trade associations. A pragmatic EU wide approach to non-financial reporting is the optimal solution for business and investors. It should build on available and established reporting frameworks, such as CDSB.

CDP and CDSB are here to support you in that effort. Our staff are available to answer any questions and provide further information.

Steven Tebbe
Managing Director
CDP Europe



Natural capital disclosure

The impacts of climate change, water stress and deforestation are today affecting people's lives all over the world and if unchecked will cause devastation for generations to come.

Corporations, investors and governments must take responsibility to create the systemic change we need for an environmentally sustainable economy. For this reason we congratulate those companies that have achieved a position on CDP's 2014 Climate Performance Leadership Index.

All economic activity ultimately depends upon a steady flow of natural goods and services, such as fresh water, timber and food crops, or climate regulation and flood control. These goods and services can be considered the 'income' generated by the world's natural capital, the assets upon which the global economy rests.

However, as is becoming increasingly clear, we are eroding that natural capital base. Businesses and investors are paying increasing attention to the erosion of the world's natural capital. By some estimates, the global economy is incurring unpriced natural capital costs of US\$7.3 trillion/year, or 13% of global output.

CDP has built a unique global system to drive transparency and accountability for business impacts across the earth's natural capital, starting with climate, then moving into water and forest-risk commodities. Our programs are designed to help assess and manage corporate exposures to environmental risks and ultimately to set companies on the path to natural capital leadership.

In 2014, 5,000 companies from more than 80 countries report, manage and share vital environmental information through CDP. This report focusses on Nordic corporate disclosure.

The business value at water risk remains unclear because company information on water is rarely comparable and meaningful. CDP's work on improving and standardizing water risk disclosure is therefore vital in helping PGGM assess the water risk in our portfolios.

Piet Klop,
Senior Advisor,
PGGM Investments.

CDP’s water program



The depletion of water resources poses a major risk to businesses and economies worldwide. Long-term business profitability – even viability – depends on the right quantity and quality of water available at the right time and place to meet the needs of people, business and ecosystems.

While the Nordic region is largely considered as having adequate water resources, the growing demands on our water resources coupled with the physical effects of climate change are posing challenges to business continuity in the region. Furthermore, Nordic corporations are facing a growing number of business critical water risks through their direct operations worldwide as well as indirectly via their global value chains. The number of Nordic companies using CDP to report on water to investors and customers is increasing each year.

573 investors with \$60 trillion in assets and 14 global purchasers with a combined annual procurement spend of \$605 billion use CDP to capture business critical water data amongst their portfolio companies and suppliers and to promote corporate water stewardship.

CDP launched its water program in 2010. Since then, the program has rapidly established itself as the pre-eminent platform for corporate water disclosure internationally. The program encourages action and dialogue and will provide policy makers, investors and other stakeholders with better water information.

Some companies are already improving their ability to identify water-related risks, and others are making the crucial move toward comprehensive water stewardship strategies that safeguard valuable water resources in the long-term.

The process of answering CDP’s water questionnaire promotes water stewardship, delivers insight that enables companies to take intelligent action, and drives strategic thinking on how best to manage this critical resource.

- CDP helps businesses to:**
- ▶ Respond to changing global water availability;
 - ▶ Seize a position of leadership by measuring and managing their water use
 - ▶ Identify and manage the risks that water scarcity, pollution or flooding can pose to direct operations and across the supply chain.
 - ▶ Communicate and build trust with stakeholders

Nordic companies reporting on how they manage and mitigate water risk include:

	Country
Metsä Board	Finland
Stora Enso	Finland
Atlas Copco	Sweden
Coloplast	Denmark
H&M Hennes & Mauritz	Sweden
Kemira Corporation	Finland
Nokia Group	Finland
Norsk Hydro	Norway
Sandvik	Sweden
Statoil	Norway
UPM-Kymmene	Finland

CDP’s forests program

Deforestation accounts for approximately 15% of the world’s GHG emissions, the equivalent of the entire transport sector. Addressing deforestation is therefore critical for the mitigation of climate change.

These commodities are wealth generators that feature in the supply chains of companies across industry sectors. The business community can lead the agenda on how these commodities can be sustainably produced in a low-carbon economy.

Annually CDP’s forests program assists companies to disclose on the five forest risk commodities most responsible for deforestation globally. This request is sent on behalf of 240 investors with US\$15 trillion in assets.

What are the challenges?
There are a number of key challenges facing companies across sectors when trying to source sustainable commodities, including a lack of traceability in global commodity supply chains, challenges with certification and regulatory uncertainty.

The information request covers risk assessment, commitments and standards, governance, traceability and supplier engagement. Benefits for companies that disclose to CDP’s forests program:

Investor communication: to 240 investors wishing to understand the exposure to deforestation within their portfolios.

Stakeholder communication: increased transparency and effective communication with other stakeholders including clients and consumers.

Internal risk management: review risk management processes and stimulate work with suppliers and customers to develop timely solutions to potential problems, improving the resilience of the supply chain.

Opportunities: many of the disclosers describe opportunities associated with sourcing sustainable commodities e.g. brand differentiation, stakeholder support, capacity building and innovative solutions to the problem of sourcing these commodities sustainably.

Benchmarking: understand performance and progress. The forests program provides individual level feedback with a (non-public) score to allow benchmarking against others in the same sector.

Staying ahead of the curve: we provide information on commodity challenges globally and have a good understanding of the global NGO/policy agenda.

Collaboration: CDP provides a central point for exchange of information, research and best practice case studies on deforestation issues, encouraging innovation through exchange and collaboration.

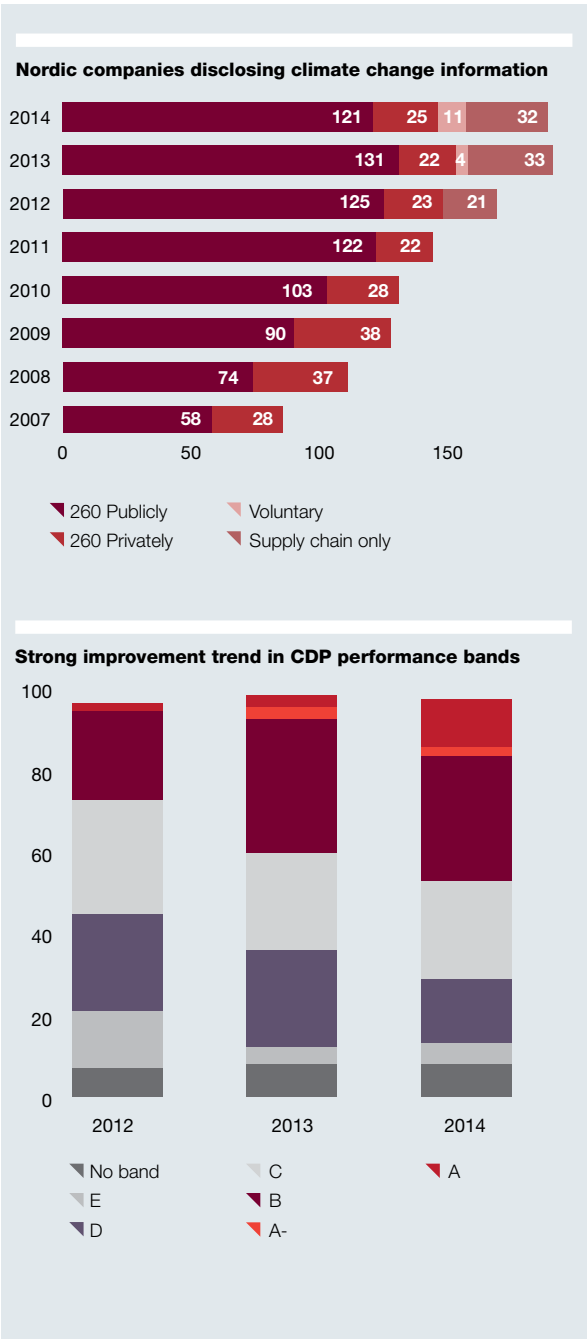
Nordic companies reporting on how they manage and mitigate deforestation risk in their commodity supply chains include:

	Country
Ahlstrom	Finland
BillerudKorsnäs	Sweden
H&M Hennes & Mauritz	Sweden
Holmen	Sweden
Kesko Corporation	Finland
Metsä Board	Finland
Neste Oil	Finland
Oriflame Cosmetics	Sweden
Orkla	Norway
Sanoma Finland	Finland
SAS	Sweden
SCA	Sweden
Skanska	Sweden
Stora Enso	Finland
Sveaskog	Finland
UPM-Kymmene Corporation	Finland

[The forests program] provides a vital framework for key industries to disclose exposure to commodities that threaten global forests, allowing investors like us to gain valuable insight into management's commitment, robustness of their process and control over their supply chain networks.

Meryam Omi, Head of Sustainability, Legal and General Investment Management

Key findings on climate change disclosure



Companies that measure their environmental risk are better able to manage it strategically. And those that are transparent and disclose this information are providing decision makers with access to a critical source of global data that delivers the evidence and insight required to drive action.

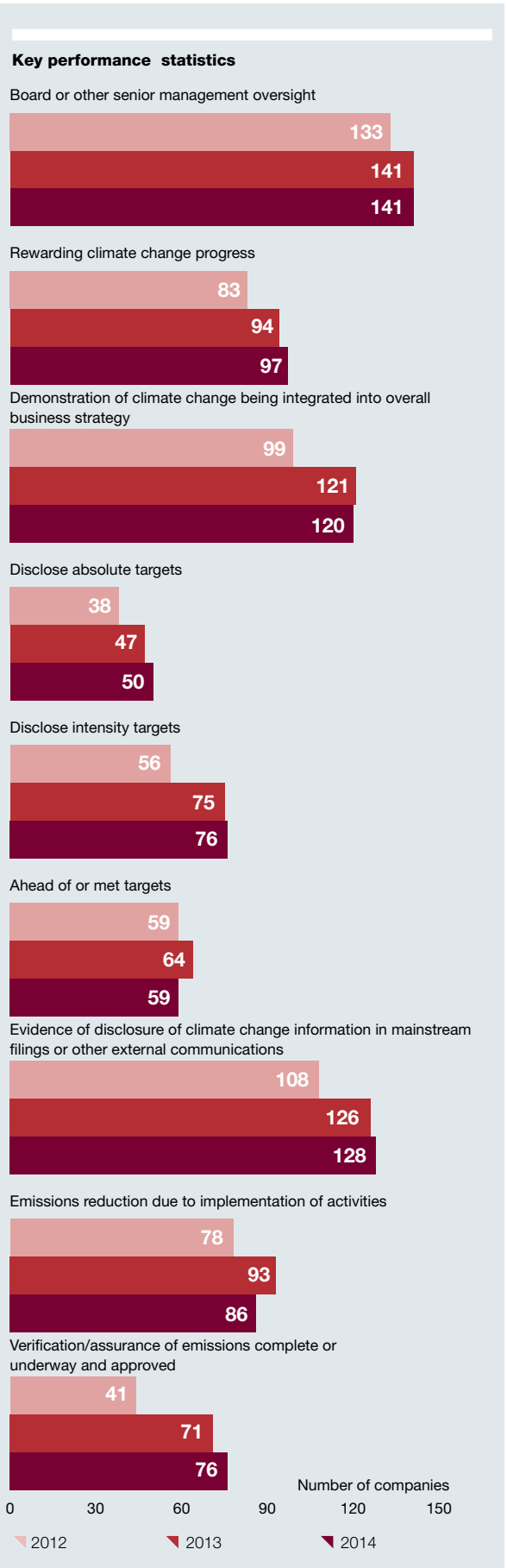
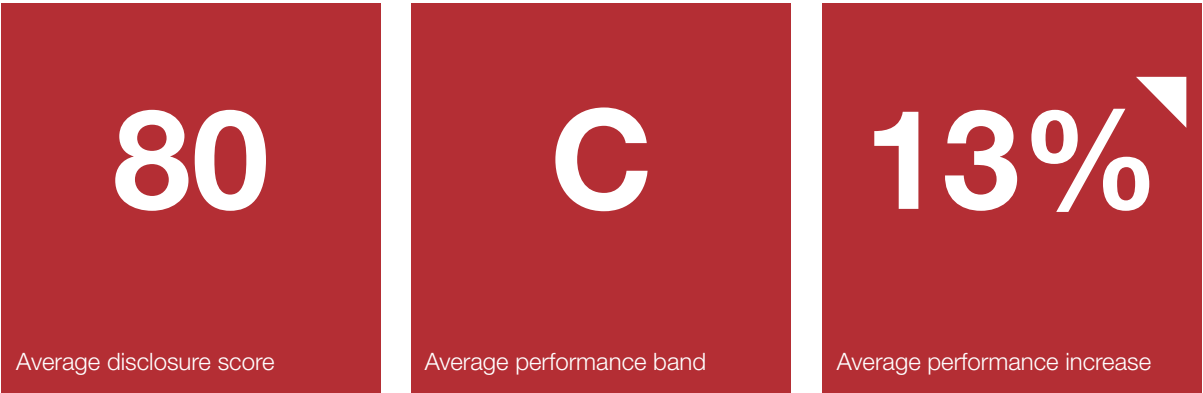
In total 189 Nordic corporations disclosed climate change information with their stakeholders through CDP in 2014. These companies are listed on page 22. Amongst the Nordic 260 list companies, disclosure fell slightly from 153 in 2013 to 146 in 2014. The Nordic companies disclosing to investors cover 85% of market capitalisation on the Nordic exchanges.

The number of companies which disclosed information to their customers through the supply chain program remained stable and there was an increase in the number of companies choosing to disclose to CDP on their own initiative (i.e. not on the request of investors or customers). These companies use CDP disclosure as a tool to document the corporate situation and to benchmark themselves against listed peers.

Strong improvements in transparency and performance amongst disclosers
There was an impressive increase in the number of Nordic companies achieving the highest climate performance band in 2014. In total, 17 companies achieved climate performance band A, a three-fold increase from last year and a far greater increase than the global trend.

Average scores vary slightly across the region with Finnish and Swedish corporations achieving the best average results.

	Average disclosure score	Average performance band
Nordic	80	C
Denmark	74	C
Finland	80	B
Norway	80	C
Sweden	82	B



Nordic companies continue to improve on many key performance indicators, with some exceptions.

More companies were able to provide third party verification/assurance of the emissions data than in any previous year.

Almost all companies, 97%, now report that highest level of direct responsibility for climate change within the organization lies at board of other senior manager level.

It is also increasingly common that staff incentives are in place to reward the management of climate change issues, for example relating to attainment of targets.

Whilst more companies are setting targets relating to GHG emissions, there is a slight fall in the number of companies which are ahead on progress to achieve these targets.

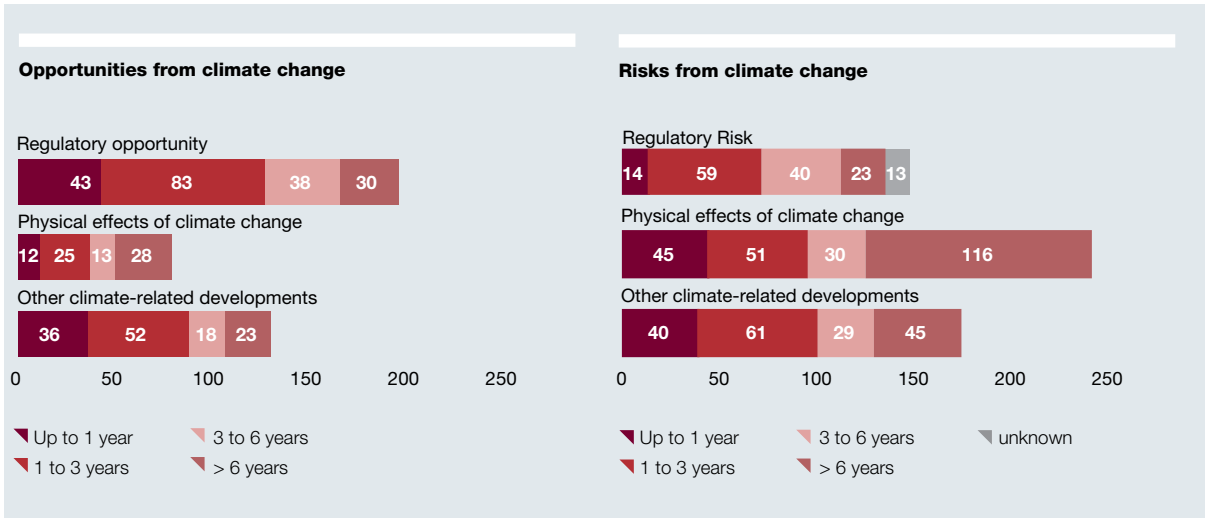
There is also a slight fall in the number of companies which achieved emission reductions through emission reduction actions in the reporting year. This indicator is an essential requirement for companies which achieve performance band A and many more companies achieved this top performance band in 2014. The combination of these results suggest that the gap in climate change action between leader and laggard companies may be increasing.

Notes on the statistics
Companies may report multiple emission reductions due to implementation of activities, targets and reward incentives. In all of these cases, companies are only counted once in the statistics presented, with the exception of the statistics on absolute and intensity targets where companies that have both types of target will be counted once in each type.

CDP has been working to encourage greater levels of third party verification/assurance of data in response to demands for higher levels of data quality. The term "reported and approved" refers to the fact that the number of companies with verification is based on the scoring of the verification statements attached to their response. Where companies report verification/assurance of more than one scope, they are only counted once in the statistic provided.

Integrating climate change in Nordic business strategies

Guest commentary from 2050 Consultancy



Using Nordic corporate disclosures to CDP, 2050 Consultancy has studied how and why Nordic companies integrate climate change into their business strategies. The analysis is based on Nordic corporate responses to the CDP climate change questionnaire in 2014, including listed and non-listed companies. Some of the key findings are shared here, and the full report is available at www.2050.se.

The main drivers for companies that integrate climate change into their business strategy are:

Cost

Climate change related initiatives can reduce current costs as well as mitigate risks connected to potential rise of future costs.

Customer demand

Many companies see changes in customer demand for more climate friendly products as an important driver for their sustainability agenda.

Reputation

Some companies are conscious about potential reputational risks deriving from non-compliance or faults in their sustainability initiatives.

Legislation

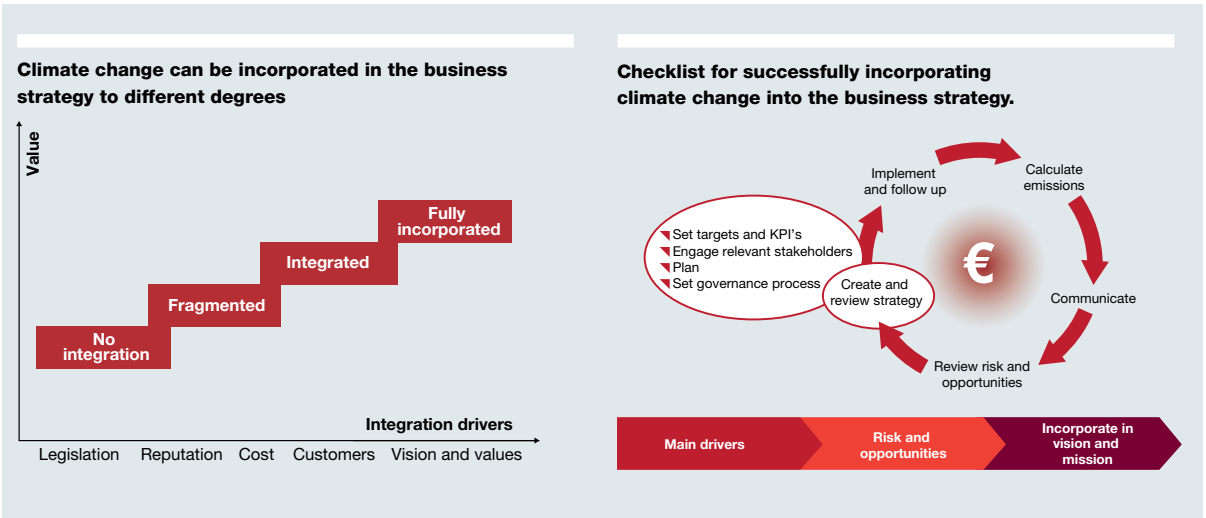
Some companies highlight future legislation as a main risk and driver.

Climate change holds both risks and opportunities for the business sector. Where one company identifies a risk that stems from climate change, another company may see a business opportunity. However, it appears that companies currently identify a greater number of risks associated to climate change than opportunities.

Short term risks and opportunities connected to climate change drive the Nordic companies to act. More than 50% of the risks and opportunities listed by the companies are expected to occur within three years.

Climate change already influences the business landscape, and most risks and opportunities are identified in a relatively tight time perspective, already within the next three years.

2050 Consultancy



More than 90% of the companies state that climate change is integrated into their overall business strategy. However the level of integration differs widely between the companies and the analysis find that only around one fifth of companies fully incorporate climate change to the heart of their vision and values.

- Analysis from 2050 identifies common traits amongst leading companies as:
- ▼ Sustainability strategy is aligned with the overall business goals and governance structure;
 - ▼ Companies identify themselves as part of shaping future consumption patterns rather than just adapting to them;
 - ▼ Sustainability work is reported and disclosed in a transparent way;
 - ▼ Sustainability is part of the vision, mission and/or values;
 - ▼ Companies have a proactive approach towards sustainability and see a clear competitive advantage in climate change integration;
 - ▼ Companies have ambitious, clear targets and sustainability goals that are linked to core business operations;
 - ▼ Companies engage with their stakeholders on sustainability topics.

Our vision is to create and promote a market for renewable electricity all over the world.

Vestas

The ICT sector is facing an immense business opportunity to enable GHG emission abatement to other sectors by offering smart ICT solutions

Telenor

H&M benefits from an employee base that is enthusiastically engaged in the organisation's journey towards sustainability.

H&M

CDP's supply chain program

CDP's supply chain program, now over 6 years old, drives action on climate change among both purchasing companies and their suppliers. The program provides a platform for some of the world's leading companies to collect business-critical climate change and water stewardship information from their suppliers.

This year, 66 of the largest organizations worldwide such as Dell, Unilever and BMW are using their purchasing power to achieve sustainable supply chains and ask their suppliers to disclose to CDP. They represent a diverse sample of the world's leading companies in nearly every major sector, and collectively control over \$1 trillion in spending power. This enables companies to implement successful supplier engagement strategies that reduce emissions, mitigate water and other environmental risks and protect against escalating costs in supply chains.

In 2014, CDP collaborated with these supply chain member organisations to request information on greenhouse gas (GHG) emissions from over 6,500 of their collective suppliers. 3,396 global suppliers cooperated with this information request, a 52% response rate.

In the Nordic region, 76 companies disclosed to the CDP supply chain program at the request of their customers. Those that made their response public are listed in the table on page 21. These Nordic suppliers reported over **213 actions** taken to reduce emissions this year totalling in reported emissions savings of over **2 million tCO₂e**. These suppliers also made **148** suggestions to 40 supply chain members of ways they could collaborate together to reduce emissions in the future.

Water in supply chain

No water means no business. The supply chain often accounts for a substantial portion of a company's water use, impact and risk exposure. 14 of CDP's supply chain members now invite strategic suppliers to respond to the water information request either as a stand alone engagement, or alongside their climate change information request.

Taking Action to reduce emissions:

Leading members of CDP's supply chain program have identified that emissions in their supply chains are not reducing as fast as the economic opportunities offered by energy efficiency investments lead them to expect.

Through the new Action Exchange, participating supply chain member companies are able to use their leverage as global purchasing organisations to encourage greater uptake of efficiency amongst their key suppliers.

Participating suppliers will receive high level tailored recommendations from carefully selected solutions providers on where they might find the best return on investments for making emissions reductions. There is no charge to participating suppliers for this additional service.

Read more at cdp.net/supplychain



We'd like to see our top 100 suppliers reporting an active emissions reduction target and activities to achieve this target via their CDP disclosure

Luc Broussaud,
VP Global Procurement,
Nokia Solutions and Networks



These organisations work with CDP to implement successful supplier engagement strategies that reduce emissions, mitigate water and other environmental risks and protect against escalating costs in supply chains.

Abbott Laboratories	▼	Eaton Corporation	▼	Microsoft Corporation	▼
Accenture	▼	Elopak	▼	National Grid	▼
Acer	▼	ENAGAS	▼	Nestlé	▼
Amdocs	▼	Endesa	▼	Nissan Motor	▼▲
AT&T	▼	Eni	▼	Nokia Solutions and Networks	▼▲
Banco Bradesco	▼	Fiat	▼	PepsiCo	▼
Bank of America	▼	Ford Motor Company	▼▲	Philip Morris International	▼▲
BMW	▼▲	Gas Natural	▼	Pirelli	▼
Braskem	▼	General Motors Company	▼▲	PricewaterhouseCoopers	▼
Bristol-Myers Squibb	▼	Goldman Sachs Group	▼	Rexam	▼
British American Tobacco	▼▲	Groupe Steria	▼	Royal Philips	▼▲
British Sky Broadcasting	▼	Imperial Tobacco Group	▼	S.C. Johnson & Son	▼
BT Group	▼▲	Jaguar Land Rover	▼▲	SABMiller	▼
Caesars Entertainment	▼	Johnson & Johnson	▼▲	Starwood Hotels &	▼
Cisco Systems	▼	Johnson Controls	▼	Resorts Worldwide	
CNH Industrial	▼	JT International	▼▲	Swisscom	▼
Colgate Palmolive Company	▼▲	Juniper Networks	▼▲	Taisei Corporation	▼
CSX Corporation	▼	KAO Corporation	▼	The Coca-Cola Company	▼
Dell	▼▲	KPMG UK	▼	Unilever	▼▲
Deutsche Telekom	▼	L'Oréal	▼▲	Vodafone Group	▼
Diageo	▼▲	Marfrig Alimentos	▼	Wal-Mart Stores	▼▲
Domtar Corporation	▼	MetLife	▼▲		

Key

- ▼ Climate change
- ▲ Water
- ▲ Action exchange

76

Nordic companies disclosed to their customers through the CDP supply chain program

213

actions were taken to reduce emissions this year by these Nordic suppliers

2 million tCO₂e

emissions savings were reported by Nordic suppliers due to these emission reduction actions

2014 leadership criteria

Each year, company responses are analyzed and scored against two parallel scoring schemes: performance and disclosure.

The performance score assesses the level of action, as reported by the company, on climate change mitigation, adaptation and transparency. Its intent is to highlight positive climate action as demonstrated by a company's CDP response. A high performance score signals that a company is measuring, verifying and managing its carbon footprint, for example by setting and meeting carbon reduction targets and implementing programs to reduce emissions in both its direct operations and supply chain.

The disclosure score assesses the completeness and quality of a company's response. Its purpose is to provide a summary of the extent to which companies

have answered CDP's questions in a structured format. A high disclosure score signals that a company provided comprehensive information about the measurement and management of its carbon footprint, its climate change strategy and risk management processes and outcomes.

The highest scoring companies for performance and/or disclosure enter the Climate Performance Leadership Index (CPLI) and/or the Climate Disclosure Leadership Index (CDLI). Public scores are available on the CDP website and in CDP reports, through Bloomberg terminals, Google Finance and Deutsche Boerse's website.

What are the CPLI and CDLI criteria?

To enter the CPLI (Performance Band A), a company must:

- Make its response public and submit via CDP's Online Response System
- Attain a performance score greater than 85
- Score maximum performance points on question 12.1a (absolute emissions performance) for GHG reductions due to emission reduction actions over the past year (4% or above in 2014)
- Disclose gross global Scope 1 and Scope 2 figures
- Score maximum performance points for verification of Scope 1 and Scope 2 emissions
- Furthermore, CDP reserves the right to exclude any company from the CPLI if there is anything in its response or other publicly available information that calls into question its suitability for inclusion.

Note: Companies that achieve a performance score high enough to warrant inclusion in the CPLI, but do not meet all of the other CPLI requirements are classed as Performance Band A- but are not included in the CPLI.

To enter the CDLI, a company must:

- Make its response public and submit via CDP's Online Response System
- Achieve a score within the top 10% of the total regional sample population*

* Note: while it is usually 10%, in some regions the CDLI cut-off may be based on another criteria, please see local reports for confirmation.

How are the CPLI and CDLI used by investors?

Good performance and disclosure scores are used by investors as a proxy of good climate change management or climate change performance of companies.

Investors identify and then engage with companies to encourage them to improve their score. The 'Aiming for A' initiative which was initiated by CCLA Investment Management is driven by a coalition of UK asset owners and mutual fund managers. They are asking major UK-listed utilities and extractives companies to aim for inclusion in the CPLI. This may involve filing supportive shareholder resolutions for Annual General Meetings occurring after September 2014.

Investors are also using CDP scores for creation of financial products. For example, Nedbank in South Africa developed the Nedbank Green Index. Disclosure scores are used for selecting stocks and performance scores for assigning weight.

For further information on the CDLI and the CPLI and how scores are determined, please visit www.cdp.net/guidance.

Disclosure leaders
Climate Disclosure Leadership Index (CDLI)



Sector	Company Name	Score Disclosure	Band	Consecutive years in the CDLI
Consumer Discretionary	Electrolux	97	A-	4
	Kesko Corporation	99	A-	4
Consumer Staples	Marine Harvest Group	95	C	2
	Oriflame Cosmetics	98	A	1
	SCA	100	B	5
	Nordea Bank	96	B	4
Financials	Lundbeck	98	A	1
Health Care	Meda	95	B	1
	Novo Nordisk	97	B	7
	Novozymes	100	A	4
	D/S Norden	97	A	5
Industrials	Finnair	96	A	3
	Kone	100	A-	4
	Lassila & Tikanoja	95	B	1
	Metso	98	B	3
	Peab	96	B	1
	Rockwool International	95	B	1
	Skanska	98	B	2
	Valmet*	98	B	1
	Nokia Group	98	A	6
Information Technology	Tieto	98	B	4
	Vaisala	99	A	1
	Boliden Group	95	B	1
Materials	Outokumpu	95	B	5
	Stora Enso	100	B	5
	UPM-Kymmene	100	A	6
	Kemira	97	B	2
	Metsä Board	98	B	1
	Telenor Group	98	A	2
Telecommunication Services	TeliaSonera	98	A	1
	Fortum	99	B	7
Utilities				

* Valmet is not part of the official Nordic 260 sample due to its recent listing but meets the CDLI criteria

To secure a position on CDP's Nordic Climate Disclosure Leadership Index (CDLI), companies must achieve a disclosure score in the top 10% of the Nordic 260 sample and grant public access to their response. The threshold for entering the CDLI has risen to 95 in 2014 (up from 91 in 2013 and 83 in 2012). 31 companies ultimately qualified for the CDLI as the last four candidates achieved identical disclosure scores.

The quality of disclosure within the CDLI continues to increase, with the average disclosure score among CDLI companies now reaching 98 (95 in 2013 and 90 2012). Five companies (UPM-Kymmene, Stora Enso, Kone, Novozymes and SCA) achieved the highest score of 100.

187 businesses around the world were awarded a performance band A in 2014. The investments of these companies to reduce carbon output yield average annual emissions reductions of 9% per company and achieve impressive financial results, with an average internal rate of return (IRR) of 57% for each project.

Performance leaders
Climate Performance Leadership Index (CPLI)



Sector	Company Name	Score	Disclosure	Band	Consecutive years in the CPLI
Consumer Discretionary	Hennes & Mauritz	86		A	2
Consumer Staples	Oriflame Cosmetics	98		A	1
Energy	Solstad Offshore	92		A	1
Health Care	AstraZeneca	93		A	1
	Elekta	93		A	1
	Lundbeck	98		A	1
	Novozymes	100		A	1
Industrials	Finnair	96		A	1
	D/S Norden	97		A	1
Information Technology	Ericsson	89		A	1
	Nokia Group	98		A	3
	Vaisala	99		A	1
	EVERY ASA	91		A	1
Materials	Holmen	79		A	1
	UPM-Kymmene	100		A	1
Telecommunication Services	Telia Sonera	98		A	1
	Telenor Group	98		A	2
	Elisa	92		A	1

The number of companies in the Nordic CPLI increased significantly in 2014 to eighteen (from five in 2013 and three in 2012). This 260% increase in CPLI companies in the Nordic region stands out from global statistics where the number of performance leaders increased by about 40%.

Companies awarded performance band A were able to:

- ▶ Achieve GHG reductions in the reporting year due to emission reduction actions of at least 4% of total combined Scope 1 and Scope 2 emissions;
- ▶ Report and externally verify their gross global Scope 1 and Scope 2 figures; and
- ▶ Achieve a performance score greater than 85, by providing evidence of strong governance, strategy and communications on climate change, awareness and management of climate change related risks and opportunities and actions to reduce emissions in direct operations and supply chain.
- ▶ Respond publicly to CDP

The CPLI companies represent eight diverse sectors, including five companies from the typically high-emitting sectors: Energy, Industrials and Materials.

A high performance score signals that a company is measuring, verifying and managing its carbon footprint, for example by setting and meeting carbon reduction targets and implementing programs to reduce emissions in both its direct operations and supply chain.

Nordic companies disclosing climate data in 2014

	Country	2014 Score	2013 Score	Availability
Company				
Consumer Discretionary				
Alma Media	Fi	78 B	92 B	Public
Amer Sports	Fi	82 C	71 D	Public
Backer	Se	(SC)		Public
Beirholms	Dk	(SC)		Public
Bilia	Se	72 D		Not Public
Calix Automotive	Se	(SC)		Public
CJ Automotive	Se	(SC)		Public
Clas Ohlson	Se	34	70 D	Public
Dometic	Se	(SC)		Public
Ekornes	No	69 E	91 B	Public
Electrolux	Se	97 A-	92 A	Public
Fenix Outdoor	Se	46		Not Public
Fiskars	Fi	43	38	Not Public
H&M Hennes & Mauritz	Se	86 A	83 A	Public
Husqvarna	Se	88 B	79 C	Not Public
JM	Se	83 C	80 B	Public
Kongsberg Automotive Holding	No	AQ (L)		Not Public
Lego Group	Dk	(SC)		Public
Modern Times Group MTG	Se	90 B	88 B	Public
Nobia	Se	75 D	65 D	Public
Nokian Tyres	Fi	52 E	55 E	Public
Royal Caribbean Cruises	US	80 C	67 C	Public
Sanoma	Fi	39		Not Public
Schibsted	No	75 D	71 D	Public
Stockmann	Fi	93 B	84 C	Public
Unibet Group	Ma	90 D	76 D	Not Public
Consumer Staples				
Axfood	Se	64 D	64 C	Public
Carlsberg Breweries	Dk	72 C	74 B	Public
Cermaq	No	84 B	75 B	Public
Kaslink	Fi	(SC)		Public
Kesko	Fi	99 A-	98 B	Public
KMC	Dk	(SC)		Public
Lantmannen	Se	(SC)		Public
Lerøy Seafood Group	No	65 C	73 D	Public
Marine Harvest Group	No	95 C	94 B	Public
Oriflame Cosmetics	Se	98 A	71 C	Public
Orkla	No	90 B	79 C	Public
REMA1000	No	82 C		Public
SCA	Se	100 B	91 B	Public
Swedish Match	Se	72 D	64 D	Public
Energy				
DNO International	No	89 D	94 D	Public
DOF	No	89 C	65 D	Public
Fred. Olsen Energy	No	89 C	80 D	Public
Lundin Petroleum	Se	90 B	86 C	Public
Neste Oil	Fi	87 B	72 C	Public
Petroleum Geo-Services	No	83 C	77 D	Public
Polarcus	No	61 D		Public
Prosafe	Cy	74 C	50 D	Public
Seadrill Management	No	77 D	66 D	Not Public
Solstad Offshore	No	92 A	83 B	Public
Statoil	No	82C	86 B	Public
TGS-NOPEC Geophysical	No	35	25	Not Public
Financials				
Aker	No	54 D	22	Public
Atrium Ljungberg	Se	AQ (L)	65 D	Not Public
Castellum	Se	40	50 D	Public
Danske Bank	Dk	92 B	84 B	Public

	Country	2014 Score	2013 Score	Availability
Company				
DNB	No	88 B	84 B	Public
Gjensidige Forsikring	No	77 D	60 D	Public
Hufvudstaden	Se	88 B	98 B	Not Public
Industrivärden	Se	84 D	74 E	Public
KLP Insurance	No	87 B	67 C	Public
Klövern	Se	89 C	25	Public
Nordea Bank	Se	96 B	93 B	Public
Norwegian Property	No	91 B	85 C	Public
OP-Pohjola Group	Fi	85 C	79 B	Not Public
SEB	Se	92 B	74 B	Public
Sponda	Fi	92 B	78 B	Public
Storebrand	No	93 B	93 B	Public
Svenska Handelsbanken	Se	85 B	81 B	Public
Swedbank	Se	77 C	76 B	Public
Topdanmark	Dk	82 C	61 D	Public
Health Care				
AstraZeneca	UK	93 A	85 B	Public
BioGaia	Se	92 C		Public
Coloplast	Dk	92 B	69 C	Public
Elekta	Se	93 A	85 B	Public
Ferrosan Medical Devices	Dk	(SC)		Public
Genmab	Dk	11	18	Public
Getinge	Se	70 C	72 D	Public
Lundbeck	Dk	98 A	89 B	Public
Meda	Se	95 B	83 C	Public
North Denmark Region	Dk	78 C	57 C	Public
Novo Nordisk	Dk	97 B	96 B	Public
Novozymes	Dk	100 A	99 A-	Public
William Demant Holding	Dk	75 E	64 E	Public
Industrials				
A.P. Moller - Maersk	Dk	63 C	69 B	Public
ABB	Ch	AQ (L)	82 B	Public
Assa Abloy	Se	81 C	69 C	Public
Atlas Copco	Se	94 B	93 B	Public
Beijer Alma	Se	71 D	59 E	Public
Bolon	Se	(SC)		Public
Cargotec	Fi	68 D	57 D	Not Public
Copenhagen Airports	Dk	72 B	62 C	Public
Cramo	Fi	41	42	Not Public
D/S Norden	Dk	97 A	96 B	Public
Danfoss	Dk	(SC)		Public
DSV	Dk	60 E	57 E	Public
Finnair	Fi	96 A	96 B	Public
FLSmidth & Co.	Dk	52 D	69 D	Public
G4S	UK	89B	78 C	Public
Golden Ocean Group Limited	Bm	92 C	80 D	Not Public
Grundfos	Dk	(SC)		Public
ISS	Dk	(SC)		Public
Kone	Fi	100 A-	98 A -	Public
Konecranes	Fi	76 D	69 D	Not Public
Kongsberg Gruppen	No	67 D	66 C	Public
Lassila & Tikanoja	Fi	95 B	90 C	Public
Lemminkainen Group	Fi	92 C	88 C	Public
Metso	Fi	98 B	100 A-	Public
NCC	Se	94 C	71 D	Public
Odffell SE	No	72 C	66 D	Public
Peab	Se	96 B	79 B	Public
PKC Group	Fi	1	0	Not Public
Ramirent	Fi	17	20	Public
Reka Cables	Fi	(SC)		Public

	Country	2014 Score	2013 Score	Availability
Company				
Rockwool International	Dk	95 B	88 B	Public
SAAB	Se	84 B	84 B	Public
Sandvik	Se	80 B	64 C	Public
SAS	Se	94 B	N/A	Public
Scania	Se	89 C	80 D	Public
Securitas	Se	84 C	74 C	Public
Skanlog	Dk	(SC)		Public
Skanska	Se	98 B	95 B	Public
SKF	Se	74 B	81 C	Not Public
SKS/Obomar	No	(SC)		Public
Solar AS	Dk	52 E	56 D	Public
Tomra Systems	No	83 D	75 B	Public
Trelleborg	Se	71 C	75 B	Public
Uponor	Fi	85 C	74 C	Not Public
Vacon	Fi	85 C	73 C	Public
Valmet	Fi	98 B		Public
Veidekke	No	87 C	86 C	Public
Vestas Wind Systems	Dk	86 C	81 B	Public
Volvo	Se	100 B	73 C	Not Public
Wärtsilä	Fi	80 B	70 C	Public
Yit	Fi	79 D	73 C	Public
ÅF	Se	90 D	80 D	Public
Information Technology				
Atea	No	88 B	89 C	Public
Bang & Olufsen	Dk	51 E	63 D	Public
Eltek	No	(SC)		Public
Ericsson	Se	89 A	85 B	Public
EVRY	No	91 A	89 B	Public
Hexagon	Se	AQ (L)		Not Public
Industrial & Financial Systems, IFS	Se	21	27	Not Public
Nokia Group	Fi	98 A	97 A	Public
Nordic Semiconductor	No	91 C	76 D	Not Public
Proact Datasystem	Fi	(SC)		Public
Tieto	Fi	98 B	99 B	Public
Vaisala	Fi	99 A	80 B	Public
Materials				
Ahlstrom	Fi	77 B	69 C	Public
Auriga Industries	Dk	34	30	Public
BillerudKorsnäs	Se	88 B	70 C	Public
Boliden Group	Se	95 B	88 B	Public
Chr. Hansen Holding	Dk	88 C	76 D	Not Public
Fiskeby	Se	(SC)		Public
Hexpol	Se	78 D	63 D	Public
Holmen	Se	79 A	88 B	Public
Huhtamäki	Fi	65 E		Public
Kemira	Fi	97 B	96 B	Public
Lundin Mining	Ca	75 D		Public
Metsä Board	Fi	98 B	82 C	Public
Norsk Hydro	No	72 C	59 C	Public
Outokumpu	Fi	95 B	92 A	Public
Rautaruukki	Fi	62 D	70 C	Not Public
Skanem	No	(SC)		Public
Stora Enso	Fi	100 B	93 B	Public
Talvivaara Mining Company	Fi	66 E	81 D	Public
Tetra Pak	Se	(SC)		Public
Unger Fabrikker	No	(SC)		Public
UPM-Kymmene	Fi	100 A	99 A-	Public
Yara International	No	AQ (L)	46	Public

	Country	2014 Score	2013 Score	Availability
Company				
Telecommunication Services				
Elisa	Fi	92 A	96 B	Public
Millicom International Cellular	Se	91 B	81 B	Public
TDC	Dk	54 E	62 D	Public
Telenor Group	No	98 A	95 A	Public
TeliaSonera	Se	98 A	83 B	Public
Utilities				
Fortum	Fi	99 B	100 A-	Public
Hafslund	No	69 C	62 D	Public
Vattenfall Group	Se	32		Public



<https://www.cdp.net/en-US/Pages/disclosure-analytics.aspx>

To read the public company responses in full, access dynamic graphs on emission data and the leadership indices, please visit the CDP website.

KEY for company responses
AQ(L): Answered questionnaire late, and therefore is not scored.
(SC): Answered questionnaire as part of the CDP Supply Chain program, with a public response. Scores not available for publication.
Not public: the company responded privately to CDP investor signatories only
Public: the company response can be read in full at the CDP website
Bold: companies that are in either CPLI (performance band A) or CDLI (disclosure score 95 or higher), or both.

Cy Cyprus
Dk Denmark
Fi Finland
Is Iceland
Ky Cayman Islands
Ma Malta
My Malaysia
Nl Netherlands
No Norway
Se Sweden
UK United Kingdom
US United States of America

KEY for scores
Disclosure
Range: 0-100
Measures the completeness of information provided to CDP (e.g. opportunities, risks, governance, strategy, emissions)

Performance
Range: A-E (A is best)
Measures evidence of action to address the potential opportunities and risks presented by climate change.
Where no performance score is presented, the information provided is insufficient to assess performance (> 50 disclosure score)

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