White paper

Count(AI)ng the elephant in the room:
Climate and Nature talk in Nordic Earnings Calls

Executive Summary

This white paper explores how climate and nature-related topics are addressed in corporate quarterly earnings calls among the 100 largest companies in the Nordics.

To identify and analyse these topics, we leveraged Danske Bank's AI tool, DanskeGPT, to process over 2,200 transcripts of earnings calls held between 2019 and the end of 2024. The AI tool captures and categorizes references to climate and nature, offering a unique lens to study how the largest Nordic companies and their investors engage on such topics in this setting.

These insights can help investors better assess how material environmental issues are reflected in corporate communication and potentially in valuation. For companies, the findings provide a benchmark for improving sustainability-related disclosures and understanding where climate and nature are gaining traction or being overlooked, in capital market conversations.

These are the key findings:

Finding 1: Climate discussions are increasing, while nature remains the elephant in the room for Nordic companies
Climate discussions in Nordic earnings calls shows a consistent increase from 2019 to 2024, while nature remains the elephant in the room. Our analysis shows that approximately one-third of all earnings calls over this period reference climate-related issues, indicating a growing recognition of climate as a financially material topic among the largest Nordic companies. In contrast, nature-related topics remain at relatively low levels, with only a slight increase since 2019 and nature-related topics are mentioned in only about 15% of all earnings calls.

Finding 2: Nordic companies respond to climate but not nature
We find that the Nordic companies with higher carbon exposure are systematically addressing climate issues in Nordic earnings calls. Unlike climate, the relationship between corporate nature exposure and the frequency of nature-related communication in earnings calls remains weak. This suggests that companies with high exposure to nature-related risks (e.g., through land use, water dependency, biodiversity impact) are not yet systematically addressing these issues in earnings calls.

Finding 3: Nordic companies face nature-related risks
The largest Nordic companies are exposed to nature-related risks, with 51% of the Nordic market value having a moderate to high impact on nature and 39% showing a moderate to high dependency on nature. However, the limited focus on nature in earnings calls indicate that there is a risk of nature overlooked in corporate valuation. By learning from the success of climate-related transparency, companies can begin to address nature-related risks and opportunities in their capital markets communication, potentially unlocking long-term benefits and investor confidence.

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Introduction

Climate and nature related-topics are rapidly emerging as defining issues for the global economy. From regulatory frameworks to investor expectations, the financial sector is being reshaped by the growing recognition that environmental risks are financial risks. Yet, while the discourse around climate has become increasingly mainstream, nature remains a relatively underexplored area, particularly in the context of investor communication.

Earnings calls are a key venue where companies communicate financial results, risks, opportunities, and strategic priorities. What is said, or not said, during these calls offers a window into what companies view as financially material. This white paper explores to what extent the 100 largest Nordic companies are addressing climate and nature-related topics in their quarterly earnings calls. Using Danske Bank's proprietary AI tool, DanskeGPT, we have analysed more than 2,200 transcripts from earnings calls spanning from 2019 to 2024 to capture the frequency and context of climate- and nature-related mentions.[1]

Our analysis reveals a growing attention to climate, potentially driven by disclosures and reporting requirements in regulation, investor engagement, and rising societal focus. Nature, in contrast, remains largely absent from earnings calls, even though the largest Nordic companies show exposure to nature-related risks and dependencies. However, it is important to note that companies also use other channels to communicate their climate and nature-related efforts, that can be through financial or sustainability reports as well as dedicated ESG-meetings, which may capture additional insights, which are not included in this analysis.

[1] See list of climate and nature-related topics in appendix.

Finding 1: Climate discussions are increasing, while nature remains the elephant in the room for the Nordic companies

From 2019 to 2024, climate-related discussions in the Nordic earnings calls have increased steadily, while nature-related topics remain scarce and largely stagnant. Our analysis shows that approximately one-third of all earnings calls over this period reference climate-related issues, indicating a growing recognition of climate as a financially material topic. The increase began in early 2020, which we attribute to regulatory developments, growing investor demand for transparency and action, the rise of net-zero guidance, and increasing public focus.

Climate is commonly discussed in relation to material risks and opportunities, corporate targets, and long-term strategic positioning. The Nordic companies in scope use earnings calls to communicate climate-related progress and ambitions. For instance:

One CEO highlights climate as a competitive advantage: "Our sustainability agenda is also part of how we differentiate, and here we made significant progress. We were able to accelerate our goal to net zero from 2050 to 2040. We ordered an additional six vessels that can run on green methanol and we worked towards securing the green methanol supply for those ships. In 2023, we look forward to the first delivery of a green methanol feeder vessel and achieving further milestones as the industry leader in decarbonization."

Another CEO raises concerns about policy uncertainty: "One of the concerns that I have in this area is that only four years ago, 2018, the RED and LULUCF directive were laws and these are the directives, and now they are changing again. So basically, this – that kind of long-term kind of view that what happens on these areas is important. But like I said that we have alternatives. We have products for supporting this green growth."

A third CEO ties an acquisition to the company's climate goals: "It needs to fit in our overall ambition, in our energy transition plan. And that's how we will then balance security of supply as well as investing in renewables, as well as delivering on the emissions plans that we've got outlaying, reminding ourselves that actually on a emissions intensity point of view, we are probably about half of many of our peers already. So this fits within the boundaries of what we've already committed to and is part of that, if that makes sense. So we need to balance all of these to make sure that the energy supply is there whilst we transition, but we're very, very clear how it fits in. And it's stretching, but confident that we can get there in that 50% reduction by 2030."

These examples illustrate that climate change is seen by some companies as a financially material issue to address with investors.

In contrast, nature-related topics are mentioned in only about 15% of earnings calls during the same period, and the trend remains relatively flat during the period. This limited attention is not surprising. Nature is a newer topic on the corporate agenda, and awareness among investors and companies is still developing. For context, the Paris Agreement was signed in 2015, yet it wasn't until around 2020 that climate topics gained traction in earnings calls. In nature's case, the landmark Global Biodiversity Framework (GBF) was adopted at COP15 in 2022. Since then, initiatives like the TNFD, SBTN, and Business for Nature have emerged, and investor expectations are growing. Notably, the Nature Action 100 initiative is now engaging companies on target-setting and disclosure of nature-related risks.

Some of the largest Nordic companies have started integrating nature into their investor communication in quarterly earnings calls:

One CEO described nature-related targets on water and agriculture: “Looking at water, we have updated our targets such that by 2030, we want to have a water usage efficiency of 1.7 hectoliter per hectoliter beer at our breweries in high-risk areas and 2 hectoliter per hectoliter beer globally. In addition, we are targeting 100% replenishment of water consumption in high-risk areas … Our 2030 target is to source 30% of our raw materials from regenerative agriculture practices. By 2040, our target is 100% of raw materials.”

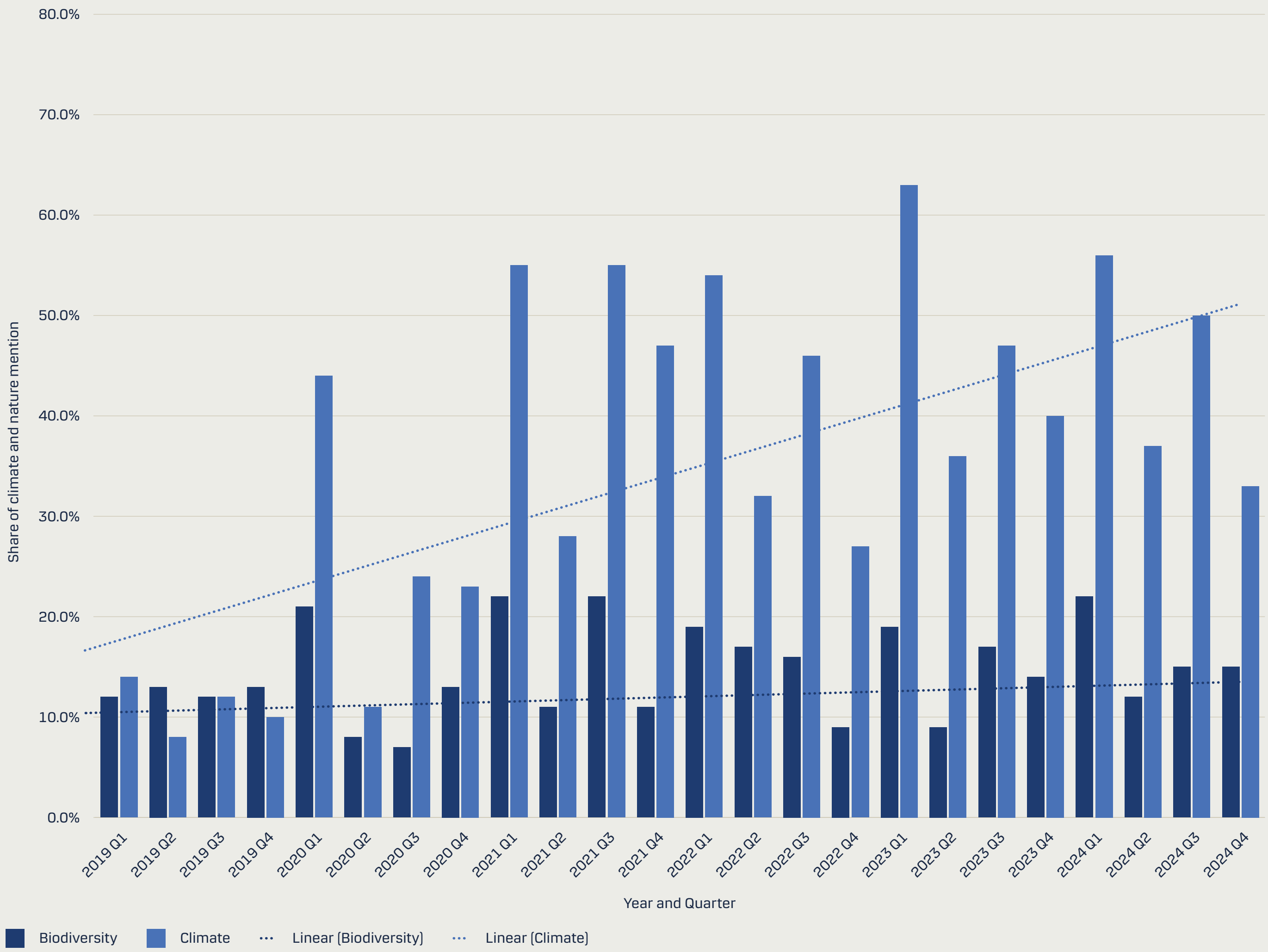
Another emphasized deforestation-free sourcing: “We are sourcing raw materials globally and with a clear target on sourcing as local as possible. We have and we follow strict policy on sourcing sustainable feed raw materials. All ingredients we use should have a traceability system in place. Marine raw materials we source from supplier adhere to responsible fisheries and that are certified as sustainable. All soy we use in our feed is 100% deforestation-free.”

In other cases, nature risks come up indirectly—such as rising commodity prices. One company received several questions from investors across different earnings calls about surging cocoa prices, driven in part by environmental impacts on crop yields: “How should we think about the impact on cocoa prices for next year for the company? Will you be able to offset this with price increases?” and another investor asked:” First one, cocoa prices. Based on your hedging profile and the prices you are hedging at today, all else equal, how much will cost come up on group level? And when should we start to see effects?”.

Another CEO explained how weather events are disrupting raw material markets: “The key market driver in the third quarter was a rapidly strengthening vegetable oil market, and both palm oil, soybean oil prices increased significantly during the quarter. For example, Crude Palm Oil average price increased by 25% versus the second quarter. In case of palm oil, there were uncertainties on the production outlook; for example, by the weather, La Niña phenomenon, and also at the same time quite solid demand for example into China.”

These examples underscore the financial materiality of nature-related risks. They also highlight the strong interconnection between climate and nature.

Figure 1: Relative climate and nature mentions in earnings calls from 2019-2024



Finding 2: Nordic companies respond to climate but not nature
We find that companies with higher carbon exposure[2] are systematically addressing climate issues. However, from 2019–2020, the relationship between companies' carbon exposure[2] and climate discussions in earnings calls was non-existent. Starting in 2021, this relationship becomes statistically significant and increasingly strong, suggesting a shift in corporate behaviour. This shift may be attributed to several reinforcing factors, for example: regulatory developments, growing investor demand for transparency and action, the rise of net-zero guidance, and increasing public awareness.

Between 2019 and 2024, climate-related regulation expanded significantly, compelling companies - particularly those with high carbon footprints - to measure, manage, and disclose their climate risks and transition strategies. The European Union led the way with an ambitious sustainable finance agenda. The EU Taxonomy and the Sustainable Finance Disclosure Regulation (SFDR) became effective in 2021, followed by the adoption of the Corporate Sustainability Reporting Directive (CSRD) in 2022. These frameworks established new standards for what companies must report - and how.

[2] *Carbon exposure data was derived using our proprietary ESG platform, mDASH, which leverages SABS-based methodologies.*

This regulatory momentum was not limited to the EU. The United Kingdom introduced mandatory climate-risk disclosures for listed companies, aligned with the Task Force on Climate-related Financial Disclosures (TCFD). In the United States, the Biden Administration rejoined the Paris Agreement in 2021 and signalled climate action as a national priority. Soon after, the U.S. Securities and Exchange Commission proposed climate disclosure requirements, further increasing expectations for corporate transparency.

At the same time, investor expectations evolved rapidly. Large coalitions such as Climate Action 100+ and a growing number of net-zero finance initiatives signaled a shift in capital toward companies demonstrating credible climate transition plans. Corporate strategies followed suit. By the end of 2021, more than 2,200 companies were working with the Science Based Targets initiative (SBTi) to set emissions targets—more than double the number from the previous year[3]. The TCFD framework also gained traction as the global standard for climate risk disclosure. By 2021, over 50% of companies globally were disclosing climate-related information in alignment with TCFD recommendations[4]. It seems that 2000-2001 was a tipping point where companies started to address climate issues more systematically.

[3] *SBTi Progress Report 2021 - Science Based Targets Initiative*
[4] *2021 Status Report: Task Force on Climate-related Financial Disclosures - Financial Stability Board*

Nature is still emerging as a corporate priority
Unlike climate, the relationship between corporate nature exposure and the frequency of nature-related communication in quarterly earnings calls remains weak and statistically insignificant over the 2019–2024 period. This suggests that companies with high exposure to nature-related risks (e.g., through land use, water dependency, biodiversity impact) are not yet systematically addressing these issues in earnings calls.

This disconnect may be due to the relative immaturity of the topic in the corporate and financial sphere. Unlike climate, nature has historically lacked:
- Regulatory focus
- Investor pressure at scale
- Common frameworks for target-setting and disclosure
- Clear financial materiality assessments

While climate reporting has become standard practice, nature-related risks are only beginning to enter the regulatory and investor agenda. That said, change is underway. The launch of the TNFD in 2021, the adoption of the Kunming-Montreal Global Biodiversity Framework (GBF) in 2022, and the rise of initiatives such as Nature Action 100 are creating new expectations for companies to assess and disclose nature-related risks and dependencies.

As nature considerations are integrated into frameworks like CSRD and TNFD, and as financial institutions begin mapping nature risks across portfolios, we anticipate a similar evolution to what we saw with climate post-2020. Nature remains a blind spot for many companies and investors—but one that could hold material risks for business operations, supply chains, and long-term value creation.

Finding 3: Nordic companies face nature-related risks
Using ENCORE data our analysis shows that a large share of the Nordic equity market is exposed to nature and that nature-related risks are both widespread and financially material across the Nordic equity market - both in terms of how companies impact ecosystems and how they are dependent on ecosystem services.

51 percent of the Nordic market value is linked to Nordic companies that have a moderate to high negative impact on nature. At the same time, 39 percent of the largest 100 Nordic companies depends moderately to high on nature. This means that many businesses rely on ecosystem services like clean water, raw materials, climate regulation, or pollination, functions that are increasingly at risk as environmental degradation accelerates.

Figure 2: Impacts

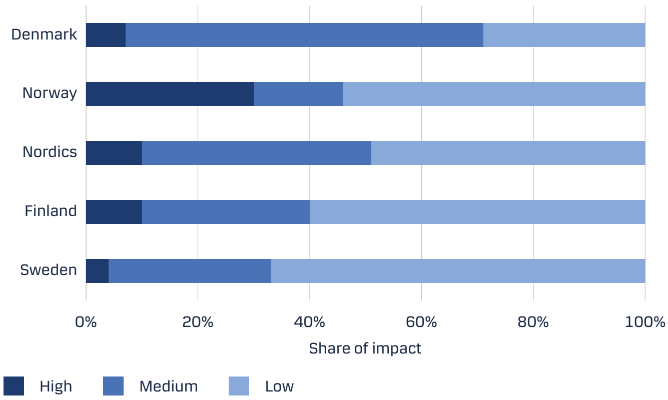
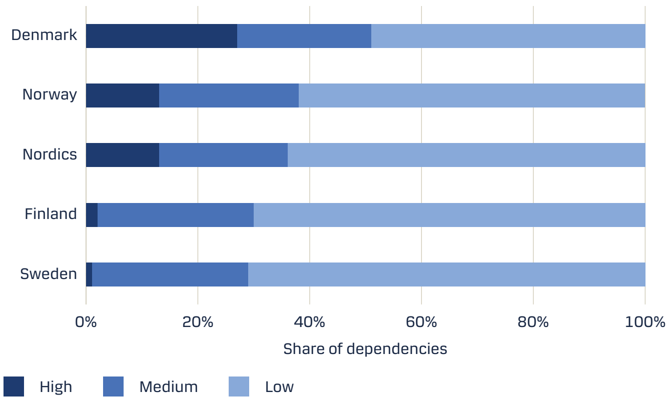


Figure 3: Dependencies



While nature risk is present across the region, the data also reveals differences between the Nordic countries. Norwegian companies exhibit the highest level of potential impact on nature. This reflects Norway's industrial composition, with relatively high exposure to sectors like energy, marine transportation and fishery, industries known for their environmental footprint.

Danish companies show the highest levels of nature dependency. This is especially due to the pharmaceutical sector in Denmark, which makes up a large share of the Danish equity market and according to ENCORE pharmaceutical companies rely highly on different ecosystem services.

Swedish and Finnish companies show a more balanced distribution of moderate-level impacts and dependencies, but both have a share of companies with medium to high exposure suggesting that nature risk is relevant across all Nordic markets especially within paper and forest products. These differences point to the need for country- and sector-specific approaches to identifying, managing, and disclosing nature-related risks.

As seen in figure 4 and 5, nature-related risks are highly concentrated in certain industries. On the impact side, sectors such as Independent Power & Renewable Electricity Producers, Oil, Gas & Consumable Fuels, Metals & Mining and Marine Transportation show the highest levels of potential environmental impact. These sectors often rely on land use, extractive operations, or emit pollutants that may harm biodiversity and ecosystems.

On the dependency side, sectors like Beverages, Food Products, Pharmaceuticals and Biotechnology have a high reliance on natural inputs and ecosystem stability. For example, clean water, raw materials from biodiversity-rich areas, and climate stability are all essential to these industries.

As regulatory and investor focus increases - particularly through TNFD, the CSRD, and initiatives like Nature Action 100, sectors with high nature impact and dependency will likely face growing pressure to measure, disclose, and mitigate their nature risks.

Figure 4: Share of impact level for Nordic industries

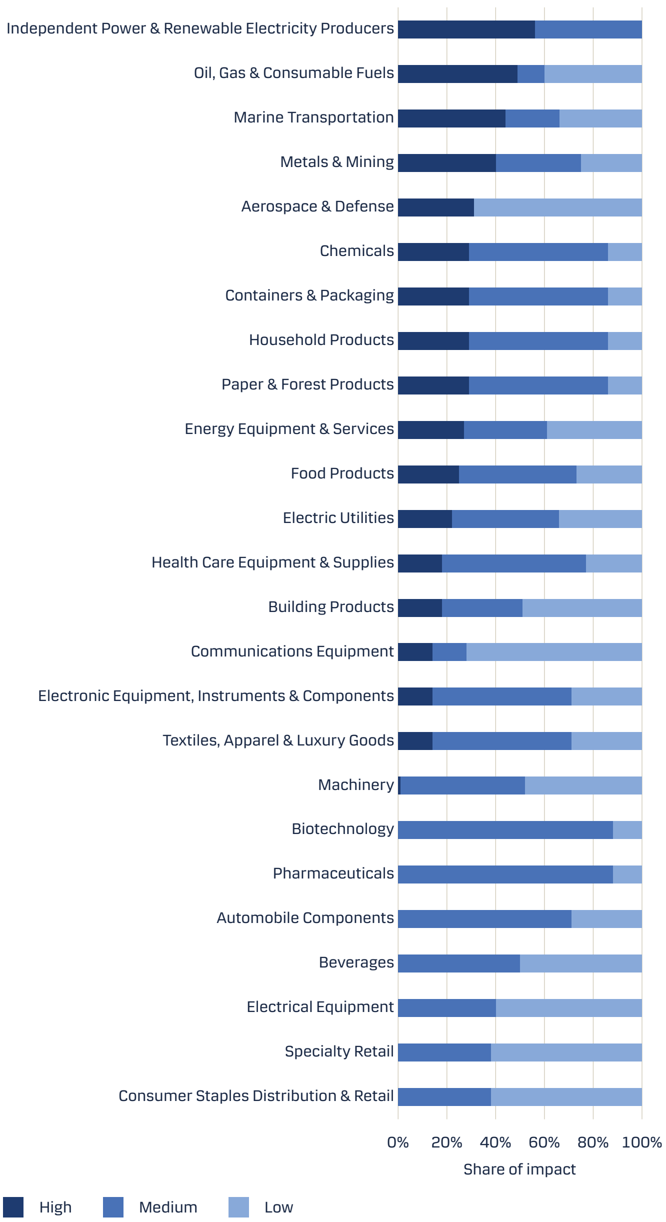
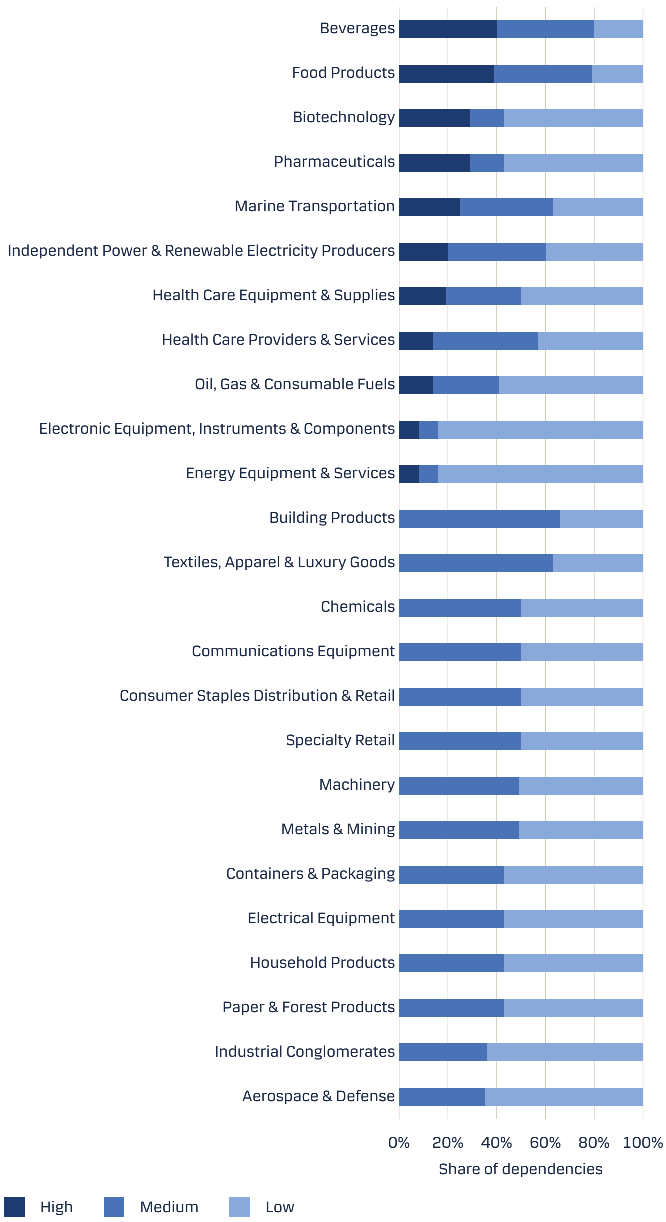


Figure 5: Share of dependency for Nordic industries



Conclusion

This white paper reveals a growing emphasis on climate in earnings calls among the 100 largest Nordic Companies, while nature is overlooked - despite exposure to nature-related risks across the region.

The contrast with climate is striking. Over the past five years, corporate climate disclosure has accelerated, driven by regulatory momentum, investor pressure, and clearer frameworks. This shift did not happen overnight, it was the result of evolving expectations and the recognition of climate as financially material. Nature is now at a similar crossroads. The adoption of the GBF, the rise of TNFD, and regulatory requirements like the CSRD signal the beginning of a transition toward greater transparency on nature.

Looking ahead, we expect nature-related issues to follow a similar trajectory to climate, moving from the periphery to being a common part of the investor dialogue. Companies that begin addressing nature risks and dependencies today can position themselves as leaders, enhance resilience, and build investor trust. For investors, understanding which sectors and companies are most exposed and engaging them, accordingly, will be key to managing long-term risks and uncovering new opportunities.

Nature is no longer just an environmental issue; it is a financial one. By counting nature in the room, investors can begin to close the gap and move toward a more complete understanding of nature in financial markets.

Appendix

Data and methodology
For our analysis, we utilized multiple data sources. Transcripts of quarterly earnings calls from the 100 largest Nordic companies, spanning from 2019 to the end of 2024, were sourced from Factset. This resulted in a dataset of 2,237 earnings calls. The transcripts were processed through Danske Bank's AI tool, DanskeGPT, which provided data on climate and nature discussions for all earnings calls.

The selection of companies was based on market capitalization, including the 25 largest companies from Denmark, Sweden, Norway, and Finland. Market cap data was retrieved from the ISS Data Desk. Carbon exposure data was derived using our proprietary ESG platform, mDASH, which leverages SABS-based methodologies.

To examine potential nature exposure, we utilized data from ENCORE, incorporating the 2024 update to evaluate companies' impacts and dependencies on nature.

Limitations of our analysis
Compared to similar research, this study focuses on a more targeted sample, analyzing the largest Nordic companies. While other studies often cover global or broader regional markets, our approach provides a focused view of a specific investment landscape. One methodological consideration is the use of AI—specifically DanskeGPT—for identifying climate- and nature-related mentions. Although AI has advanced significantly, challenges remain in interpreting contextual nuances. For instance, a statement like "...because of the geopolitical climate, our sales have dropped" may lead to incorrect tagging of the term "climate." To address this, we conducted manual reviews and refined our prompts to improve classification accuracy. As AI capabilities continue to evolve, these limitations are expected to diminish. Lastly, our analysis is based on the assumption that companies communicate a substantial part of their sustainability messaging during earnings calls. However, many companies also report through financial and sustainability reports or via dedicated communications on these topics, which may capture additional insights.

DanskeGPT prompt
Please review the provided transcript and identify and count the mentions of the following terms, categorized as Biodiversity and Climate.

Terms:

Biodiversity Terms:
life cycle assessment, habitat, sustainable land use, plastic, recycling, waste, pollinator, TNFD, Nature Action 100, NA100, Global Biodiversity Framework, nature positive, ecosystem, restoration, natural capital, responsible sourcing, deforestation, circular, circularity, water, pollution, regenerative, nature, biodiversity, invasive species, resource exploitation, overfishing, EUDR, EU Deforestation Regulation, sustainable sourcing, sustainable materials, palm oil, cocoa, coffee, soya, rubber, traceability, certification, biodiversity loss, nature loss, nature impact, nature dependency, agri-tech, geo-spatial, red-listed species, fresh water, soil, disease, pest, pesticides, floods, water stress, natural resources, marine ecosystem, environmental regulation, ecology, habitat, species, forest, fauna, flora, wildlife, wetland, freshwater, coral, carbon sink, marine life, marine species, bird, endanger, invasive.

Climate Terms:
CO_2, transition, green transition, GHG emissions, Net Zero, Paris-alignment, SBTi, Net Zero targets, Science-based targets, CO_2 intensity, climate, climate regulation, renewable, CO_2 reduction, CO_2 emissions, Taxonomy, EU Taxonomy, Green investments, green capex, taxonomy capex, carbon capture storage, CCS, Offshore wind, wind farms, solar panels, solar, onshore wind, decarbonization. CO_2 reduction target, paris agreement, environmental regulation, climate regulation.

Instructions:

1. Focus Sections:
   - Only analyze terms explicitly mentioned in the M anagement Discussion section and the Q&A section.

2. Aggregated Count Format:
   - Provide the results in aggregate form for clarity:
   - Count of mentions in the Management Discussion section on Biodiversity and Climate.
   - Count of mentions in the Q&A section on Biodiversity and Climate.
   - Total count of mentions across both sections for each category (Biodiversity and Climate).

3. Accuracy Check:
   - Use an additional method (e.g., natural language processing techniques) to double-check the counts for accuracy, ensuring only explicitly mentioned terms are included.

4. Exclusions:
   - Do not provide a detailed breakdown of individual terms or their context. Focus only on aggregate counts.

5. Output Example:
   - Management Discussion:
   - Biodiversity: [Count]
   - Climate: [Count]
   - Q&A Section:
   - Biodiversity: [Count]
   - Climate: [Count]
   - Total:
   - Biodiversity: [Count]
   - Climate: [Count]

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