

Press release

The 48,6% on the IBEX 35 recognises biodiversity as a material issue for their business

- **Ecoacsa and Universidad Politécnica de Madrid have conducted an analysis to assess the biodiversity-related information performance disclosure of the IBEX 35, in the framework of the Biodiversity Disclosure Project. Its results have been published in the report *Nature on the Spanish stock exchange. To what extent is biodiversity relevant to the IBEX 35?***
- **By sector of activity, energy has obtained the highest score based on the sum of eight indicators taken into account to assess the correct integration of biodiversity in reporting and disclosure, with a result of 53%, followed by the basic materials, industry and construction sector (24%) and consumer goods (22%)**
- **The report formulates a number of recommendations to make it easier for businesses and financial sector to mainstream biodiversity throughout all areas of business, including finance**

May 20th, 2021, Madrid. What is the situation of the IBEX 35 in terms of biodiversity reporting and disclosure? Is biodiversity a relevant issue for Spanish listed companies? How are they responding to the risks posed by their dependencies from biological diversity and impacts on biodiversity? What best practices do they follow? What aspects hold the greatest scope for improvement?

In the current context where we face several crises such as health, climate and biodiversity loss that are intrinsically linked, private sector plays a crucial role as driver of the changes needed to achieve the transition towards sustainable economic and social models. Therefore, there is a growing interest among regulators, investors and consumers in learning how businesses and financial institutions address critical aspects related to the aforementioned crises. They are demanding companies' greater transparency to determine their level of engagement in searching for solutions and complying with global commitments.

Ecoacsa Reserva de Biodiversidad and Universidad Politécnica de Madrid (UPM) have conducted an assessment across the IBEX 35 on how they publicly reported biodiversity-related information in 2019. To do this, they have followed the methodology developed by Endangered Wildlife Trust (EWT) in the framework of the Biodiversity Disclosure Project, which is based on publicly available data (sustainability reports published in the Spanish Stock Market Commission, biodiversity reports, websites).

The results of the 2019 biodiversity corporate performance index on reporting and disclosure of the IBEX 35 show that biological diversity is a material issue for 17 companies (48,6%). By activity sector, energy has obtained the highest score based on the sum of eight indicators taken into account to assess the correct integration of biodiversity by Spanish listed companies' reporting and disclosure, with 53%. This sector is followed by basic materials, industry and construction (24%), consumer goods (22%), consumer services (18%), real state (15%), finance services (13%) and technology and communications (12%).

The main conclusions and results of the analysis have been compiled in the report *Nature in the Spanish stock exchange. To what extent is biodiversity relevant to the IBEX 35?* This document highlights that on average the highest scores registered by all sectors are related to biodiversity policies, the identification of impacts on biological diversity and dependencies from biodiversity and counting on a biodiversity strategy with sound objectives and indicators.

In relation to the first indicator, 43% of the IBEX 35 has a policy to disclose their interactions with Biodiversity at different scales: to avoid or minimize impacts, focusing on no net loss of biodiversity or highlighting the positive effects. 30% of Spanish listed companies publicly inform about the impacts on biodiversity derived from their activity, as well as the dependencies from it. 26% has a biodiversity strategy with objectives and indicators at different levels.

Generally, the ambition to avoid nature depletion of the 35 companies representing the shares with the most liquidity of the market listed on all four Spanish stock exchanges (Madrid, Barcelona, Bilbao and Valencia) is limited, and only a few firms make it visible their commitment or no net loss or positive impact on biodiversity.

Efforts to reduce impacts and promote biodiversity conservation vary in terms of the level of ambition. Out of the total number of companies, most of them focus in disclosing impacts mitigation (15 companies, 42,85%) or their interactions with biodiversity (12, 34,28%), while only 5 (14,28%) and 3 (8,57%) report more ambitious objectives to achieve no net loss or net positive impact on biodiversity, respectively.

Top 5

The Spanish stock exchange representatives leading biodiversity reporting and disclosure belong to the energy sector. They score far above the average of the rest of sectors regarding the sum of the eight considered indicators. Iberdrola ranks first with a score of 70%, followed by Red Eléctrica de España (63%), Naturgy (60%), Acciona (58%) and Repsol.

Recommendations

With the aim of improving certain aspects related to the scope and qualitative and quantitative factors that need to be taken into consideration when reporting and disclosing biodiversity-related information, the report gives 7 general recommendations and another 10 aimed at the business sector. The latter are looking to facilitate the integration of biodiversity in all decision-making processes and respond to the environmental requirements they are subjected to.

Among all recommendations is the improvement of the understanding of the relationship between the company and biodiversity by identifying, measuring and valuing the direct and indirect impacts of their activities and from their supply chain; assessing their dependency on nature, applying the *Biological Diversity Protocol* to set science-based objectives, or defining governance mechanisms allowing for the scale-up of biodiversity to the highest rank in the board of directors.



About Ecoacsa Reserva de Biodiversidad

We are a Spanish company whose goal is to advance, promote and encourage the development of tools for the valuation of natural capital and mainstreaming biodiversity into business sector. Ecoacsa provides market analysis and strategic advisory to integrate environmental sustainability and natural capital conservation into decision-making, action plans and strategies at corporate and project levels. Ecoacsa's approach is to promote and facilitate the transition from "business as usual" to sustainable business models.

About Universidad Politécnica de Madrid

Universidad Politécnica de Madrid (UPM) is the oldest and largest of all technical universities in Spain. It has more than 3,000 faculty members, around 35,000 undergraduate students, and over 8,000 graduate students. UPM is made up of 21 technical schools and faculties covering architecture, engineering, sport and fashion design disciplines. UPM has a strong commitment to research and innovation. Participation in competitive European and national research programs provides 40% of the sponsored research funds, and research services and contracts with the industry supply the rest. UPM ranks first among Spanish universities in the European Union R&D funding, having around 15% of the total number of the European Union funded projects.

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