

A Sustainable Blue Economy: *Survey report*

Understanding the starting point for ocean-related industries in the Nordics to help ensure a sustainable blue economy



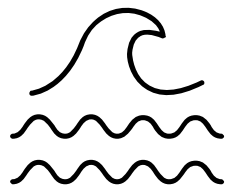


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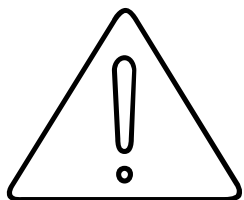
- This report was prepared by Bain & Company in collaboration with WWF Denmark and the VELUX Foundations.
- The contents of this report are based on a **survey of 40 organisations** across key Nordic ocean-related sectors. Furthermore, **12 respondents** participated in **follow-up interviews** to provide additional insights.
- The survey incorporated **targeted questions** for each group of respondents to capture their viewpoints. Consequently, not all respondents were asked the same set of questions, leading to **variations in the sample size** across questions.
- The findings of this report should be **understood within the context of the specific groups surveyed** and may not be applicable to everyone.

We have surveyed 40 organisations to understand our shared starting point for securing a sustainable transition of the Nordic blue economy

INTRODUCTION



In the Nordics, the ocean plays a **key role for economic prosperity**, and many companies rely on the ocean and its resources to **sustain and grow their operations**



However, the ocean is at a **critical juncture, severely altered by human activity** that cause pollution, habitat disruption and species interference



The ability of our society and businesses to rely on the ocean in the future depends on the **actions we take today** - and requires **all hands on deck**



To accelerate efforts to improve ocean sustainability, we have **surveyed key ocean-related companies** in the Nordics to understand:

- Maturity of their ocean sustainability **awareness and management**
- Their **initiatives** to improve ocean sustainability
- What **challenges and risks** they face

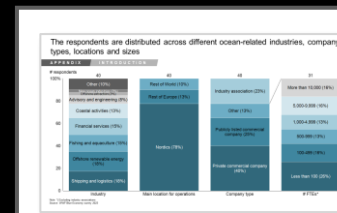


4 countries

8 industries

12 interviews

40 organisations surveyed



See Appendix for detailed break-down of respondents

Our survey suggests that companies are facing 4 overall opportunities to help ensure a sustainable use of our oceans while also building competitive advantages

INTRODUCTION

1 Management

Opportunity to **increase maturity of how ocean sustainability is managed** – incl. developing more mature structures and expanding capacity to address it

Pages 5-10

2 Awareness

Opportunity to **improve awareness of what impact companies have on ocean sustainability and how they are exposed to risks** from changing ocean conditions

Pages 11-16

3 Target setting

Opportunity to **improve target setting for ocean sustainability** – incl. how quantifiable targets are set and how extensively relevant topics are tracked

Pages 17-22

4 Initiatives

Opportunity to **raise the bar for actions taken and become an ocean sustainability front-runner** – incl. number of actions taken and impact areas targeted

Pages 23-25

5 Challenges

Although clear opportunities lie ahead, companies also face **3 main challenges** limiting further action: **insufficient regulation, cost considerations and lack of knowledge**

Pages 26-28

AGENDA

- ① How mature are companies in **managing sustainability**?

- ② How **aware** are companies of their ocean impacts and risk exposure?

- ③ How mature are companies' **target setting** for ocean sustainability?

- ④ What **initiatives** and actions are companies already taking?

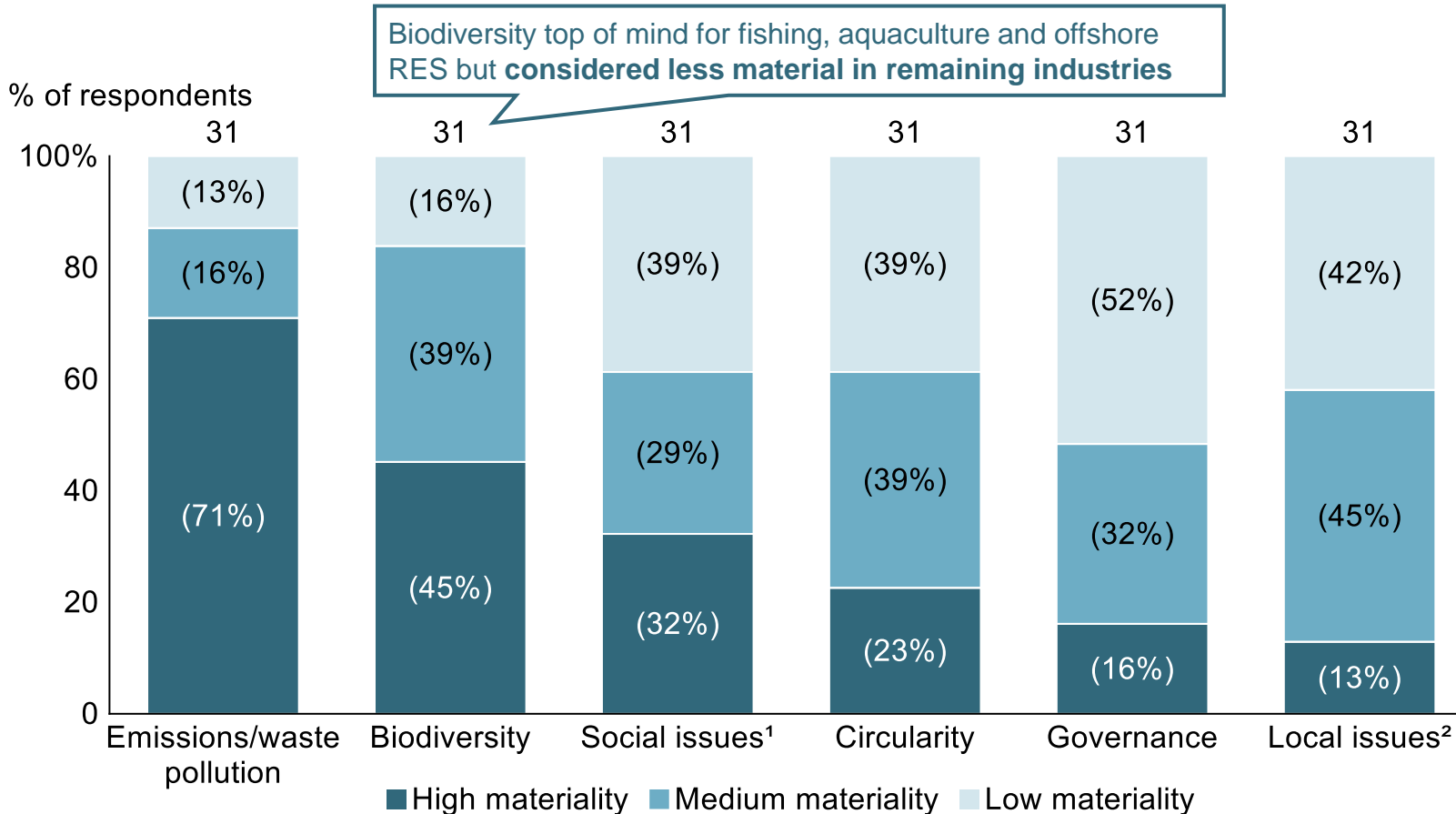
- ⑤ What **challenges** limit companies from taking further action?

Appendix

Environmental topics are generally seen as highly material across industries, but climate change is still perceived as more material than biodiversity

MANAGING SUSTAINABILITY

While climate change (i.e. emissions) is top of mind across most companies, biodiversity is generally perceived as less material



Still, companies recognize that the topic deserves more attention

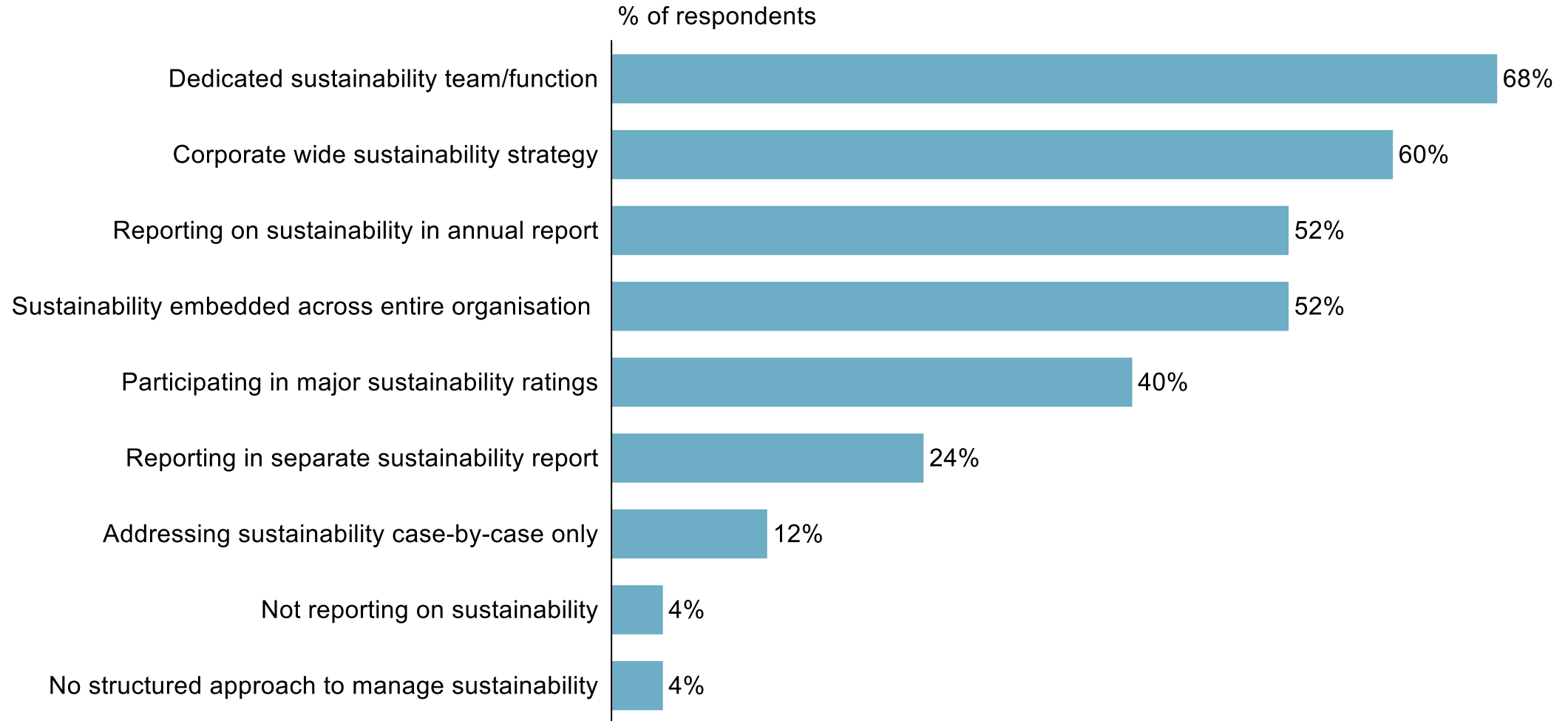
*“There needs to be more public focus on **biodiversity** so we can start taking concrete actions – right now, it is still a **fluffy concept**.”*
Sustainability Manager, Port Co

*“Although we are **increasingly** trying to manage **biodiversity**, addressing **climate change** is still by far our **biggest focus**.”*
Head of Sustainability, Offshore RES Co

Note: 1) Including workforce welfare; 2) Including impact on local population; 3) Graph includes both companies and industry associations; Q: What ESG issues are the most material for your company? Please rank from high to low (n = 31)
Source: WWF Blue Economy survey 2023; Market participant interviews

Most companies have mature structures in place to manage their overall sustainability agenda

MANAGING SUSTAINABILITY

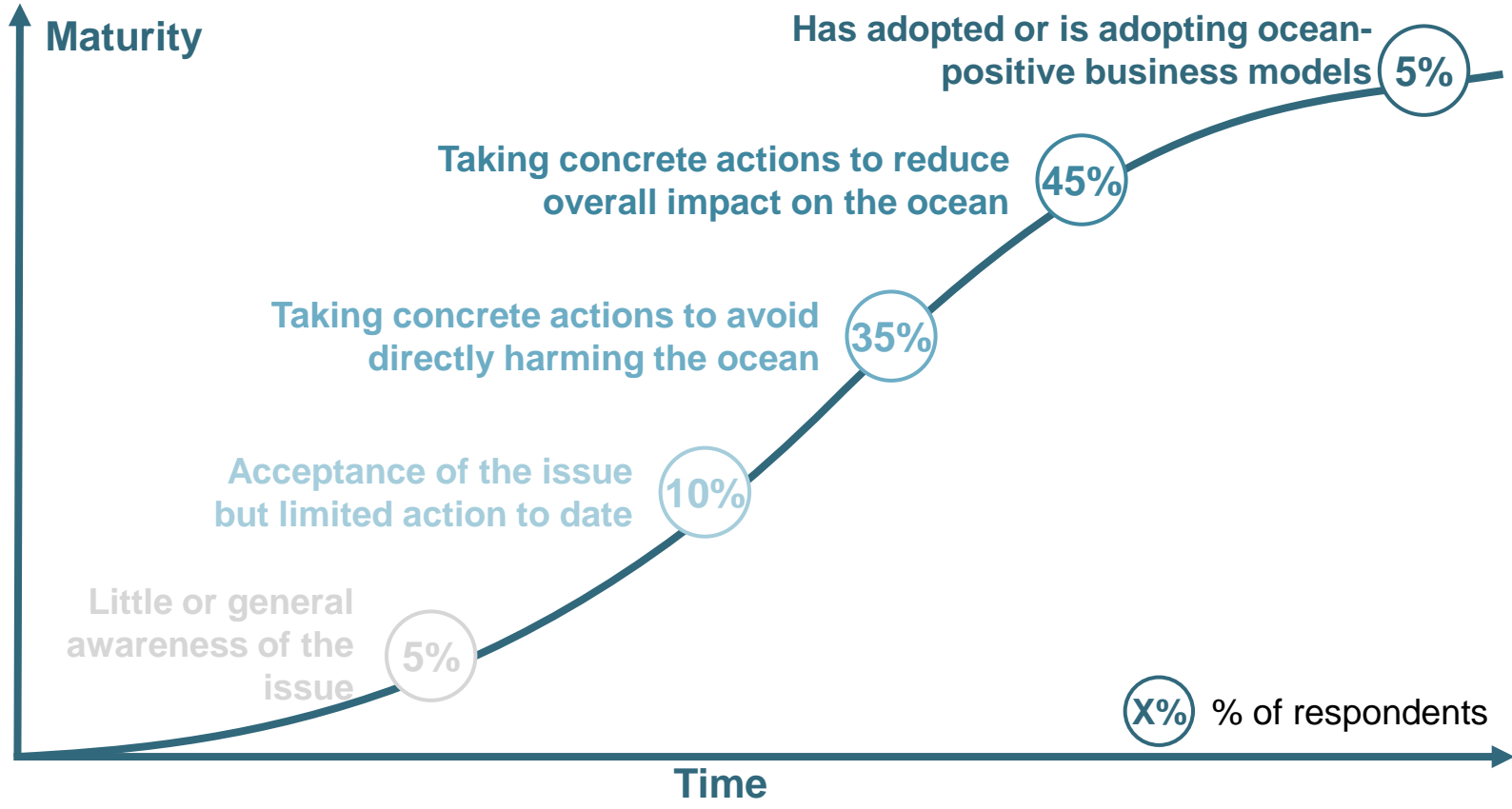


Note: Q: How is the topic of sustainability, ESG and/or SDGs managed and addressed in your company today? (n = 25)
Source: WWF Blue Economy survey 2023

Zooming in on how ocean sustainability is managed, 50% of companies assess themselves as relatively mature in addressing the topic

MANAGING SUSTAINABILITY

When asking companies to assess their maturity in terms of managing ocean sustainability, ~50% assess themselves as relatively mature



Yet many express a struggle to move up the maturity curve

*“We are really **good at reducing our direct impact**, but **understanding the systemic impact** is still something we are **working on**.”*
Sustainability Advisor, Offshore Extraction Co

*“It is **difficult to take action** when you **don't speak a common language**. Having a clear framework for the ocean and biodiversity would level the playing field and make it a lot easier to start taking action.”*
Sustainability Advisor, Offshore Extraction Co

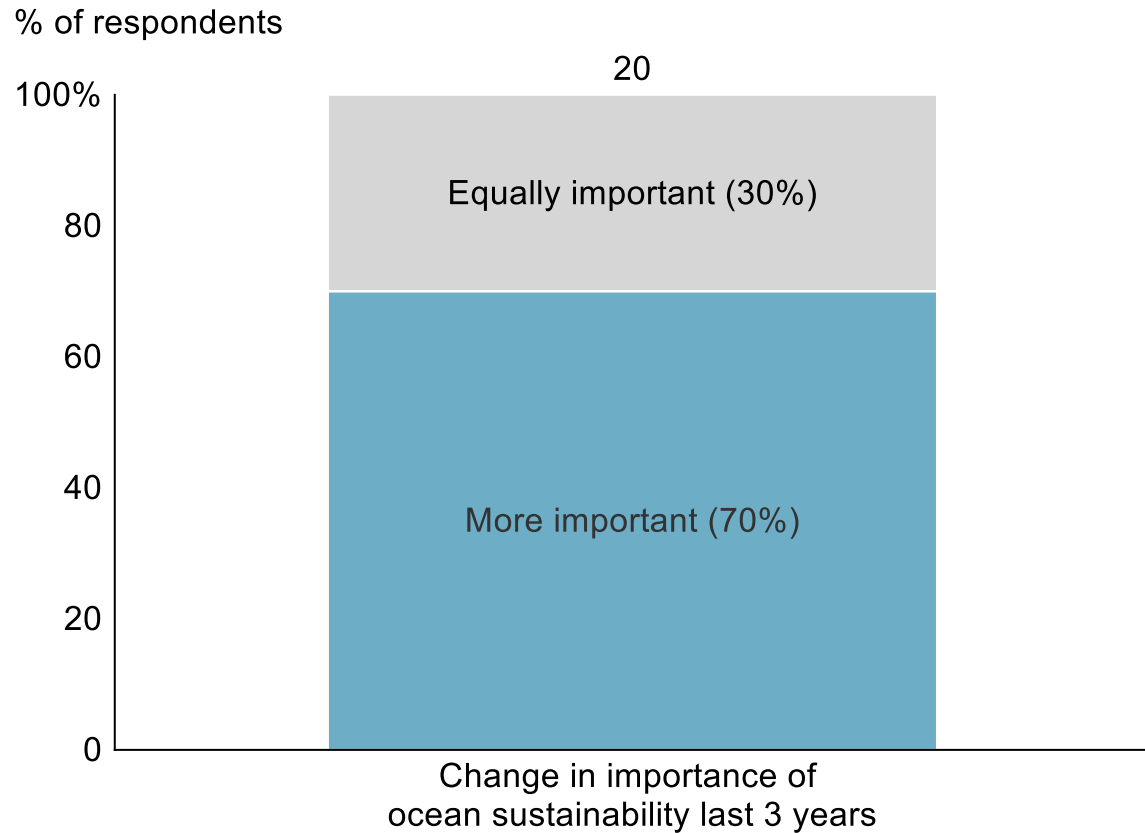
*“We **don't know enough about biodiversity** – all we hear about is GHG emissions and pollution. We **need additional capabilities to understand how to improve**.”*
Sustainability Manager, Danish Port Co

Note: Q: Please rate your company's level of maturity in securing ocean sustainability (n = 20)
Source: Blue Economy survey 2023 (WWF and Bain & Company); Market participant interviews

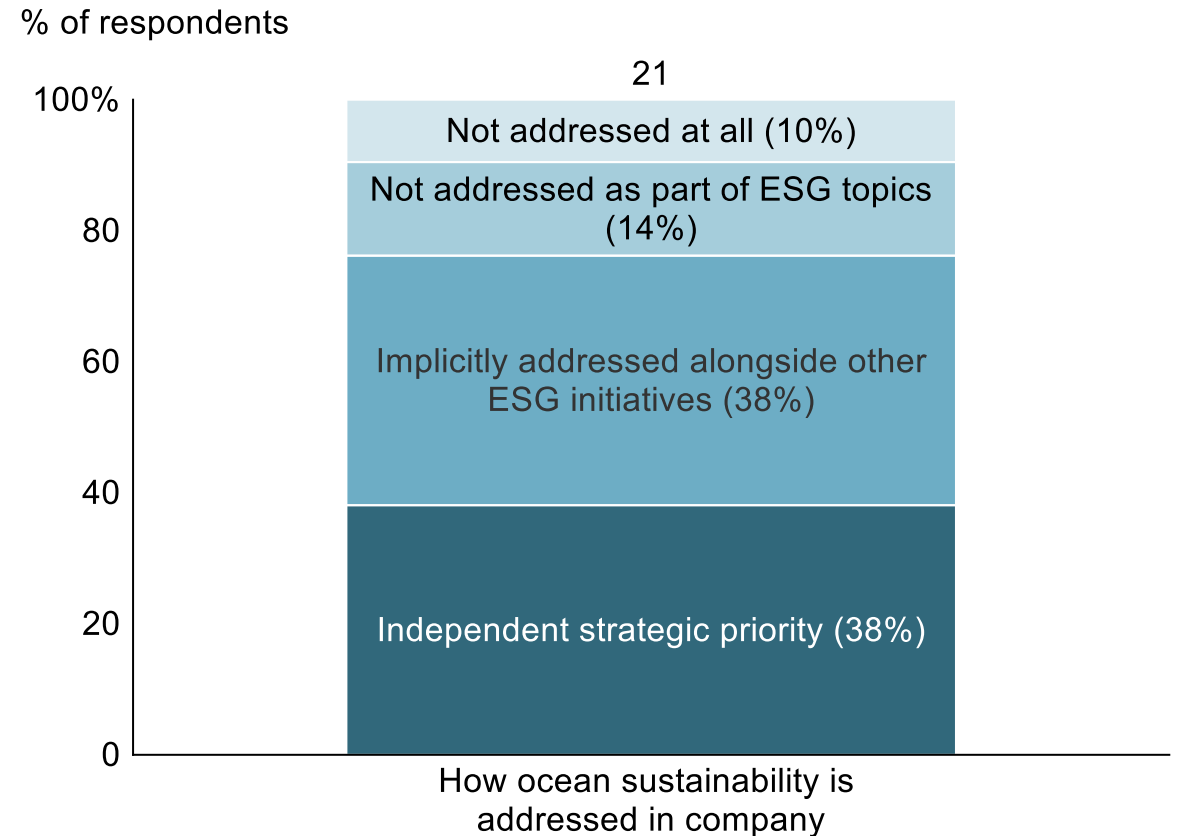
However, despite majority believing that ocean sustainability has become more important in the last 3 years, the topic is rarely managed as an independent priority

MANAGING SUSTAINABILITY

~70% believe ocean sustainability has become increasingly important to them in the last 3 years



Yet +60% of companies are not managing the topic as an independent priority separate from other ESG topics



Note: Q (LHS): How has the importance of ocean sustainability changed for your company in the last 3 years? (n = 20); Q (RHS): How is ocean sustainability addressed in your company in relation to other ESG topics? (n = 21)
Source: WWF Blue Economy survey 2023

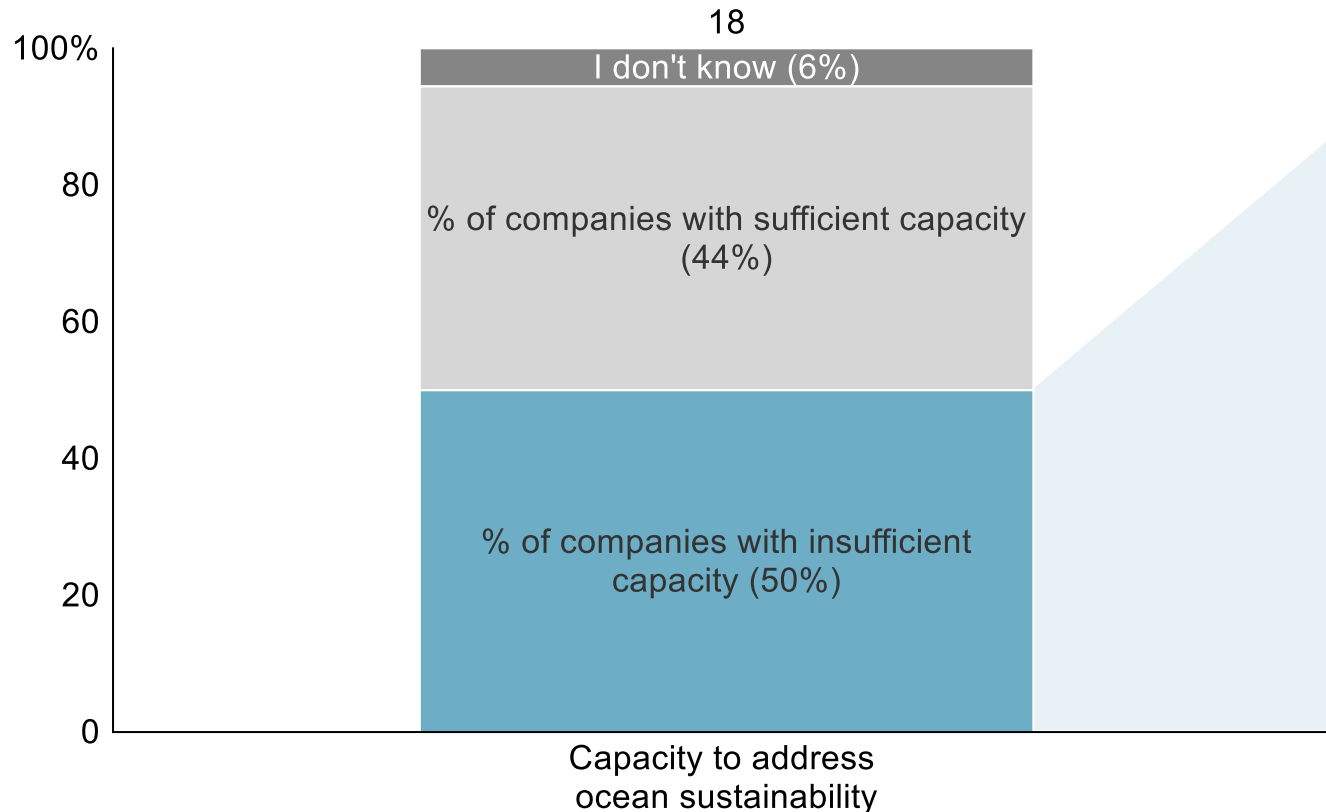
Furthermore, 50% of companies also believe they lack sufficient capacity to address the topic, requiring both larger teams and additional capabilities to bridge the gap

MANAGING SUSTAINABILITY

Despite ocean sustainability being seen as increasingly important, 50% of companies believe they lack sufficient capacity to address the topic

And these companies need both additional capacity and capabilities

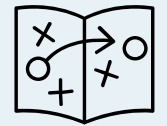
% of respondents



40% need additional **technical capabilities**



40% need additional **strategic capabilities**



70% need a **larger team**



Note: Q (LHS): Do you believe your current capacity to address ocean sustainability is sufficient? (n = 18); Q (RHS): What would you need to be able to sufficiently address ocean sustainability? (n = 10)
Source: WWF Blue Economy survey 2023

AGENDA

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- ③ How mature are companies' **target setting** for ocean sustainability?

- ④ What **initiatives** and actions are companies already taking?

- ⑤ What **challenges** limit companies from taking further action?

Appendix

Human activities in the blue economy contribute to a number of critical and interrelated pressures on the ocean's ecosystem

AWARENESS

KEY ISSUES IMPACTING OCEAN'S ECOSYSTEMS



Water pollution



Direct habitat disruption



Species interference



Climate change

UNDERLYING PRESSURES

Marine litter

Disturbance of seafloor

Extraction of species

GHG emissions

Chemical pollutants /
contaminating compounds

Underwater noise

Introduction of non-native species

Nutrients and organic enrichment

Other physical change to
environment

Other negative impact on animal
populations

Our research indicates that relevant industries most often impact ocean sustainability negatively through four types of pressures


AWARENESS

/INDICATIVE


		Water pollution	Dir. habitat disruption	Species interference	Climate change
Shipping & logistics 		High impact	High impact	High impact	High impact
Fishing & aquaculture 		Low impact	High impact	High impact	Low impact
Offshore RES¹ 		Low impact	High impact	High impact	Low impact
Offshore extraction 		High impact	High impact	Low impact	Medium impact
Coastal activities (tourism and land-based industry ²) 		High impact	Low impact	Low impact	Low impact

Indicative impact on ocean³

 Indeterminate impact

 Low impact

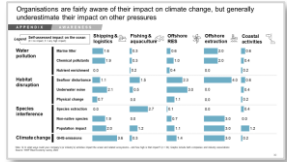
 Medium impact

 High impact






Note: 1) Renewable Energy Sources ('RES'), 2) land-based industry impacting the ocean, incl. agriculture, pharma, waste management, coastal industry
Source: Blue Economy survey 2023 (WWF and Bain & Company)

Whilst impact on climate change is often recognized, companies may underestimate their impact on other aspects of ocean sustainability

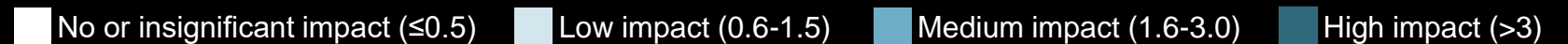
AWARENESS



See Appendix for detailed break-down

		Water pollution	Dir. habitat disruption	Species interference	Climate change
Shipping & logistics 		1.1	1.3	1.3	3.6
Fishing & aquaculture 		0.3	0.7	1.3	0.3
Offshore RES¹ 		0.7	2.1	0.7	1.4
Offshore extraction 		1.3	1.3	2.0	3.0
Coastal activities (tourism and land-based industry ²) 		0.4	0.4	0.5	0.2

Self-assessed impact on ocean
(0 = no impact, 5 = very high impact)



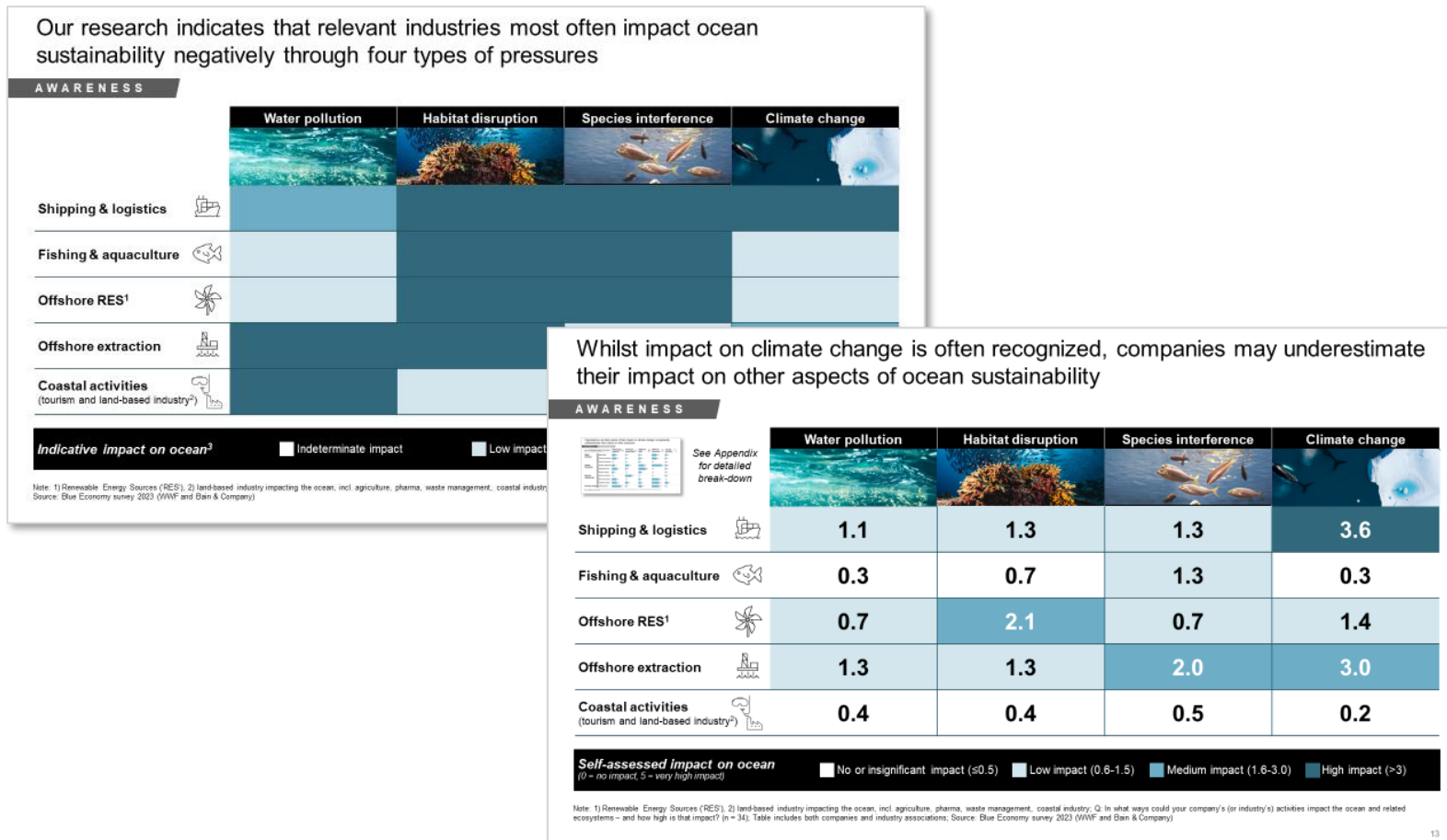
Note: 1) Renewable Energy Sources ('RES'), 2) land-based industry impacting the ocean, incl. agriculture, pharma, waste management, coastal industry; Q: In what ways could your company's (or industry's) activities impact the ocean and related ecosystems – and how high is that impact? (n = 34); Table includes both companies and industry associations; Source: Blue Economy survey 2023 (WWF and Bain & Company)

Many hence face an opportunity to increase awareness of how their operations – and their industry – impact the oceans across all relevant pressures

AWARENESS

When asking companies to assess own impact, their self-assessment differs from how the same industries are generally seen to impact the ocean

Opportunity to take further action if increasing awareness

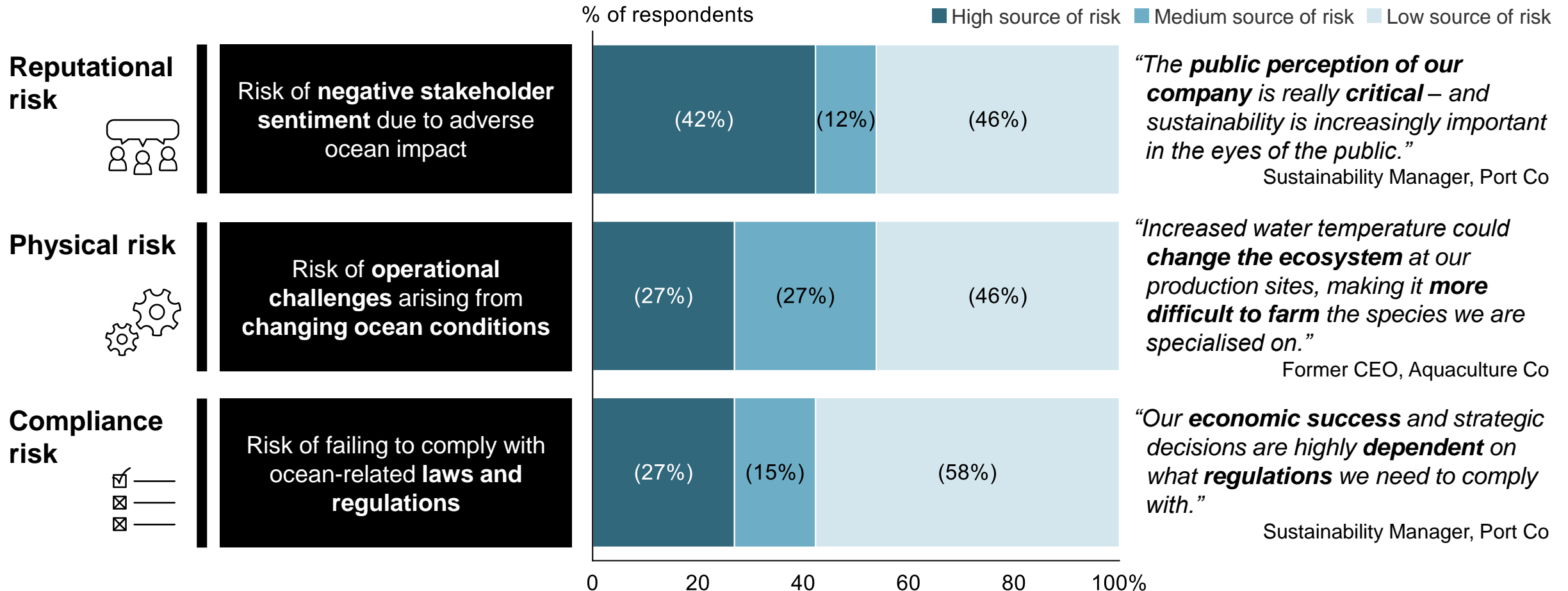


- To mitigate or reduce any negative impact on the ocean, companies need a complete understanding **how their own and industry's operations affect the ocean**
- Therefore, a key opportunity for companies to help secure ocean sustainability lies in **improving awareness of all relevant impacts – especially those often underestimated** (water pollution, habitat disruption and species interference)

Companies often perceive management of ocean sustainability as a source of reputational risk while fewer recognize potential physical and compliance risks

AWARENESS

As the ocean conditions change, many companies may be exposed to different sources of risk if not addressing ocean sustainability sufficiently; increasing awareness of the risks offers an opportunity to mitigate this exposure



Note: Q: Please rate to what extent you see ocean sustainability as a risk factor for your company/industry in the future (n = 26); Graph includes both companies and industry associations
 Source: Blue Economy survey 2023 (WWF and Bain & Company); Market participant interviews

AGENDA

- ① How mature are companies in **managing sustainability**?

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- ⑤ What **challenges** limit companies from taking further action?

Appendix

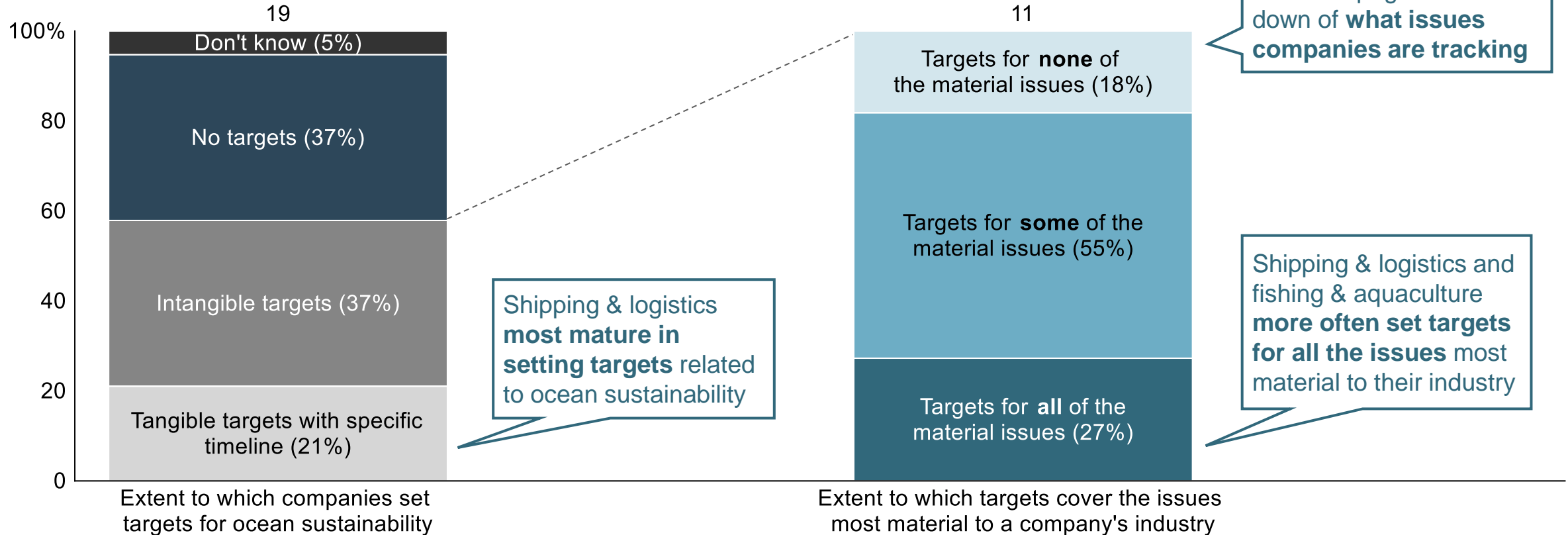
~40% of companies are not setting targets related to ocean sustainability, and for those that do, ~70% are not or only partially tracking the most material issues

TARGETS

Many companies (~40%) face an opportunity to start setting targets for ocean sustainability

For those already setting targets, ~70% also face an opportunity to set targets for additional material issues

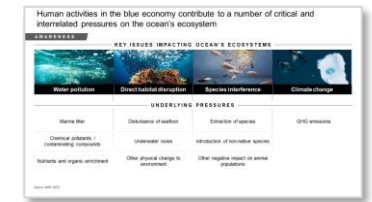
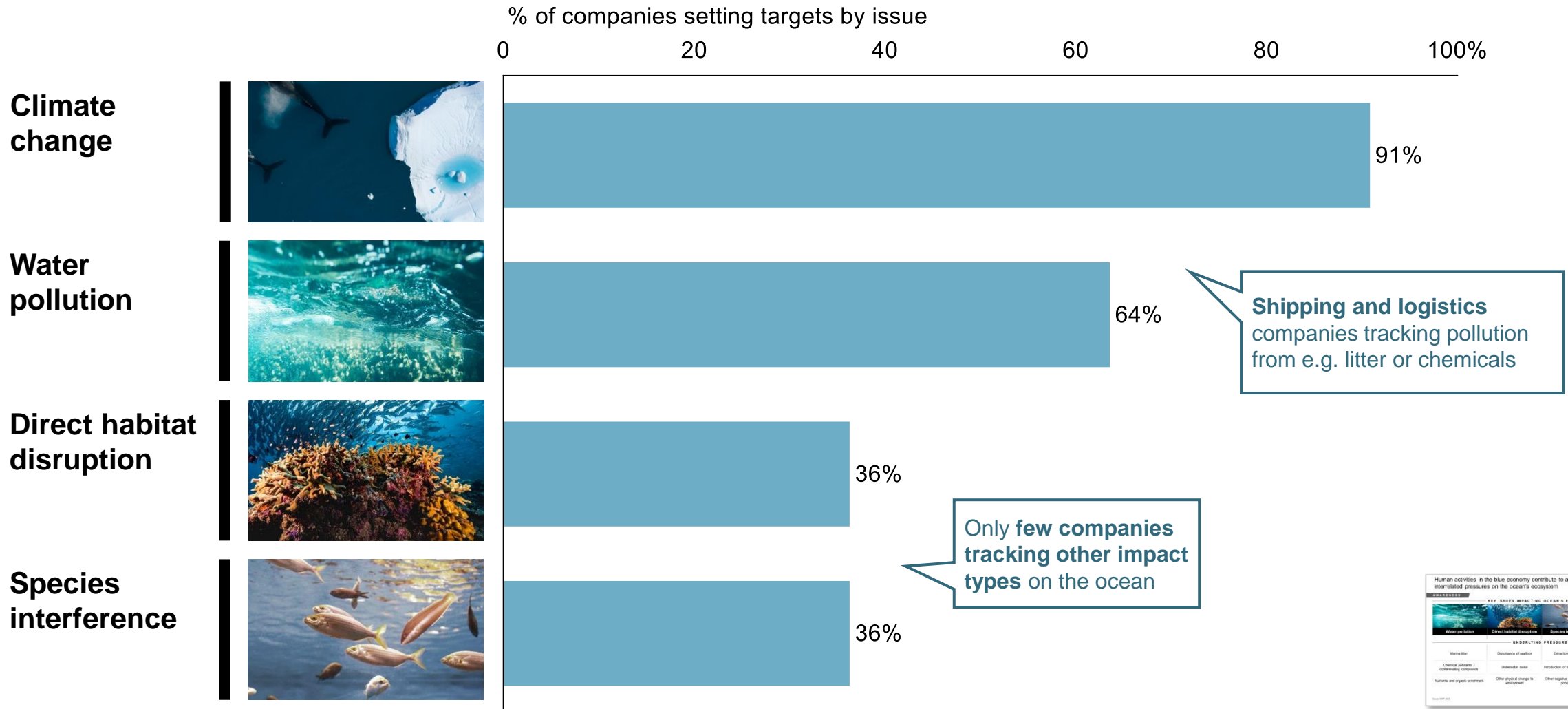
% of respondents



Note: Q (LHS): Does your company have specific targets for reducing its impact on ocean sustainability? (n = 19); RHS graphs compares issues tracked by companies to the most material issues in their industry (see previous section)
 Source: Blue Economy survey 2023 (WWF and Bain & Company)

While majority of companies that set targets for ocean sustainability track their impact on climate change, fewer track other biodiversity-related issues

TARGETS



See impact definition

Note: Q: What topics are your company currently tracking against to reduce its negative impact on ocean sustainability? (n = 11)
 Source: WWF Blue Economy survey 2023

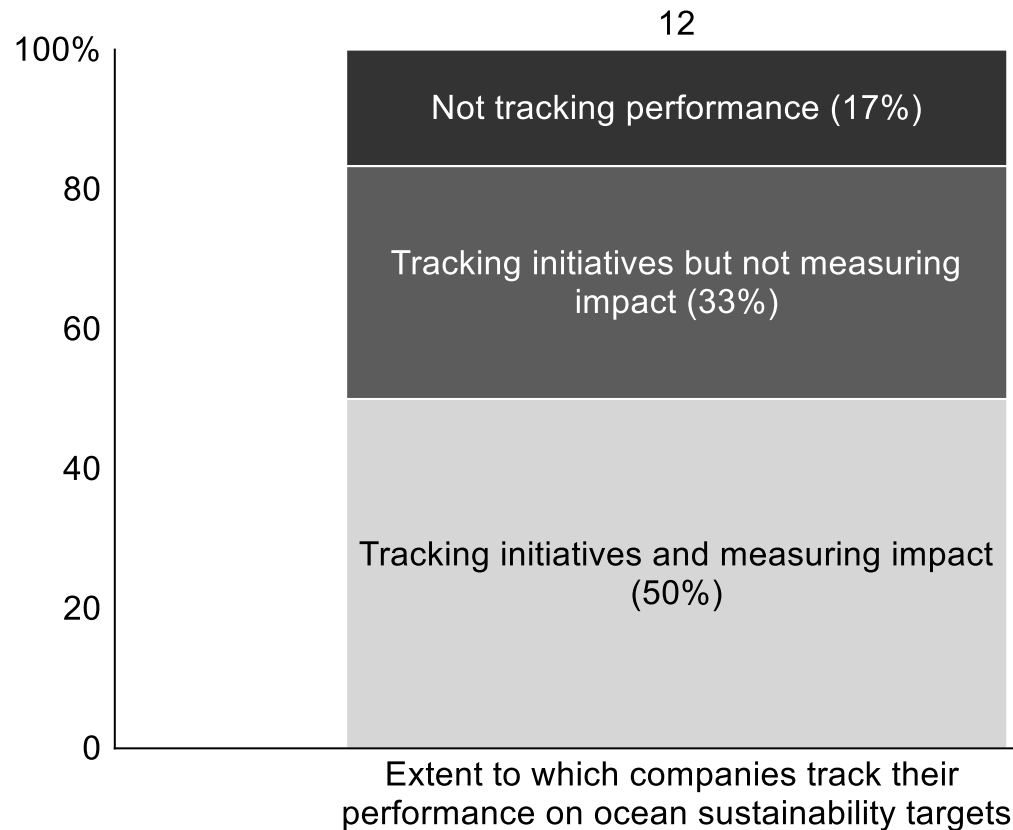
Of those setting targets +80% are actively tracking and measuring performance on ocean sustainability, yet only a third of these are sharing their performance publicly

TARGETS

+80% of companies setting targets for ocean sustainability are also tracking their performance

However, only ~33% of them are fully reporting publicly on their work with ocean sustainability

% of respondents



Public reporting fosters knowledge sharing needed to help speed up the transition to a sustainable blue economy



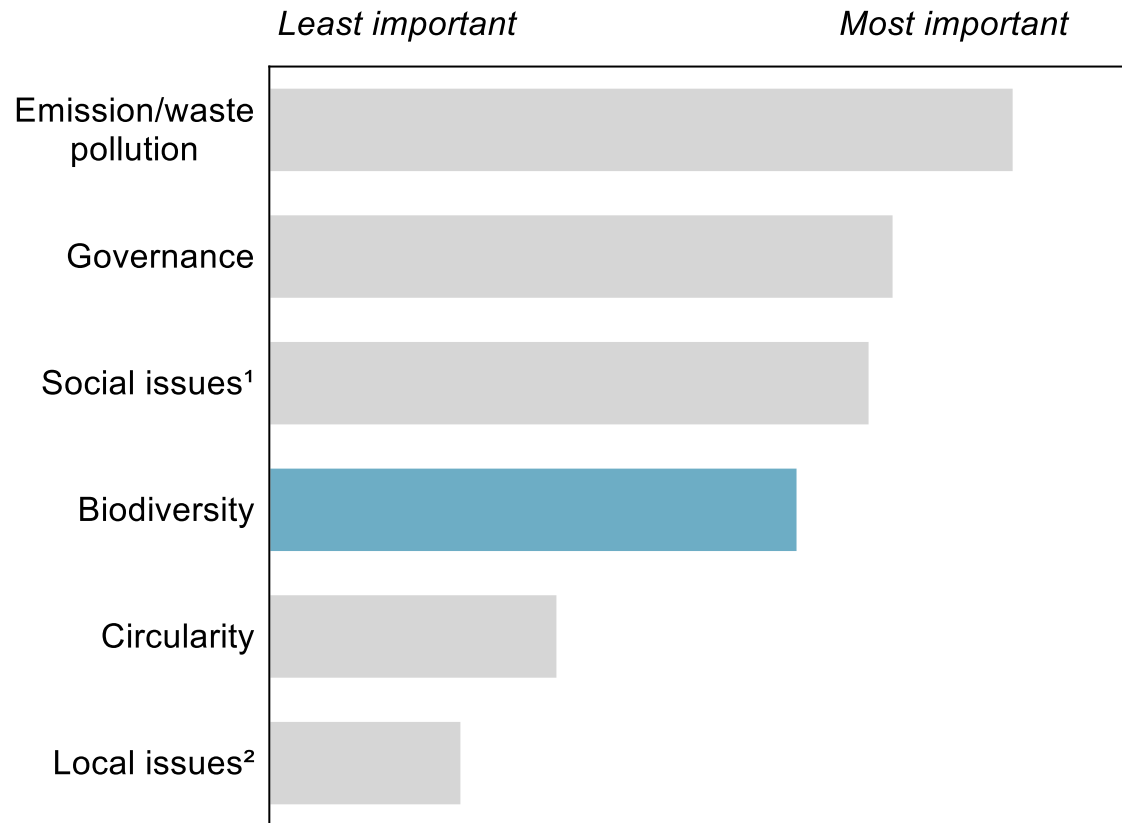
Note: Q (LHS): How are you tracking performance on your ocean sustainability targets? (n = 12); Q (RHS): Is your company currently reporting publicly on how you are working with ocean sustainability, e.g., targets, initiatives, and progress? (n = 12)
Source: WWF Blue Economy survey 2023

Transitioning to a sustainable blue economy will require investments, yet financial institutions don't see biodiversity and ocean sustainability as most critical ESG topics

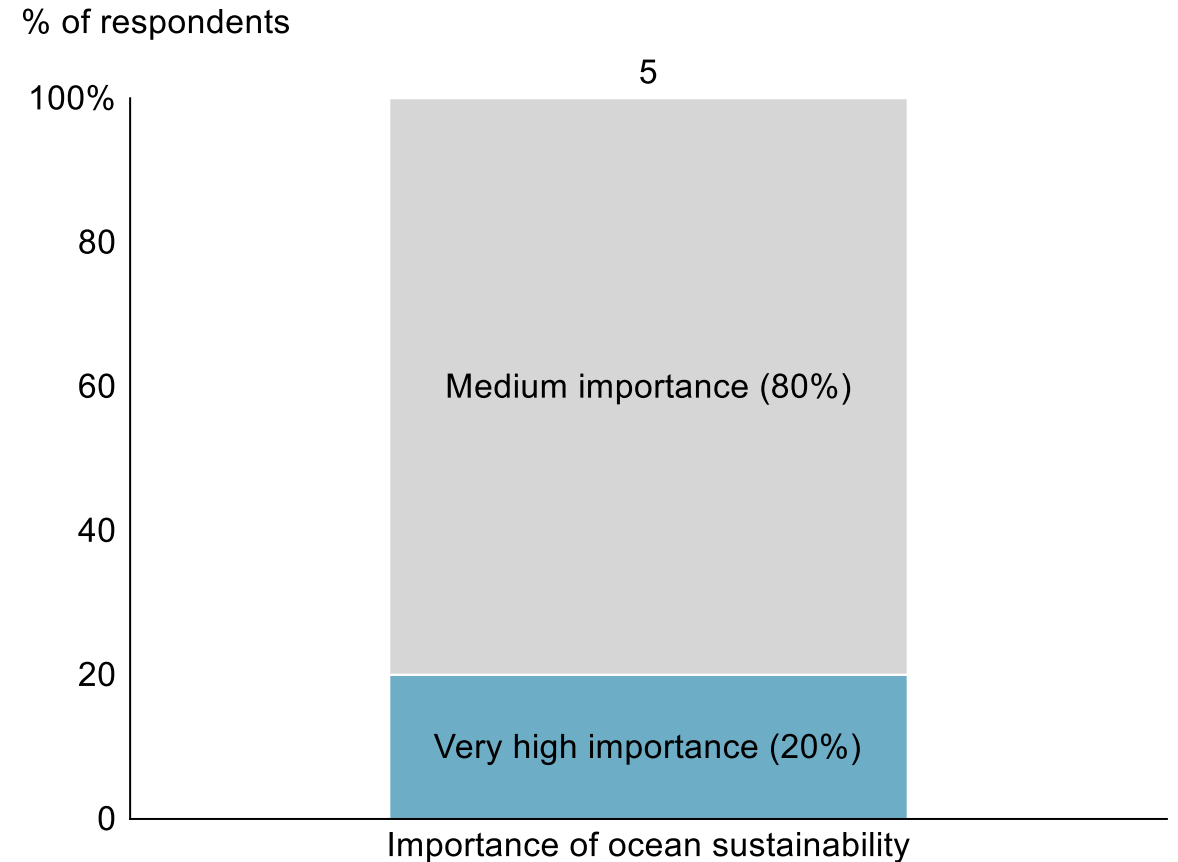
TARGETS

FINANCIAL INSTITUTIONS

While emissions is top of mind, financial institutions don't see biodiversity as most material topics



And within their sustainability agendas, only 20% view ocean sustainability as a highly important topic



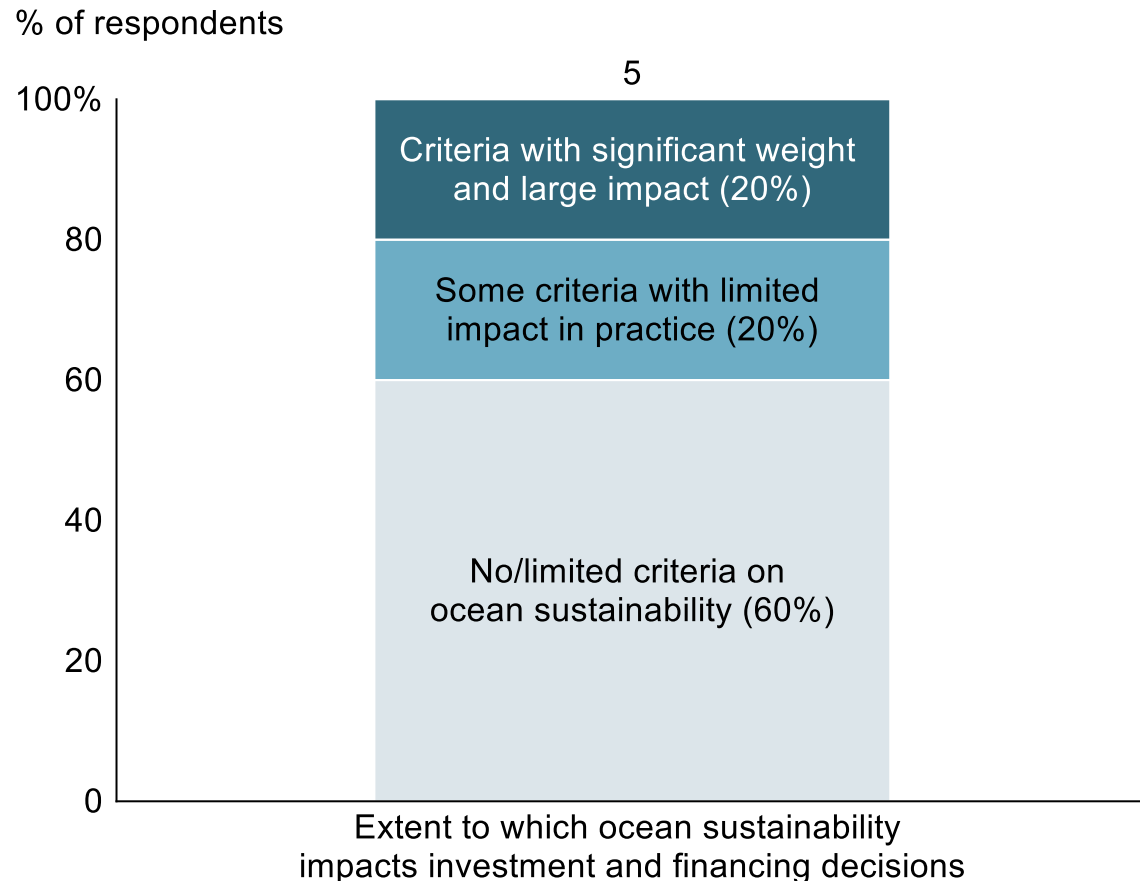
Note: 1) Including workforce welfare; 2) Including impact on local population; Q (LHS): What ESG issues are overall the most material to you as a company? (n = 6); Q (RHS): How important is ocean sustainability for your company overall? (n = 5)
Source: WWF Blue Economy survey 2023

Although financial institutions have a powerful opportunity to incentivize companies to take further action on ocean sustainability, this opportunity is rarely leveraged

TARGETS

FINANCIAL INSTITUTIONS

~60% of financial institutions are not yet including ocean sustainability as a deciding criterion for investments



However, there are multiple ways they can incorporate ocean sustainability as part of investment decisions



Implement structured approaches by using frameworks

- Implement WWF's **'Make Oceans Count'** 3-step approach
- Assess investments and influence portfolio companies according to UN's **'Turning the Tide'** framework



Targeted investments

- Set standards and targets for investing in e.g. ocean-positive **start-ups and innovation projects**



Incentivise ocean conservation and restoration via financial products

- Implement **green and blue bonds**, e.g. conservation bonds
- Investigate **other financial products** for ocean conservation / restoration (e.g. insurance, conversion bonds, etc.)



Partnerships and external expertise

- Acquire **technical expertise** on ocean sustainability
- Join existing **coalitions** or expert networks (e.g. UNEP's Sustainable Blue Economy Finance Initiative)

Note: Q: To what extent is ocean sustainability a deciding criterion for your decisions to issue financing or invest directly in an asset? (n = 5)

Source: WWF Blue Economy survey 2023; WWF Make Oceans Count project; Turning the Tide: How to finance a sustainable ocean recovery (2021) – UN environment programme

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Appendix

Many companies have started to take action to address ocean sustainability – most often focusing on lowering climate change impact from emissions

INITIATIVES

Internal initiatives



Decreasing scope 1 and 2 **emissions**

Running **biodiversity projects**

Product **innovation**/new technologies

Change in **operations**

Setting stricter **supplier requirements**

New **business models**

External initiatives



Sponsoring/participating in **research**

Engaging in **marine spatial planning**

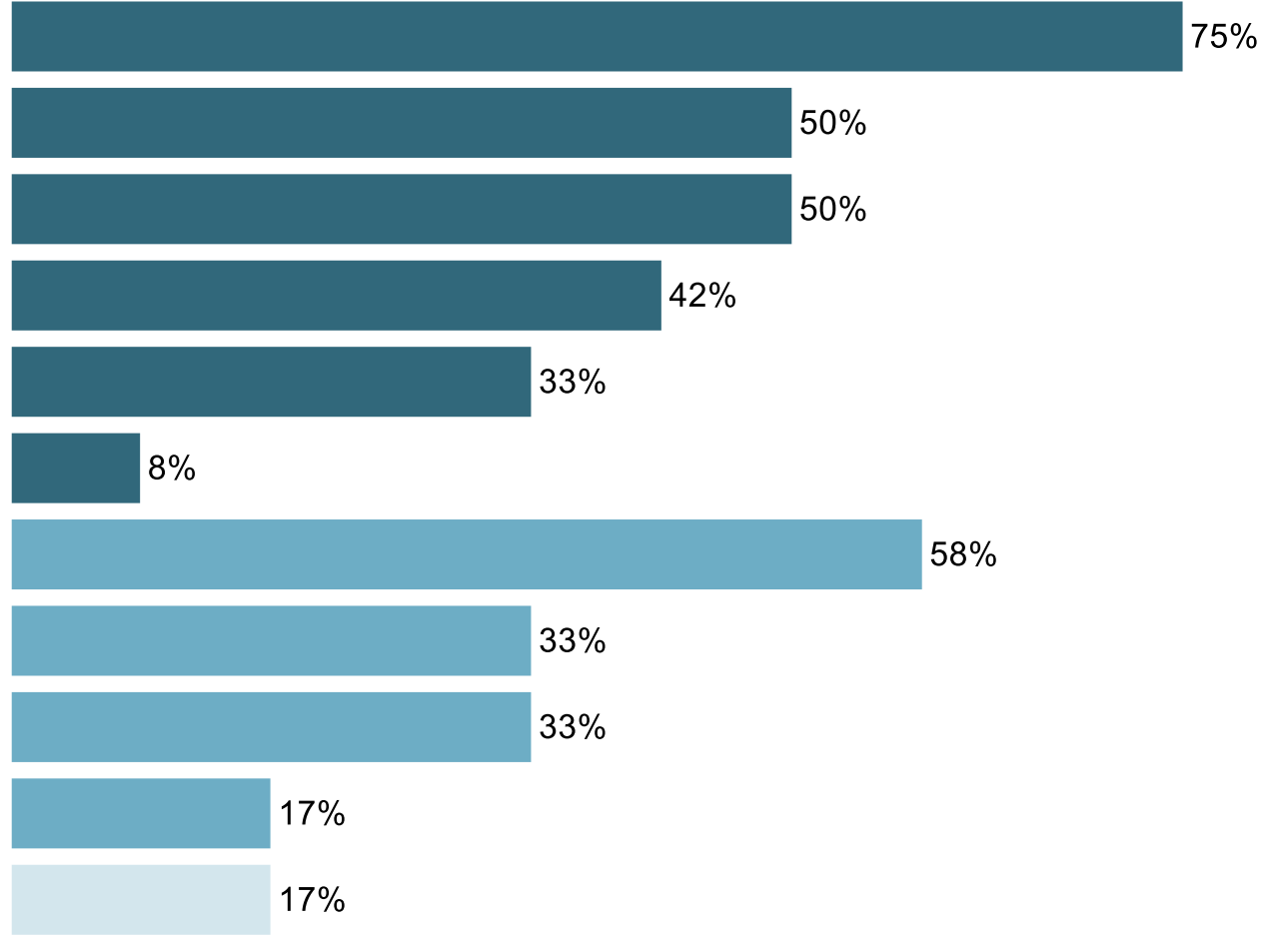
Engaging with/donating to **NGOs**

Lobbying

No initiatives

I am **unaware** of any concrete actions

% of companies by type of initiative taken

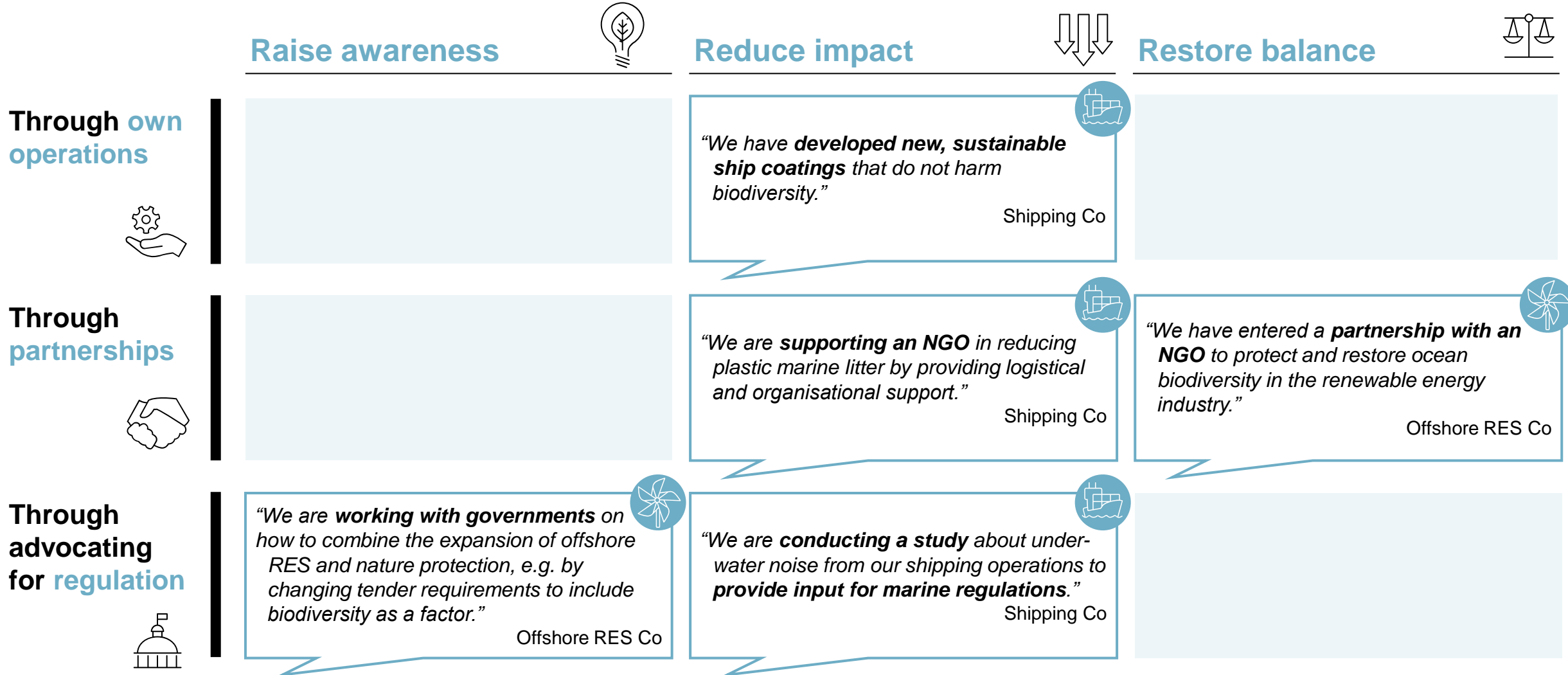


Note: Q: What concrete actions and initiatives is your company currently engaged in or planning to engage in within the next 6 months? (n = 12); Excludes companies that are not setting targets for ocean sustainability
Source: Blue Economy survey 2023 (WWF and Bain & Company)

Yet, there's also examples of concrete initiatives being taking to address biodiversity-related impacts, especially through advocacy and partnerships

INITIATIVES

/EXAMPLES



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Appendix

Companies see 3 key barriers limiting their efforts to secure ocean sustainability

CHALLENGES



Legal requirements

- Lack of **common laws and regulations**
- High degree of **complexity**
- Regulations moving at **slower speed** than innovation

*“There needs to be a **common agenda on sustainability.**”*

Sustainability Manager, Offshore RES Co

*“The **political will** to make sufficient changes to legal requirements, political agreements and planning is **lacking**”*

Sustainability Manager, Fishing association



Cost considerations

- Difficulty in **accessing funding**
- **Efforts required too costly** given their short-term benefits

*“If we cannot decrease the costs for more climate-friendly fuels, **transitioning** will be **difficult**. We need to see that investors are willing to pay for this”*

Sustainability Manager, Offshore RES Co

*“**High costs compared to short-term benefits** prevent investors from going into the blue economy”*

Sustainability Manager, Engineering Co



Lack of knowledge

- **Lack of knowledge** on what actions to take
- Required technology and innovations **unavailable**

*“We **do not know enough about biodiversity** to understand how to improve.”*

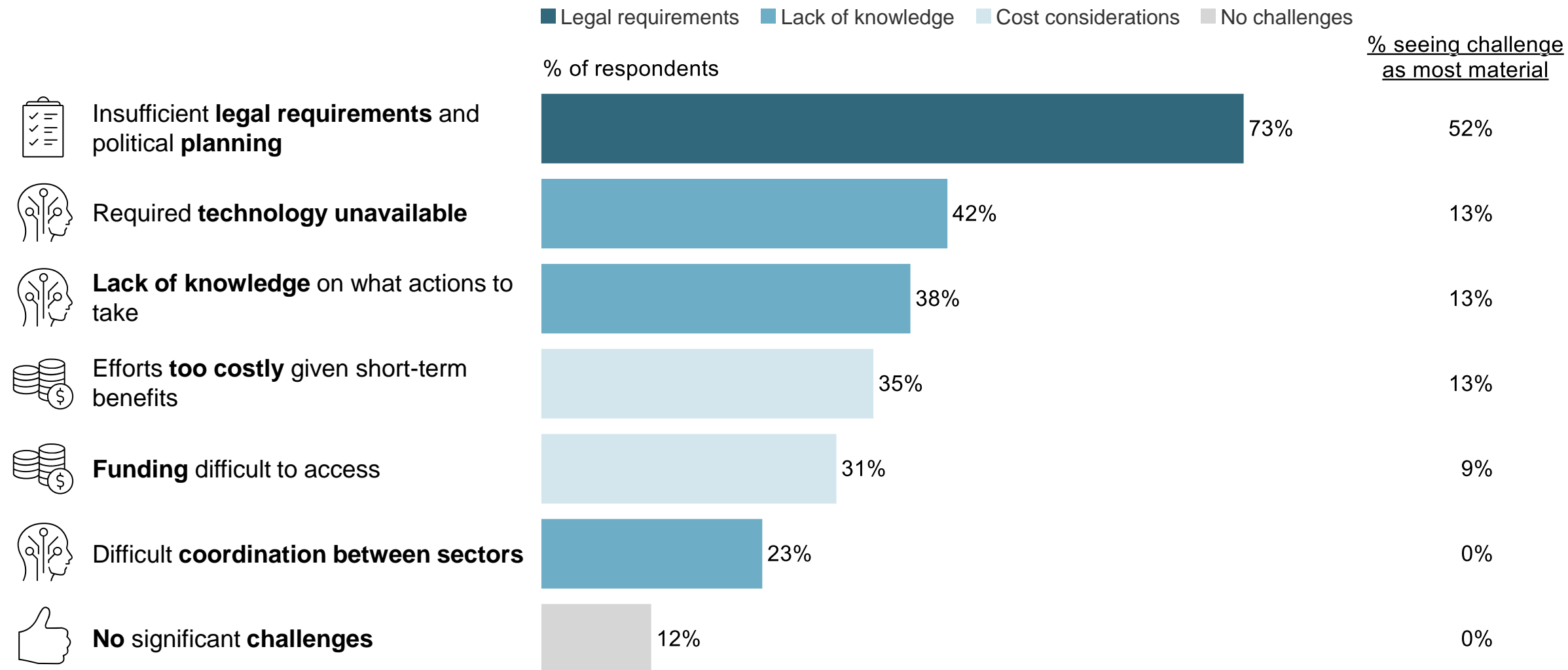
Sustainability Manager, Port Co

*“We **lack the technology** to improve our operations and address ocean sustainability.”*

Sustainability Manager, Manufacturing Co

While most companies see multiple barriers, insufficient regulation and political planning is widely perceived as the most critical challenge to solve

CHALLENGES



Note: Q: What challenges are currently preventing your company/industry from securing a sustainable use of the ocean? Which of these challenges do you see as most critical to solve? (n = 26); Graph includes both companies and industry associations
Source: WWF Blue Economy survey 2023

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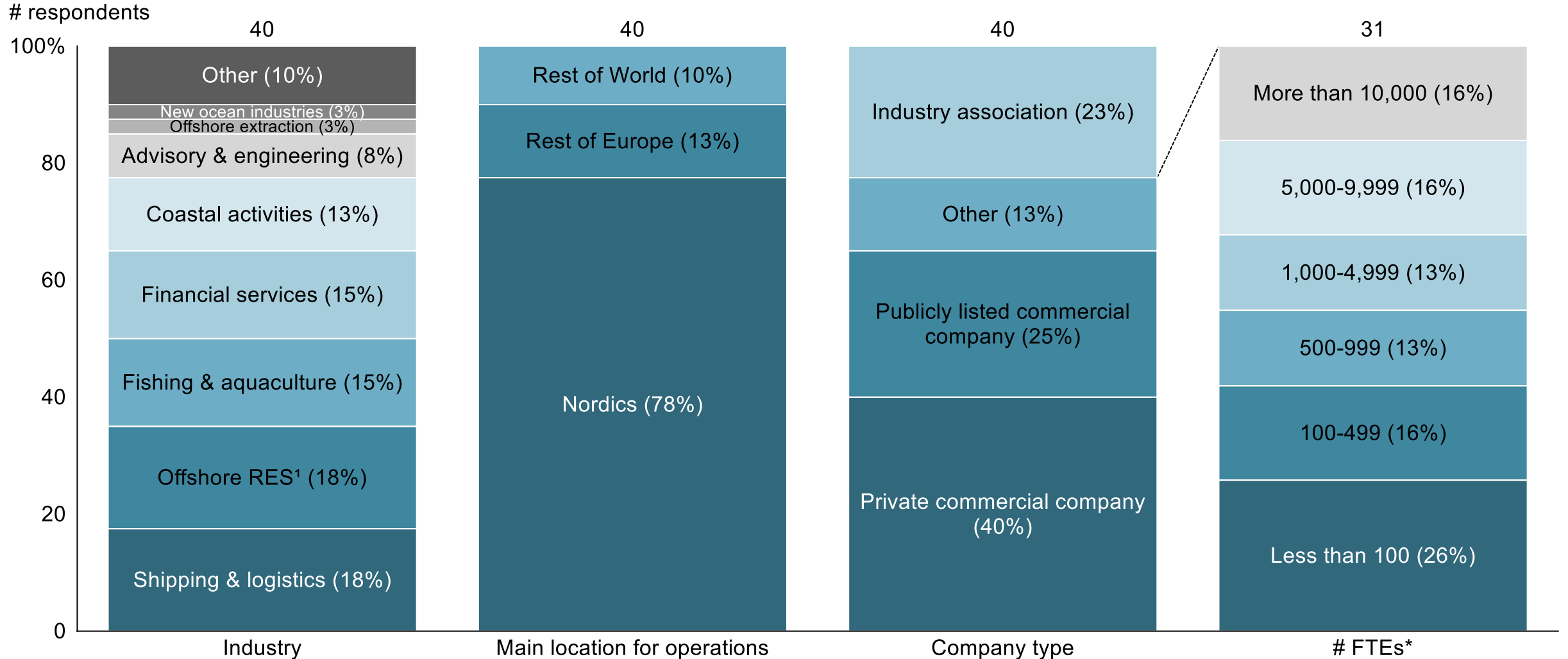
- ⑤ What **challenges** limit companies from taking further action?

Appendix

The respondents are distributed across different ocean-related industries, company types, locations and sizes

APPENDIX

INTRODUCTION

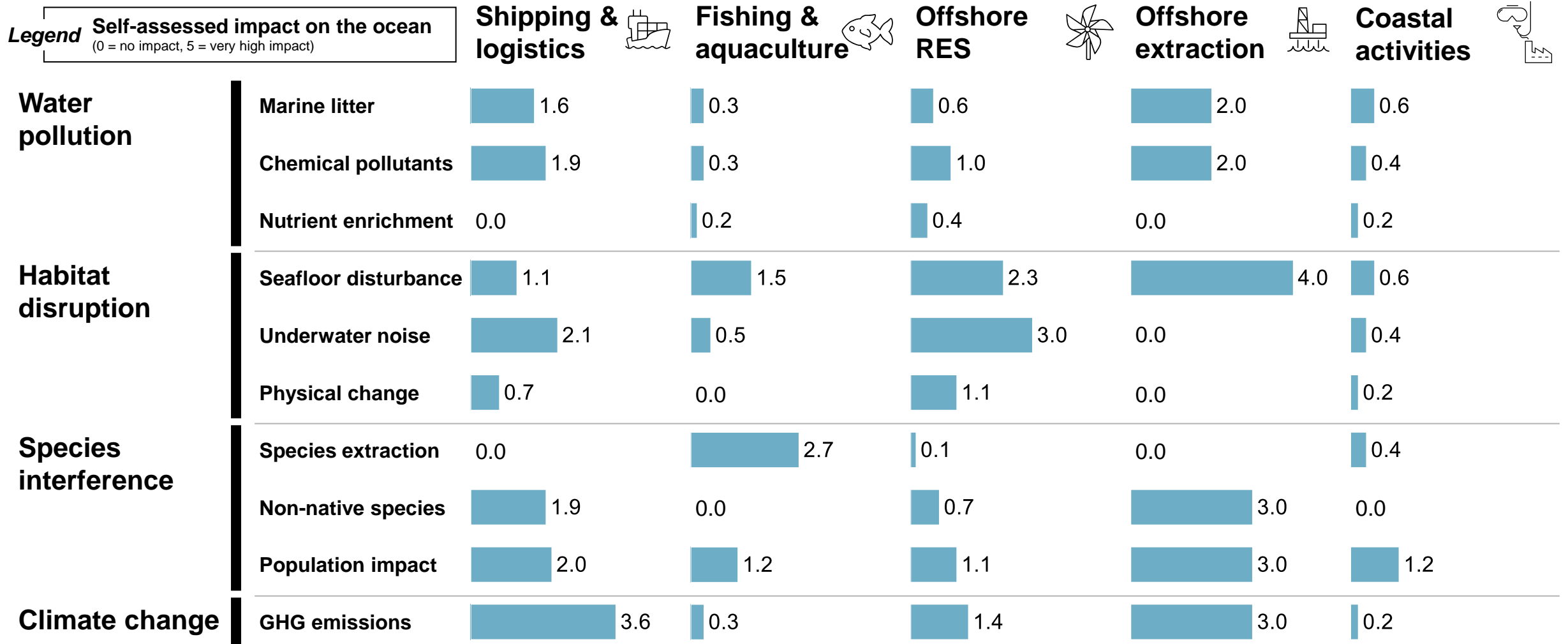


Note: 1) Renewable Energy Sources ('RES'); *) Excluding industry associations
 Source: WWF Blue Economy survey 2023

Organisations are fairly aware of their impact on climate change, but generally underestimate their impact on other pressures

APPENDIX

AWARENESS



Note: Q: In what ways could your company's (or industry's) activities impact the ocean and related ecosystems – and how high is that impact? (n = 34); Graphs include both companies and industry associations
Source: WWF Blue Economy survey 2023