ACCELERATE ® CLIMATE TRANSITION

ROADTEST REPORT

ASSESSING CLIMATE TRANSITION

ACT Biodiversity

ACT BIODIVERSITY GOVERNANCE:

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ACKNOWLEDGMENTS

ACT Initiative warmly thanks the companies involved in the road test of the methodology ACT Biodiversity for their contribution to the methodology improvement.

Background and purpose of this document

This document is part of the Assessing Climate Transition (ACT) initiative and presents the main outcomes of the ACT Biodiversity road test. This exercise was conducted as part of the development of a new ACT methodology, with the objective of identifying the strengths and weaknesses of the proposed approach and improving the draft methodology developed by ADEME and OFB to make it more robust and operational.

This report presents the key findings of the assessments and an overview of the aggregated results for the participating companies. While detailed company data and individual feedback were collected and used to perform the analysis, these materials remain strictly confidential. Accordingly, only overall and aggregated results for the sample of voluntarily participating companies are presented here, and no individual company results are disclosed.
Finally, it is important to note that the methodology was still draft at the time of the road test, as the primary purpose of this exercise was to identify areas for further improvement before the release of version 1.

Contents

1. ACT Biodiversity road Test

1.1. CONTEXT OF THE ROAD TEST

Biodiversity is defined in the ACT Biodiversity methodology as all living organisms and the ecosystems in which they interact. The methodology addresses four of the five main pressures on biodiversity identified by IPBES: land and sea use change, direct exploitation of organisms, pollution and climate change across three major ecosystem types: terrestrial, freshwater, and marine ecosystems. *NB : the pressure on Invasive alien species is not assessed fully at this stage due to insufficient operational indicators.*

ACT Biodiversity focuses on the assessment of companies' contributions to these pressures, as well as actions taken to protect and enhance local biodiversity at site level, covering direct operations as well as indirect operations across the upstream value chain and, to a lesser extent, the downstream. It does not assess the state of nature itself, which must be analyzed by companies prior to the ACT assessment. Climate change is addressed through core elements, as it is already covered in detail by ACT Climate methodologies.

CONTRIBUTING TO ACT : A NEW METHODOLOGY DEVELOPMENT

Since 2015 and COP21, ADEME and CDP have been jointly developing the Assessing Climate Transition (ACT) initiative, which aims to assess corporate climate strategies in line with the objectives of the Paris Agreement.

Building on this foundation, ACT Biodiversity represents the first methodology developed within the ACT framework to address corporate impacts and strategies related to biodiversity. It follows the same overarching principles as ACT Climate, using a holistic approach to assess corporate strategy, governance, actions and performance, but is specifically designed to capture nature-related pressures.

As with other ACT methodologies, development follows three main stages:

- Stage 1: Methodology development
- Stage 2: Methodology experimentation (road test)
- Stage 3: Methodology refinement and release

The purpose of this document is to report on the road test carried out for the ACT Biodiversity methodology. It summarizes the main elements and aggregated results of the road test and highlights the key learnings from the project.

GOALS OF THE ROAD TEST

The objectives of the ACT Biodiversity road test were to:

- Test the consistency and operationality of the first draft of the ACT Biodiversity methodology and assessment tool.
- Assess the relevance and robustness of the biodiversity-specific indicators.
- Identify methodological challenges as well as gaps in data availability and accessibility for companies.
- Ensure the sectorial methodology is relevant and robust for the following sectors: construction, agri-food, chemicals, and energy.
- Update and improve the methodology based on the lessons learned.

The aim of this road-test report is to display strengths and weaknesses of the methodology and insights on what will be improved in the methodology.

The aim of this road-test report is not to bring an individual or collective judgement on sectors' performance as (i) panel is constituted with various but limited volunteers and (ii) the methodology is not finalized yet, as the purpose of the exercise is to determine its areas of improvements.

The road test for the ACT Biodiversity Methodology has been carried out by EVEA, referred as "the assessors" thereafter.

ASSESSED COMPANIES

The ACT Biodiversity methodology aims to assess companies from all sectors at the international level. The ACT Biodiversity methodology has specific sector-specific modules: generic, chemistry, energy, agri-food, and construction.

The companies participating in the road test were carefully selected to ensure representation from different sectors of activity. Thirteen companies took part in the road test. Assessments were carried out using public and private data to obtain the most accurate assessment possible and evaluate the methodology's ability to function using public data.

FIGURE 1 : LOGO OF COMPANIES SELECTED FOR THE ROAD TEST OF ACT BIODIVERSITY

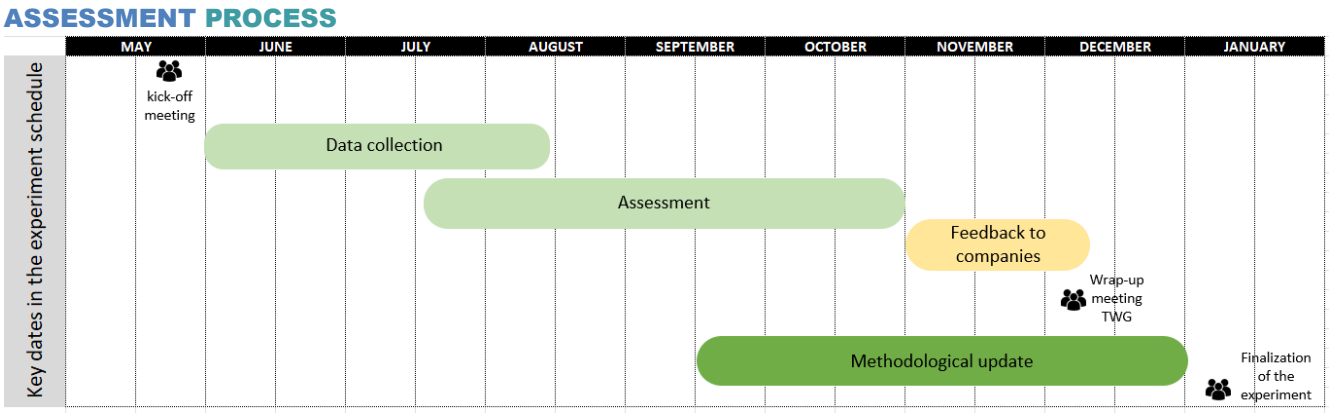


FIGURE 2: ROADTEST PROCESS AND CALENDAR

The assessment required direct collaboration with companies and monthly meetings with the ACT Biodiversity Committee, composed of ADEME and OFB. Collaboration with companies was conducted directly by the assessors and followed the steps outlined in Figure 2.

The main inputs for undertaking the assessment were provided to the assessors by way of 3 complementary files:

- **Biodiversity methodology**. This document contains the scoring criteria for each of the indicators and lists how the scores are calculated and weighted. The methodology also provides relevant context for each of the indicators and an overview of the main goals of each module.
- **The excel data collection tool**. Companies were asked to directly fill out their response to the ACT questionnaire, which is an excel data collection tool, with the assistance of the assessor.
- **The ACT scoring tool**. This is an online tool that includes all the information required (data, maturity matrices) for the different scores (performance, narrative, trend) according to the methodology. Once the excel data collection tool is completed, analysts review the responses and complete the data and comments in the online tool, which automatically calculates a weighted score based on the evaluation registered by the analyst.

The road test started with an opening webinar to introduce the tools and the key methodological aspects of the ACT Biodiversity Methodology. This webinar provided initial guidance and explanation to the participating companies. Following the webinar, several companies have applied to participate in the roadtest and some have been selected. Discussions with companies commenced with a kick-off call between the companies and one analyst from the assessors. During the one-hour call, the companies' teams were given a brief explanation of the ACT initiative, the expected timeframes and deadlines, a general description of the relevant inputs, and an overview of the excel data collection tool. Companies were subsequently sent the data collection tool and the methodology documents and were encouraged to send questions via e-mail or through follow-up calls.

A kick-off physical meeting was organized for each company with the two analysts in charge of the evaluation and the presence of members of ADEME and OFB, when possible. The aim was for the analysts to appropriate the key parameters of the company, and for the companies to know the data to be collected and the purpose. Company questions were shared and answered collectively in a monthly evaluator meeting to ensure shared learnings, and consistency in the responses. A checkpoint meeting was organized with each company to track the progress of the data collection process. These meetings allowed the companies to share their feedback and challenges regarding data collection, the data collection tool and some methodological aspects.

Following data gathering, analysts reviewed the responses and began the scoring process. Analysts listed

and asked their scoring questions in an Excel document shared with ADEME and OFB. These questions covered clarification, interpretation, details of data, information and processes needed to score accordingly each specific criteria of the methodology. Answers were provided directly in the file or raised at the following steering committee when needed. These discussions allowed the assessor to gather feedback on the relevance of criteria, the different constraints for specific types of actors, the difficulties encountered but also missing spots and arising challenges.

Once all the companies assessed, results were compared during working sessions to harmonize scoring considerations, ensure consistency and eventually underline additional methodological guidance needs.

1.2. THE ACT BIODIVERSITY APPROACH

It is recalled that the description hereafter describes the methodology that has been tested during the road test. A description of the modifications proposed for the methodology post road-test are presented in the chapter “Outputs” section “Main changes and recommendations”.

GENERAL APPROACH

As for any ACT methodology, the assessment’s main goal is to evaluate past, present and (anticipated) future company performance to determine the company’s maturity level with respect to its transition to a nature-positive economy. The ACT initiative focuses on five guiding principles to determine company performance:

1. **Commitment:** What is the company planning to do?
2. **Transition plan**: How is the company planning to get there?
3. **Present**: What is the company doing at present?
4. **Legacy**: What has the company done in the recent past?
5. **Consistency**: How do all these plans and actions fit together?

These principles and guiding questions are assessed through a series of Modules composed of key performance indicators and sub-indicators, some are generic and some are sector specific.

The table 1 shows how these indicators assess company performance at different points in time.

TABLE 1 : BIODIVERSITY METHODOLOGY INDICATORS, MODULES AND TIME HORIZON ASSESSED

	MODULE	PAST	PRESENT	FUTURE
	1. TARGETS	BIO 1.3 Achievement of previous and current targets		BIO 1.1 Alignment of biodiversity impact reduction targets in direct operations BIO 1.2 Alignment of biodiversity impact reduction targets in upstream operations
CORE BUSINESS PERFORMANCE	2. DIRECT OPERATIONS	BIO 2.1 Trend in past biodiversity impacts BIO 2.3 Ecosystem Land management BIO 2.4 Biodiversity CAPEX		BIO 2.2 Production practices
	3. INTANGIBLE INVESTMENT	BIO 3.1 R&D in biodiversity protection BIO 3.2 Investments in human capital		
	4. UPSTREAM	BIO 4.1 Trend in past upstream biodiversity impacts BIO 4.3 Upstream ecosystem land management BIO 4.4 Traceability and monitoring		BIO 4.2 Sourcing requirements & upstream production practices
	5. MANAGEMENT		BIO 5.1 Oversight of biodiversity loss issues BIO 5.2 Biodiversity loss oversight capability BIO 5.3 Nature transition plan BIO 5.6 Ecosystem services pricing	BIO 5.4 Biodiversity management incentives BIO 5.5 Nature scenarios and pathways
NFLUENCE	6. SUPPLIER			BIO 6.1 Strategy to influence suppliers to reduce their impact on biodiversity BIO 6.2 Activities to influence suppliers to reduce their impact on biodiversity
	7. CLIENT			BIO 7.1 Strategy to influence customer behaviour to reduce their impact on biodiversity BIO 7.2 Activities to influence customer to reduce their impact on biodiversity
	8. POLICY ENGAGEMENT		BIO 8.1 Company policies on engagement with trade associations BIO 8.2 Associations, alliances, coalitions and thinktanks supported do not	

			have climate-negative activities or positions BIO 8.3 Position on significant biodiversity policies BIO 8.4 Collaboration with local communities and indigenous people	
	9. BUSINESS MODEL		BIO 9.1 Business model structural shifts for biodiversity BIO 9.2 Business activities shifting to better production practices BIO 9.3 Regenerative business model	

BIODIVERSITY METHODOLOGY ASSESSMENT

Like all ACT assessments, the Biodiversity ACT Methodology generates a three-dimension score that allows companies to understand how their overall strategy is rated with reference to the Kunming-Montreal Global Biodiversity Framework, and if their strategy is effective in reaching a Nature positive economy. The assessment of biodiversity strategy of companies has been carried out based on the information provided by the company evaluated or any other relevant source for public based assessments or relevant aspects such as checking for controversies.

The final score is described below:

1. **The performance score** ranges from 0 to 100 and is the result of the sum of all points achieved and weighted. Biodiversity methodology includes sectorial approaches (Agriculture, Energy, Building, Chemicals)
2. **The narrative score** is the result of the scorer's evaluation of the overall response, complemented by an external data review for the company in question, and graded from E (lowest score) to A (highest score). The narrative score is assessed using a maturity matrix developed by the ACT initiative and composed of 5 dimensions (Business Model and Strategy; Consistency and Credibility; Data Quality; Reputation; and Risk).
3. **The trend score** evaluates whether a company is increasingly aligning itself with or distancing itself from a Nature positive transition pathway. The trend score is indicated by a + sign (best score, reflecting increasing alignment), a – sign (worst score, reflecting reducing alignment), and an = sign (indicating no projected change in its alignment). The trend score considers as a baseline a sub-set of forward-looking indicator from the performance score, and interprets them using a simple grading scale from -1 to 1, providing an aggregated automated trend scoring. A complemented layer of expert judgement is applied to consider holistic information / perspectives.

On completion of the assessment, companies received an ACT company feedback report (PowerPoint) summarizing the results and providing a brief overview of the challenges and opportunities the company may be facing. This presentation is based on a normalized template.

FOCUS ON THE BIODIVERSITY PERFORMANCE SCORE

The performance score is determined using a combination of quantitative and qualitative indicators. Purely

quantitative indicators are scored according to automated formula based on inputs provided. In these cases, analysts must ensure the calculation is correct and the information provided by the company is consistent and, to the extent possible, verifiable. However, given the granularity of quantitative data required and the confidentiality of this information, it has not always been possible to verify the data provided. The data quality itself is a criterion accounted in the narrative score (see below).

Qualitative indicators are evaluated by the assessor using the company responses and indicator-level maturity matrices with up to five scoring levels: as displayed below. Maturity matrices provide scoring criteria per indicator for each of these levels.

Evaluation level	Basic	Standard	Advanced	Next practice	Low-carbon aligned
Score	0	0.25	0.5	0.75	1

FIGURE 3 : SCORING SUGGESTED FOR MOST OF QUALITATIVE SUBMODULES

The questionnaire is structured according to nine modules presented in the table below:

TABLE 2: LIST OF MODULES IN THE BIODIVERSITY ASSESSMENT

Module
1. Targets
2. Direct operations
3. Intangible investment
4. Upstream activities
5. Management
6. Suppliers engagement
7. Clients engagement
8. Policy Engagement
9. Business model

Modules 1 to 4 contain mostly quantitative indicators that are evaluated by the assessor based on the results of quantitative calculation. Modules 5 to 9 are qualitative.

- **Module 1. Target** is focused on the main causes of biodiversity such as land use change (30%), resources exploitation (23%), GHG emissions (14%) and Pollution (14%). The 5th cause of erosion, invasive alien species (11%), is not addressed in this version. This module represents a significant part of the performance score (15%) because target- setting is the first step in the journey to a Nature-positive economy.
- **Module 2. Direct operations** are focused on trends in past biodiversity impacts, production practices, land management for own sites and biodiversity CAPEX. The weight is variable depending on sectors to reflect the relative importance of direct impact (own operations) versus indirect impact (upstream). The sum of module 2 (direct) and 4 (upstream) is 43%, meaning that these 2 modules are the most impacting on performance score.
- **Module 3. Intangible investment** was focused on biodiversity training and biodiversity R&D investments. The weight is quite low (3%) because the quality and impact of these intangible investments are quite difficult to evaluate on an objective basis.
- **Module 4. Upstream activities module focuses** on trends in past biodiversity impacts of the upstream, practices to reduce these impacts, sites management and traceability monitoring for the most

impacting raw materials. It is of high importance especially for sectors using biomass raw materials. However, data collection is challenging as companies do not always have the relevant information on the upstream part of their activity. This module combined with module 2 represents 43% of the performance score.

- **Module 5. Management** is focused on the company's management and strategic approach to the Nature positive economy. Hence part of the weight is placed on the oversight of biodiversity issues and the biodiversity oversight capability. These two indicators measure the ability of the company to integrate biodiversity into its strategy and to embrace the main challenges related to Nature positive economy. The remaining indicators (biodiversity management incentives and biodiversity risks, the latter making distinction between global processes and a specific focus on stress testing) can either strengthen or undermine the company's ability to carry out the transition plan and meet ambitious science-based targets for Nature. This module accounts for 10% of the score.
- **Module 6. Suppliers' engagement** is focused on the company relationship with its suppliers. It assesses the company's engagement strategy by evaluating its use of specific levers such as information collection, incentives, or innovation, and its ability to ensure traceability and target suppliers representing either the highest material impacts or the highest impact commodities volumes. The idea is to assess the robustness of the engagement framework and to understand whether it relies on a strategy of engagement or if it is based on a set of actions. This module represents 7% of the performance score as well as the clients' module.
- **Module 7. Clients' engagement** is focused on the company's ability to take actions with its clients (customers for B2B or Consumers for B2C) to help them reduce their impact on biodiversity. The idea is to assess the robustness of the engagement framework and to understand whether it relies on a strategy of engagement or if it is based on a set of actions. This module represents 7% of the performance score as well as the suppliers 'module.
- **Module 8. Policy engagement** is focused on contextual aspects which tell a narrative about the company's stance on biodiversity and how it expresses its engagement with policy makers and trade associations (lobbying activity). This module represents 5% of the performance score.
- **Module 9. Business model** evaluates a company's commitment to biodiversity preservation through profound structural and operational shifts in its business model. It evaluates the depth and systemic nature of the business changes adopted, ensuring they contribute to meaningful, measurable biodiversity outcomes rather than standalone or superficial actions. This module represents 10% of the performance score.

Narrative score

The narrative score depends on five different dimensions.

- **1. Business Model and Strategy** explores whether the company is successfully running a profitable business with biodiversity compatible activities and is adapting its business model to mitigate materiality impact drivers.
- **2. Consistency and Credibility** assesses the overall coherence of different elements of the company's business model and strategy. Credibility refers to how believable – or not – the company's ambition towards achieving its nature transition plan is. Evidence of consistency and credibility may be based on analysis of the performance score results, as well as any additional external information about the company.
- **3. Data Quality** evaluates the quality of the data used for the whole ACT assessment based on six widely accepted dimensions of data quality: Accuracy, Completeness, Uniqueness, Consistency, Timeliness and Validity.
- **4. Reputation** evaluates from the perspective of its stakeholders, whether any major reputational

concerns, especially in the realm of environmental, financial, and governance-related issues, have the effect of reducing the perceived likelihood of that company's ability to successfully complete its nature positive transition.

- **5. Risk** evaluates the negative risks faced by the company resulting in threats/barriers to achieving the nature-positive transition. Risks identified can occur over the short, medium, or long term.

Trend score

To apply the trend scoring methodology presented in the ACT Framework, the assessor identifies the trends from the existing data infrastructure based on the data points and/or indicators that can indicate the future direction of change within the company. Signs of clear improvement, e.g. policies or action plans under development, are considered in the trend score.

1.3. RESULTS OF THE COMPANY ASSESSMENTS

INTRODUCTION

This section presents the results of the ACT Biodiversity methodology road test. It includes an overall comparison of results at aggregated score level and per Module. The reporting year assessed for each company is 2024.

OVERALL RESULTS

The average final score of the ACT Biodiversity methodology road test is **32 C =**

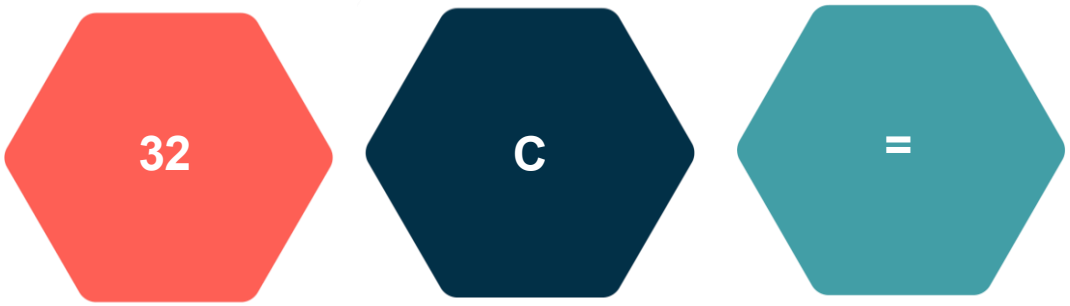


FIGURE 4: OVERALL RESULTS

The average performance score was 32 where 59 was the highest and 14.5 the lowest score. The gap in the performance score underlines the different levels of maturity that were observed in companies' biodiversity strategies. The best scores can be explained by the development of consistent and ambitious nature transition plans and the adoption of business models that actively shift resources towards nature-positive initiatives. The lowest scores can be due to insufficient data collected by companies and incomplete biodiversity strategy and related actions, especially on upstream activities and investments.
Top scorers were different among indicators. It is therefore worth highlighting that, by combining the best marks obtained on each indicator, the theoretical maximum for this road-test performance score is 65/100, showing that companies can learn from each other's practices. To achieve a higher collective performance, companies should prioritize the sharing of best practices and sectoral peer learning.

The average narrative score was C, on a scale ranging from A to D, indicating an overall medium coherence of strategies and alignment with a nature positive transition. This medium alignment is overall homogeneous among the five sub-modules with a high dispersion within each one. Across the 13 companies assessed, the average biodiversity narrative score is C. In many cases, the score is pulled up by a business model strongly oriented toward decarbonization, which indirectly supports better biodiversity outcomes. However, most companies still show weak management of land-use change (LUC) issues, and upstream value-chain impacts are generally not well integrated into their strategies. Companies whose core activities are directly linked to the ecological transition, such as pollution remediation or renewable energy, tend to achieve higher scores, as their business model inherently contributes more positively to biodiversity.

The average trend score was rated equal (=). This score assesses whether companies are likely to receive a better (+), similar (=) or lowest (-) score if they take the assessment in a few years. The trend score considers as a baseline a sub-set of forward-looking indicators from the performance score. A complemented layer of expert judgement is then applied to consider holistic information / perspectives. The (=) average represents a slight anticipated improvement in business models and strategy toward better alignment with nature positive transition, thanks notably to the target-settings implemented. But most of the companies are not ready to transform their business model to fully address biodiversity challenges.

OVERALL PROFILE OF THE 5 ACT DIMENSIONS

Like all ACT road tests, the ACT Biodiversity road test provides a snapshot of panel member's performance in each of the 5 ACT dimensions (see Figure 5). The following paragraphs summarize trends and challenges in these 5 elements. These insights do not apply uniformly to all participant companies and should not be interpreted as indicative of company performance. This is an analysis of common trends identified throughout the road test. Company-specific insights are given in the confidential company feedback reports.

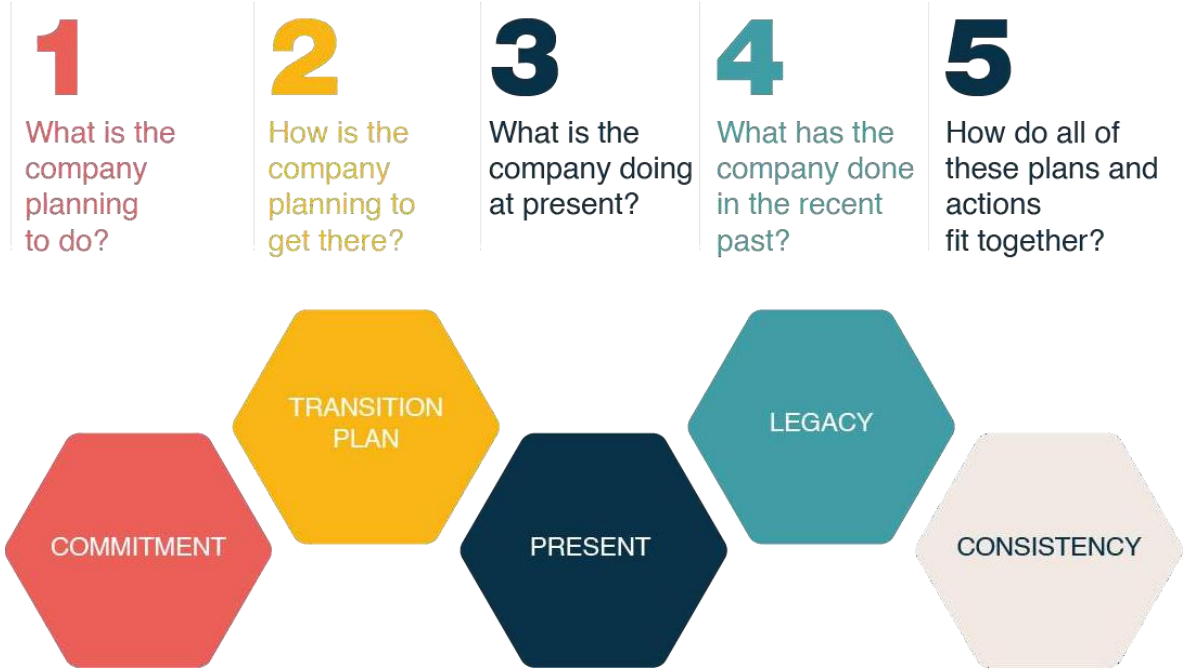


FIGURE 5: ACT ASSESSMENT FRAMEWORK

Commitment

Most of the companies assessed biodiversity loss as a material issue and have formalized commitments related to nature protection. These commitments mostly focus on direct operations and upstream activities, particularly for raw materials subject to strict regulatory frameworks due to their significant impact on biodiversity. Companies tend to prioritize pressures related to high-risk raw materials and regulated supply chains, where biodiversity impacts are most significant and visible. At this stage, most companies have not yet aligned their commitments with global biodiversity frameworks, nor have they systematically adopted nature-based target-setting approaches, such as Science Based Targets for Nature (SBTN), which remain highly demanding and, in many cases, perceived as overly ambitious given current data and methodological constraints. Nevertheless, there are significant differences between companies in terms of ambition and scope, reflecting various levels of maturity in biodiversity and the internal structuring of nature-related strategies.

Nature-positive plan

Overall, the companies assessed are at an early stage in the development of comprehensive nature-positive plans. While many have introduced action plans to mitigate their most significant negative impacts on biodiversity, these strategies predominantly focus on avoidance and reduction measures rather than on restoration or the achievement of a net positive impact on nature. Nature-related actions are often implemented through supplier codes of conduct, responsible sourcing policies and pilot projects at local or asset level. However, these initiatives are rarely embedded within a coherent, group-wide trajectory supported by clear timelines, intermediate targets, and decision-making processes. As a result, biodiversity considerations remain insufficiently integrated into core business strategies, capital allocation decisions, and product design processes.

Present

Companies have increasingly recognized that their activities are highly dependent on ecosystem services and that they contribute to biodiversity loss, which represents a material risk for their operations. As a result, they are beginning to develop methods and practices that are more respectful of biodiversity, acknowledging the importance of preserving it. However, this work remains at an early stage, except for climate change dimension for which most companies have clear ambitions.

The lack of clear definitions, standardized methodologies, and sufficient granular data remains a major challenge to assess the companies' biodiversity performance.

Legacy

Target setting and reporting on biodiversity with quantified indicators are recent developments. As a result, companies' track records remain in their infancy and will need to be closely monitored in the coming years. Nonetheless, most of the companies evaluated have been participating in various initiatives aimed at supporting biodiversity and nature-positive practices for several years. Almost all companies have made recent progress on the GH emissions reduction.

Consistency

Initiatives are increasing, but overall coherence is not always achieved. Companies' materiality assessments are not always conducted in a robust manner, meaning that efforts are often not focused on where they would be most effective. It remains difficult today to evaluate companies' positioning regarding a nature-positive transition, as most initiatives are still at the stage of limiting impacts, without fundamentally questioning or transforming their business models.

AVERAGE RATINGS PER MODULE FOR THE PERFORMANCE SCORE

Materiality:

Materiality is a key starting point of the assessment of companies' biodiversity strategies. It directly influences the weighting applied to Modules 2 and 4 (as detailed below) and determines the scope of items that companies are expected to address when setting targets (Module 1), as well as when assessing past trends under indicators 2.1 and 4.1.

At this stage, the way companies conduct their materiality assessment is not directly evaluated within the tool. However, it has been identified as a critical element and will be integrated into the next version of the methodology, where it will contribute to the narrative score. A robust materiality assessment is considered the foundation of an effective biodiversity strategy, and its future integration aims to encourage companies to strengthen this essential step.

The items for which the company must set targets (Module 1), as well as the indicators assessed in trend analysis (Indicators 2.1 and 4.1), depend on the levels defined in the materiality matrix. Dimensions are assessed from the level "medium" and their weight increase for high or very high level. The respective weights W2 and W4 of Modules 2 and 4 are determined by the company's total materiality in Direct Operations and Upstream Activities, knowing that the combined weight of Modules 2 and 4 is fixed at 43%. However, the internal allocation of this 43% varies according to the company's materiality profile:

$W_2 = 43\% \times \%Direct$

$W_4 = 43\% \times \%Upstream = 43\% \times (1 - \%Direct)$

Materiality also influences Indicator 1: the weightings of Indicators 1.1 and 1.2 are proportional to the materiality level of the relevant environmental pressure within corresponding scope (Direct Operations / Upstream Activities). The specific weightings are defined as follows:

$W_{1.1} = 13\% \times \%Direct$

$W_{1.2} = 13\% \times \%Upstream = 13\% \times (1 - \%Direct)$

The following chart illustrates the distribution of results across the different modules.

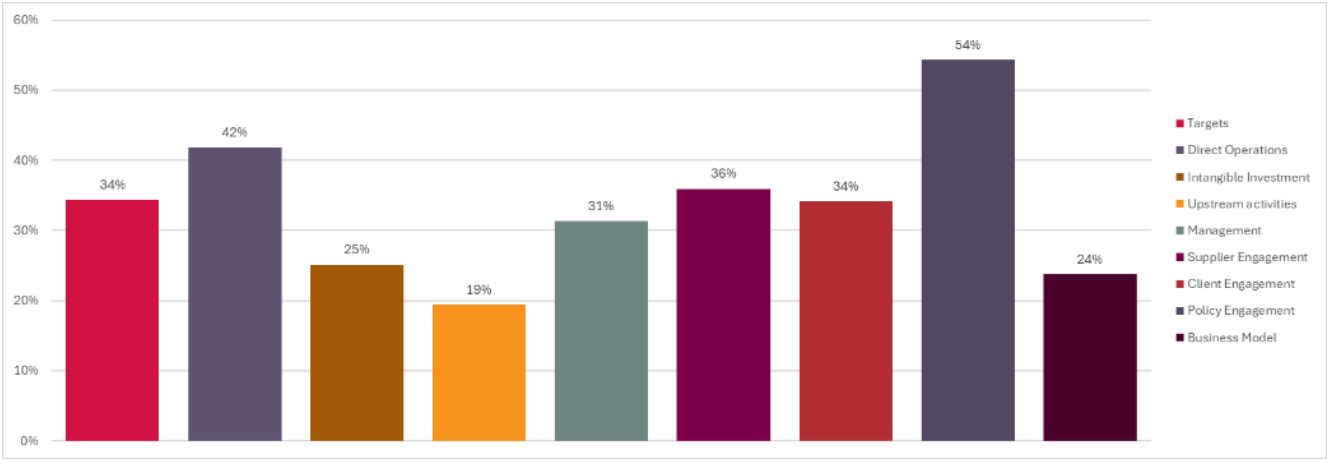


FIGURE 6 : AVERAGE SCORES PER MODULE OF THE PERFORMANCE SCORE

The figure 6 results show a moderate overall maturity, with average scores varying significantly across modules.

Overall, this performance highlights a transitional stage where companies are beginning to formalize their commitment, but still struggle to translate it into a transformative business model or a fully traced value chain. Only Module 8, related to Policy Engagement, scored above average, with a score of 54%. The lowest scoring modules were Module 4 (Upstream Activities, 19%) and Module 9 (Business Model, 24%).

The weak performance in Module 4 is mainly due to the lack of available data on upstream activities, as well as the ambitious nature of the methodology, which is not always fully relevant for all indicators (e.g., Indicator 4.3 requires collecting data on biodiversity management at supplier sites).

Regarding Module 9, companies haven't yet engaged in business model transformation on biodiversity-related topics. Moreover, this module does not directly evaluate the business model itself; instead, it is populated only when relevant information is available. However, Indicator 9.2, which assesses production practices implemented to support biodiversity, was more substantively populated.

MODULE 1. TARGETS

1. Targets

Module description for ACT Biodiversity:

Module 1 assesses company's targets and aims at comparing them with projected values expected for the sector from the associated sectorial benchmark.

Materiality for companies:

This module accounts for 15% of the overall score. It is a material component in the definition of a biodiversity strategy, as setting targets is the first step toward reducing impacts on biodiversity. Under the ACT Biodiversity methodology, companies are required to set reduction targets for the indicators on which they are material, both in upstream activities and in direct operations. These targets are assessed against specific reference trajectories established through a variety of sectoral benchmarks and frameworks including SBTN (Land and Freshwater), SBTi FLAG, and Global Biodiversity Framework (GBF)

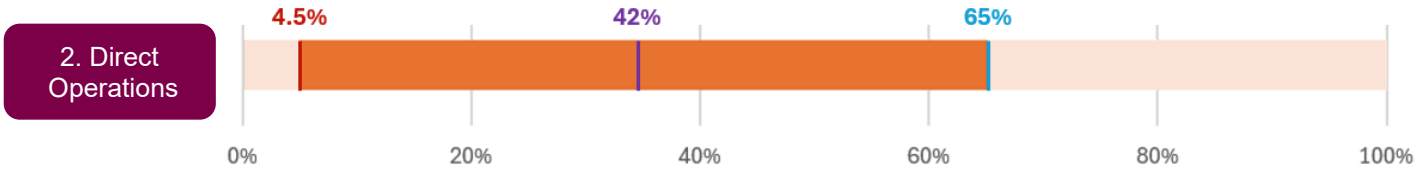
Main feedback:

Scores were primarily driven by GHG reduction targets, which benefit from the high maturity of low-carbon strategies. However, companies struggled with non-climate pressures, showing a notable absence of formalized targets for land footprint and nutrient reduction, particularly in upstream operations.

A first observation concerns Indicator 1.1, which scored higher than Indicator 1.2. Companies rarely formalize impact-reduction targets for their upstream activities, even though this is often where their material impacts are concentrated. As a result, Indicator 1.2 tends to yield lower scores, exacerbated by a lack of visibility and data from distant suppliers. Additionally, assessing targets reduction in intensity terms remains challenging. The current ACT Biodiversity methodology relies on absolute data, limiting the possibility of evaluating targets expressed in intensity metrics, such as water efficiency, thereby losing the relevance of their specific environmental efforts.

The dimension on which companies generally achieve the highest scores is greenhouse gas (GHG) reduction. This reflects the greater maturity of corporate low-carbon strategies and the more ambitious commitments made on climate issues, which are broadly aligned with a low-carbon transition pathway.

MODULE 2. DIRECT OPERATIONS



Module description for ACT Biodiversity:

Module 2 assesses how companies manage their impact on biodiversity at site level and how biodiversity considerations are integrated into the management of direct operations. It evaluates both past performance and current operational practices related to biodiversity.

Indicator 2.1 focuses on trends in past biodiversity impacts. Indicator 2.2 assesses production practices and their alignment with biodiversity-friendly approaches. Indicator 2.3 examines ecosystem and land management practices at the site level. Finally, indicator 2.4 evaluates the extent to which biodiversity considerations are integrated into capital expenditures (CAPEX).

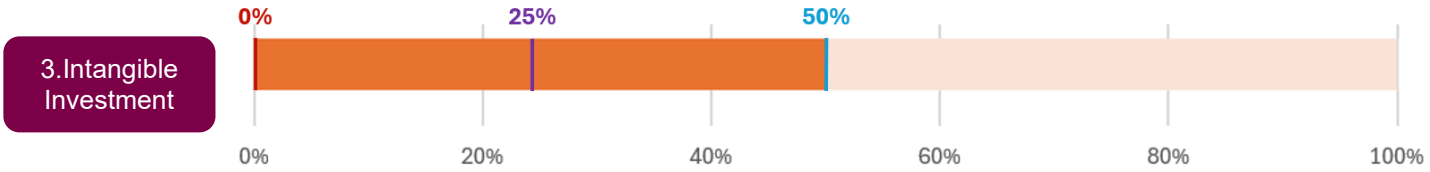
Materiality for companies:

Module 2 covers the impacts over which the company has direct control and can have direct actions. The materiality of this module depends on the company's activities and the location of its sites. The weight of this module is linked to Module 4 (Upstream activities), as both together reflect the company's responsibility across its value chain. Together, they account for 43% of the performance score, with the split between the two modules determined by their relative materiality for each company (see explanation in section 1.3, in paragraph : "Average rating per module for the performance score").

Main feedback:

Regarding trends, the GHG emissions indicator is relatively well covered, indicating that GHG management is a mature topic. Companies have generally integrated it effectively within their sites for many years. Water management is also relatively well monitored, with overall consumption tending to decrease. Other topics show more heterogeneous trends: coverage is less consistent and data are not always available. On-site biodiversity management is relatively well addressed, as companies often carry out mapping of biodiversity-sensitive sites and generally take biodiversity management practices into account at the site level. However, indicator 2.4 remains very challenging. The European taxonomy for biodiversity has not yet been published, and companies do not clearly identify biodiversity as such in their capital expenditures (CAPEX). Overall, the module shows a good average performance, but scores remain moderate, with a maximum score of 65%. This suggests that there are still underlying limitations that require further investigation.

MODULE 3. INTANGIBLE INVESTMENT (25%)



Module description for ACT Biodiversity:

Module 3 evaluates companies' intangible investments related to biodiversity. It assesses how companies build internal capabilities and innovate to support biodiversity objectives. Indicator 3.1 focuses on the provision of biodiversity-related training, including its quality and the existence of a structured skills development plan. Indicator 3.2 examines the share of research and development (R&D) expenditure dedicated to the development of biodiversity-friendly solutions.

Materiality for companies:

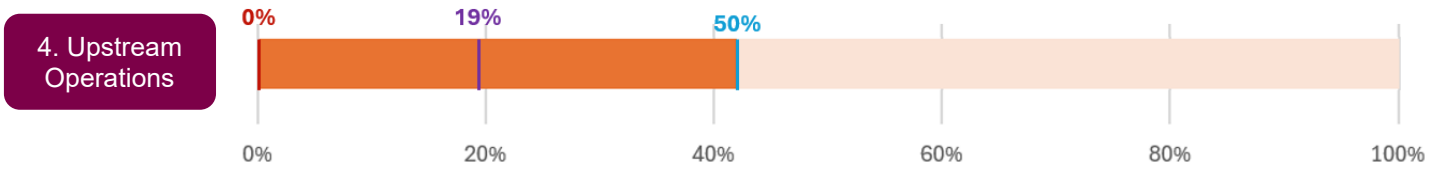
For companies, building internal expertise is essential. It strengthens employees' capabilities on biodiversity issues, raises awareness to drive changes in practices and mindsets, and brings all levels of the organization from operational teams to the Board, together around a common purpose. This alignment is also needed to operate the commitments made at the highest level. However, the weight of this module remains low (3% of the overall performance score), as these intangible investments in intangible investment capital are difficult to quantify and their concrete impacts are challenging to evaluate.

Main feedback:

Overall, although most companies are developing training plans, these often remain limited to general biodiversity awareness rather than promoting concrete actions. Moreover, some large groups focus training efforts on employees who have the ability to act on biodiversity (engineers, R&D teams, staff in contact with suppliers and/or clients). These targeted trainings are currently not valued in the scoring, which can result in a very low percentage of employees being formally considered as "trained".

Another major challenge lies in quantifying the share of R&D expenditures dedicated to biodiversity. Companies do not usually classify their R&D spending this way. Efforts tend to focus on reducing the impacts associated with their activities, which usually translates into action on a specific pressure factor (e.g., reducing pollution), rather than explicitly developing biodiversity-positive solutions. This calls for methodological adjustments. In this regard, it would also be relevant to take OPEX into account when assessing companies' investments in biodiversity. Many biodiversity-related initiatives, such as employee training programs, monitoring systems, partnership development, or operational changes aimed at reducing impacts are not reflected in R&D budgets but rather in operating expenses. Including OPEX would therefore provide a more accurate and comprehensive picture of the resources mobilised by companies to support biodiversity.

MODULE 4. PORTFOLIO CLIMATE PERFORMANCE SCORING



Module description for ACT Biodiversity :

Module 4 evaluates how companies integrate biodiversity considerations into their upstream value chain and sourcing practices. It focuses on the management of biodiversity impacts linked to suppliers and raw material

sourcing.

Indicator 4.1 assesses trends in past biodiversity impacts within the upstream value chain. Indicator 4.2 examines upstream production practices and their alignment with biodiversity-friendly approaches. Indicator 4.3 focuses on land and ecosystem management in upstream activities. Finally, indicator 4.4 evaluates traceability systems and the management of raw materials.

Materiality for companies:

This module is material because a significant share of biodiversity impacts comes from the extraction or production of raw materials, especially in sectors that rely heavily on natural resources. It is therefore essential for companies to integrate upstream biodiversity risks and impacts into their strategy. The weight of this module is linked to Module 2 (direct operations), as both capture the company's responsibility across its value chain. Together, they account for 43% of the performance score, the split between the two modules depends on their relative materiality for each company (cf explanation page …)

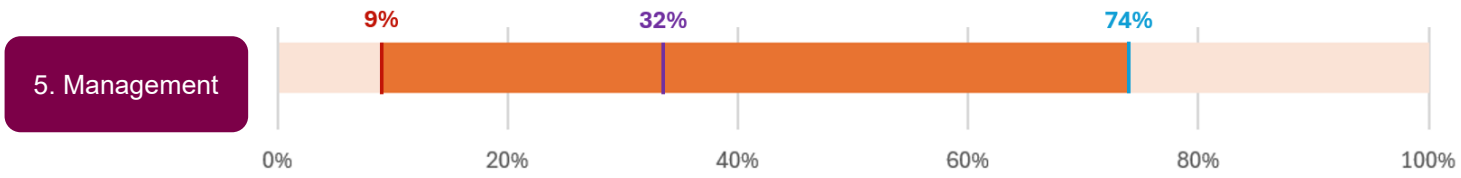
Main feedback:

As the lowest-scoring module, this highlights a critical "blind spot". Beyond the lack of data from distant suppliers, the methodology's requirement for biodiversity management data at supplier sites (Indicator 4.3) was deemed unrealistic by many participants.

This module was quite difficult to complete due to limited visibility over their suppliers' actions and the very detailed data requirements. Obtaining quantitative site-level biodiversity data from suppliers is often unrealistic (indicator 4.3). Many companies focus on a small number of key raw materials, which makes it challenging to prioritise impacts across the full procurement portfolio with the current methodology.

A shift in approach would be beneficial: placing more emphasis on the monitoring of suppliers' practices, assessing how companies prioritise raw materials based on biodiversity risks and impacts, and recognising the complexity of long and multi-tier supply chains, where companies often lack any visibility beyond their first-tier suppliers. Currently, the methodology does not fully account for these realities, making it difficult for companies to demonstrate their efforts.

MODULE 5. MANAGEMENT



Module description for ACT Biodiversity:

Module 5 evaluates whether companies have sound policies, structures, and oversight on biodiversity-related issues: and how their strategy is structured and managed at the company level. It incorporates many sub-indicators that together draw a picture of the companies' management and strategic approach to the nature positive transition (5.1: Oversight of biodiversity issue, 5.2: Biodiversity oversight capability, 5.3: Nature transition plan, 5.4: Biodiversity management incentives, 5.5: Nature scenarios and pathways and 5.6: Ecosystem services pricing).

Materiality for companies:

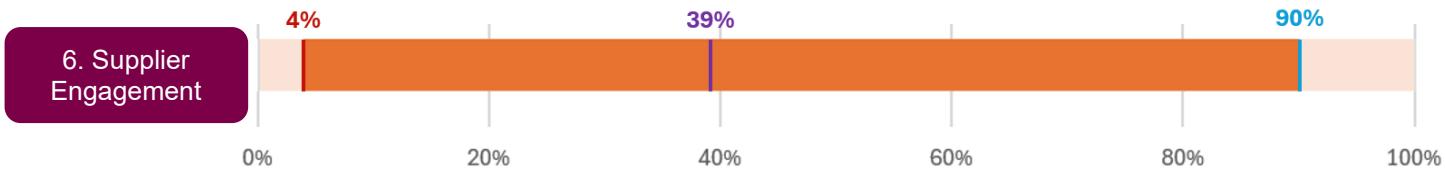
This module assesses companies' management practices and strategic approach to the nature-positive transition. It is therefore essential for the implementation of a relevant biodiversity strategy and represents a weighting of 10%.

Main feedback:

Scores are somewhat uneven across companies, with some achieving very high scores (up to a maximum of

90). This indicates that governance is generally one of the first levers companies activate when developing a biodiversity strategy. Some companies have a very well-structured biodiversity strategy, particularly when they align with global frameworks such as the TNFD and therefore achieve higher scores. When this is not the case, assessment becomes more complex, as biodiversity strategies are not always structured according to the same criteria, and companies may lack robustness and ambition in their approach. Indicator 5.4, which focuses on management incentives, often shows very poor results, as such incentives are generally not implemented by companies. Finally, indicator 5.6 on ecosystem pricing is also particularly challenging to assess.

MODULE 6. SUPPLIERS ENGAGEMENT



Module description for ACT Biodiversity:

Module 6 evaluates companies' strategies and actions aimed at influencing their suppliers to reduce their impact and dependencies on biodiversity. It assesses both the level of strategic commitment and the implementation of concrete actions across the value chain.

Indicator 6.1 focuses on the existence and robustness of a strategy to influence suppliers in reducing their impacts and dependencies on biodiversity. Indicator 6.2 assesses the concrete activities and measures implemented to influence suppliers and support improvements in biodiversity performance.

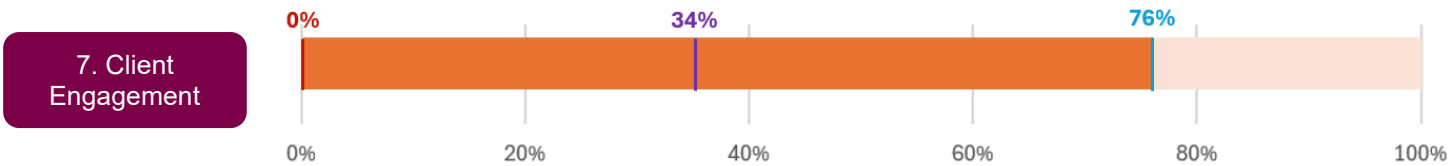
Materiality for companies:

The module will account for 7% of the performance scoring.

Main feedback :

The module is not homogeneous, with scores ranging from as low as 4% to as high as 90%. Results strongly depend on the type of sourcing. Companies sourcing from high-income countries (HICs) or from commodities covered by regulations such as the EUDR have generally identified their raw materials earlier and have already implemented actions. However, the "actions" component (6.2) is often difficult to substantiate. Commitments are frequently limited to biodiversity requirements included in sourcing standards or supplier requirements, with little willingness to go beyond compliance or actively influence suppliers' practices. In cases of non-compliance, companies often choose to switch suppliers rather than support improvements.

MODULE 7. CLIENT ENGAGEMENT



Module description for ACT Biodiversity: The module assesses companies' strategies and activities to influence their clients' business models and activities to reduce their impact on biodiversity.

Materiality for companies:

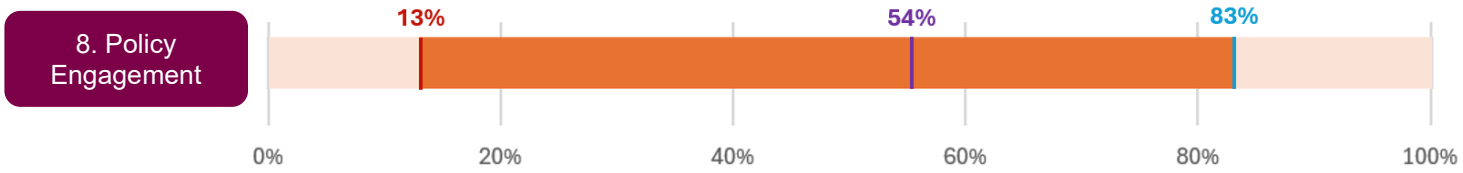
The module will account for 7% of the performance scoring. This module is material because companies have a significant role to play in influencing downstream impacts by promoting sustainable consumption patterns and providing biodiversity-friendly solutions to their clients. It assesses the company's ability to leverage its market position to educate customers and shift demand toward products or services with reduced ecological

footprints. For B2C sectors and retail, this engagement is a key driver for large-scale change, though its current integration remains a challenge. The weighting of this module reflects the company's responsibility to manage its indirect impacts at the end of the value chain.

Main feedback:

This module is not applicable to all activities and companies today. It does not adequately account for BtoC companies, making it difficult to quantify the scope of engagement for these players. Overall, several initiatives have been implemented, such as information sharing (e.g., through newsletters) or disclosure requirements, but there is a clear lack of a comprehensive strategy, formalization, and structured reporting. Furthermore, companies do not always have the capacity or the appropriate levers to influence their customers' behavior.

MODULE 8. POLICY ENGAGEMENT



Module description for ACT Biodiversity:

The module evaluates companies' engagement with trade associations and their public positions on biodiversity policies. Indicator 8.1 requires companies to disclose their internal policies and processes for joining, interacting and influencing with trade associations. Indicator 8.2 examines whether companies support trade associations with biodiversity-negative positions. Indicator 8.3 asks companies to disclose their position on significant biodiversity policies. Finally, Indicator 8.4 evaluates companies' involvement with indigenous community and local communities.

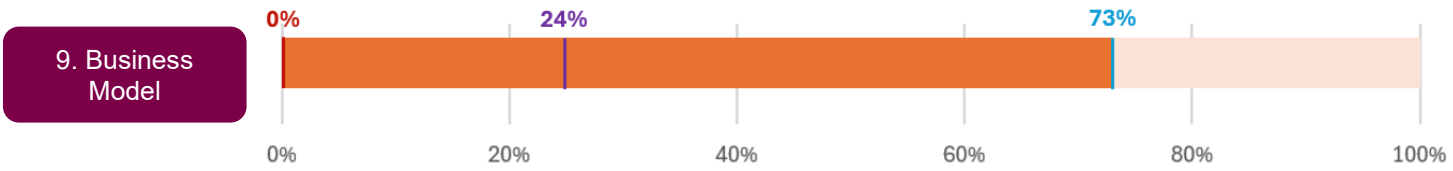
Materiality analysis:

The policy engagement indicators provide a narrative about companies' position on biodiversity and how they express this in their engagement with policymakers and associations. The materiality of this module has a weight of 5%.

Main feedback:

Companies performed relatively well in this module, with the highest average score across modules (54%). Among the positive trends observed, most companies participate in global initiatives aimed at supporting biodiversity. Some companies are also members of sectoral working groups that seek to advance collective action on biodiversity. Indicator 8.2 is more challenging to assess. Companies are often members of associations that support biodiversity-related initiatives, but it can be difficult to evaluate whether these associations (or other groups) also advocate positions that may be misaligned with biodiversity objectives. Local populations are generally considered within the social dimension of companies' strategies; however, the integration of biodiversity considerations related to local communities remains insufficiently mature.

MODULE 9. BUSINESS MODEL



Module description for ACT Biodiversity:

Module 9 assesses the development and implementation of innovative tools and policies within companies to support the transition towards nature-positive business models. It focuses on how companies adapt and transform their activities to reduce biodiversity impacts and create positive outcomes for nature.
Indicator 9.1 evaluates structural shifts in the business model to better integrate biodiversity considerations. Indicator 9.2 assesses the extent to which business activities are shifting towards improved and more biodiversity-friendly production practices. Finally, indicator 9.3 examines the development of regenerative business activities that actively contribute to nature-positive outcomes.

Materiality for companies:
This module is forward-looking, as it evaluates the changes in business models and strategies that companies need to implement to achieve a nature-positive transition. It represents a key component of long-term planning and helps assess the alignment and coherence between the company's business model, its strategic trajectory, and the measures implemented, which are assessed in the other modules. As such, it is highly material and accounts for 10% of the overall performance score.

Main feedback:

Overall, companies remain relatively immature on this module, with no substantial business model transformation yet implemented specifically for biodiversity, or only minor and still insufficiently mature changes. Some business model adjustments are observed to address one of the five main biodiversity pressure drivers, most often climate change, as companies are generally more advanced on this topic.

Companies tend to achieve better scores on indicator 9.2, reflecting the implementation of more biodiversity-friendly production practices, such as water savings, reduced pollution, and improved energy efficiency.

In addition, the module does not account for business models that are already biodiversity-friendly. It primarily values business model transformations, making it difficult to recognize and reward companies whose existing models are inherently more respectful of biodiversity.

AVERAGE ASSESSMENT RATING BY CRITERIA FOR THE NARRATIVE SCORE

The narrative score assesses the overall response of the company on five dimensions: Business Model and Strategy, Consistency and Credibility, Data Quality, Reputation, and Risk. Once a company's response was reviewed and scored, analysts completed the narrative score in the tool provided by ACT. This includes the scoring criteria for each dimension using the same achievement levels as other maturity matrices, from Basic (0 points) to Biodiversity aligned (4 points)

Business Model and Strategy

To what extent is the company's organizational business model and strategy aligned or misaligned with nature positive transition?

This dimension achieved an average score of 1.95 out of 4, corresponding to less than 50% achievement. No company reached the maximum possible score. In many cases, scores are driven by business models strongly oriented toward decarbonization, which can indirectly contribute to improved biodiversity outcomes. However, companies do not yet fundamentally question or redesign their business models to align them with a truly nature-positive transition.

Consistency and Credibility

Are there any aspects of the company's strategy and related transition plan that are inconsistent with each other? Are there any aspects of the company's strategy and related transition plan that are inconsistent with external information about the company? Are there any aspects of the company's strategy and related transition plan that are not credible?

The average score for this dimension is 2. Companies that have started to question their business model are also better scored in terms of credibility. On the other hand, companies that have announced policies and targets not really aligned with their materiality or that contrast with external information on the companies have a lower score on this dimension.

Data Quality

Are there any concerns around the quality of the reported data? Are there any concerns around the completeness of any elements of the reported data? Are there any concerns around the consistency of any elements of the reported data? Are there any concerns around the validity of any elements of the reported data?

Data quality is the highest-scoring dimension of the narrative score, with an average of 2.38. This indicates that when companies do have data available, the quality of the information is generally good. However, data completeness remains a key weakness. In the absence of strong regulatory requirements on biodiversity data collection, both the completeness and consistency of disclosures remain uneven. More mature companies tend to provide more extensive and higher-quality qualitative data.

Reputation

Is there evidence (from sources identified in the Analysis section) of company involvement in any reputational incidents (e.g., environmental controversies, accounting scandals, etc.) that call into question the credibility of the company's nature positive strategy and commitments? If reputational concerns exist, to what extent is the company addressing/has the company addressed these concerns?

This dimension achieved an average score of 2.36 out of 4, indicating a moderate level of reputational risk across companies. Some companies have been involved in environmental or biodiversity-related controversies that raise questions about the consistency between their public commitments and their actual practices. When reputational concerns do exist, they are unevenly addressed. Some companies tend to acknowledge these issues and demonstrate efforts to mitigate risks through corrective actions, enhanced transparency, or strengthened governance mechanisms. In contrast, other companies provide limited information on how reputational risks are managed, making it difficult to assess whether identified controversies are adequately addressed or fully integrated into their biodiversity strategies.

Risk

How reliant is the company on ecosystemic services for its profits, now and in the future? Are there potential or existing market, policy/legal and/or technological risks that may block the successful implementation of a particular strategic nature positive direction?

This dimension obtained a relatively low average score of 1.69 out of 4, reflecting a limited integration of biodiversity-related risks into companies' strategic analyses. Many companies remain highly dependent on ecosystem services for their current and future profitability, yet this dependency is pretty good identified but not really addressed. Potential risks related to market dynamics, regulatory and policy developments, or technological constraints are often only partially addressed. While some companies acknowledge the existence of such risks, they rarely demonstrate a comprehensive or forward-looking assessment of how these factors could hinder the successful implementation of a nature-positive strategy. More mature companies show early signs of integrating biodiversity-related risks into their risk management frameworks, but overall, this dimension remains underdeveloped and difficult for companies to consider.

Final narrative scores

The average narrative score obtained is equivalent to a C letter score. Overall, the average narrative score of a **C** reflects a corporate landscape that is technically prepared but strategically hesitant. While companies demonstrate a solid foundation in Data Quality and Reputation management, there remains a significant gap in translating these assets into a transformative Business Model. The results suggest that the transition from

a climate-focused strategy to a nature-positive one is still in its early stages. The key challenge for companies will be to move beyond transparency alone and demonstrate how their strategic choices and risk management are fundamentally aligned with the long-term preservation of the ecosystem services upon which their profitability depends.

Legend:
green = minimal score
purple = average score
blue = maximal score

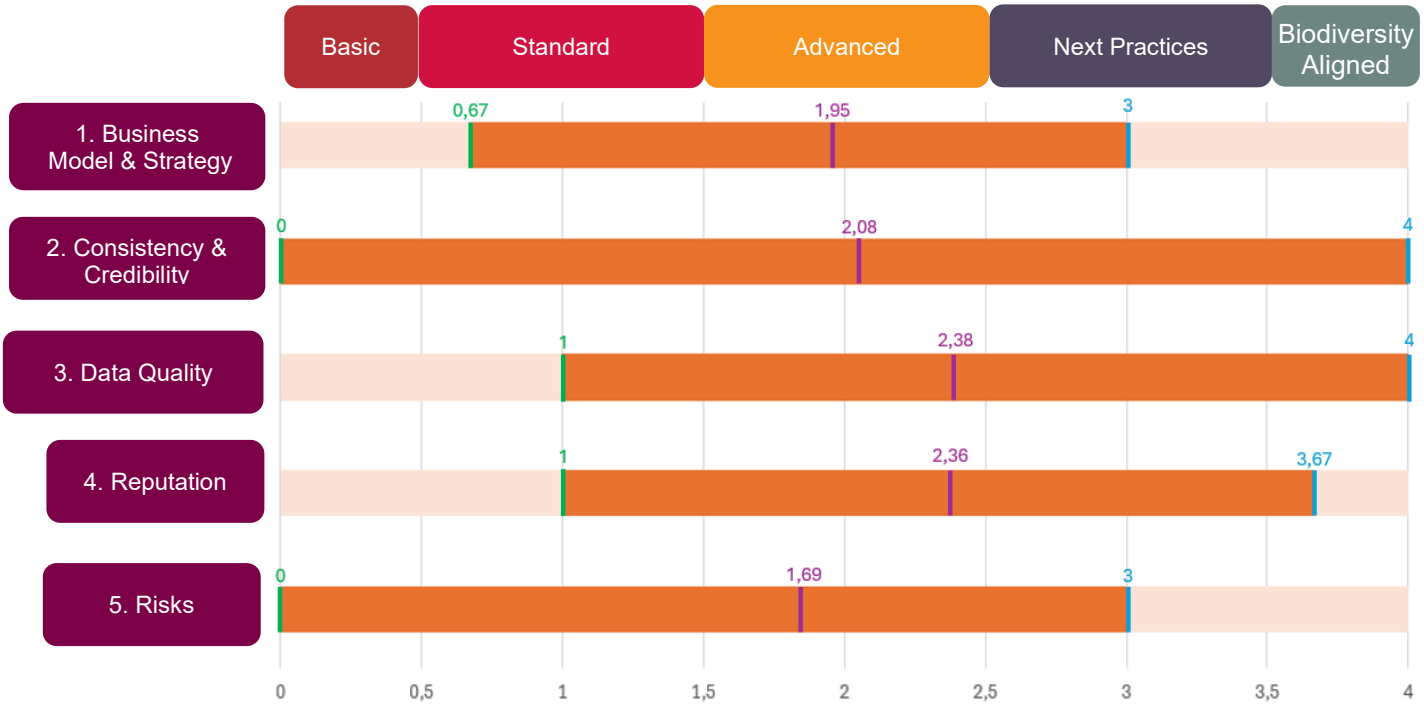


FIGURE 7: AVERAGE PER MODULE FOR THE NARRATIVE COMPANIES

TREND SCORE

Initially, the ACT Biodiversity tool classified 12 companies as “neutral” (=) and one as “negative” (–). Achieving a positive trend score (+) is very demanding, as it requires either a 100% score or more than 50% across all forward-looking indicators, such as targets (both direct operations and upstream), CAPEX, R&D, investments, nature transition plans, supplier influence, and business model transformation. This makes the criteria particularly, and potentially overly, ambitious.

However, although the outcome is guided by the performance score and the narrative score, the final result can be adjusted based on the judgment of the analyst who conducted the assessment. This expert judgment considers the analyst’s knowledge of the company, the context in which the strategy has been developed, governance and strategic alignment, as well as the efforts implemented. So, experts have the capability to change their scores. As a result, after adjustments by evaluators, the final distribution is two positive (+), eight neutral (=), and four negative (–) trend scores. Companies that received a positive trend score show more robust indications of efforts to transform their business model, suggesting with greater confidence that they are likely to perform better in the coming years. Companies that received a neutral trend score appear to be moving in the right direction, but without sufficient guarantees that their biodiversity strategies will become

fully aligned with nature-positive pathways and practices. Nevertheless, the rapidly evolving regulatory environment suggests that their performance could improve in the coming years. Finally, companies that received a negative trend score don't appear to be questioning their business model and have not implemented sufficient or sufficiently ambitious measures for biodiversity. Consequently, there are no tangible elements indicating that they are likely to perform better in the coming years.

FEEDBACK FROM PARTICIPATING COMPANIES

During the assessment, analysts and companies faced difficulties especially with sectorial method. Sectorial workshops were organized with companies of the sector to co-build recommendations for the sectorial method.

TABLE 3: COMPANIES FEEDBACK BY SECTOR

Sector	Feedback from companies
Agro	• None of the companies in the case studies carries out plant or animal production within its direct operations; therefore, the agri-sector module 2 can't be applied and the generic module should be used instead. • Difficulties were encountered in accessing data at the watershed level (for water and pollution dimensions), with data sometimes already challenging to obtain at the country-of-sourcing level. ➔ A change in the scale of analysis is planned in future iterations of the methodology. • Assessing all value chains of all commodities simultaneously proved challenging, leading to a loss of detail when aggregating data, as commitments and practices may differ across value chains, making it difficult to properly recognize implemented actions → assess commodity one by one to keep details • Collecting Scope 3 data related to land use was particularly challenging, and the current land footprint methodology is not well suited to the agri-sector, notably regarding the distinction between extensive and intensive production systems. • The "Plant-based" and "Animal-based" matrices are too similar and insufficiently specific, even though the underlying biodiversity challenges differ significantly. • There is a lack of questions specifically addressing supplier selection based on biodiversity-related criteria. • A clearer distinction is needed for feed ingredients to avoid confusion with plant-based commodities.
Building	General modifications proposed for module 2 (Direct operations) • Differentiate roles of building project management (AMO) versus construction, as responsibilities are different. According to the role, the matrices will be different. • Reduction of Land use could be evaluated via KPIs like % projects in renovation or on artificialized land • Ecological analysis for Project Management could be based on 5 levels (versus 3) • Mitigation hierarchy could be suppressed as the sequence ARC (Avoid – Reduce – Compensate) is a requirement or modified to consider the ERC strategy (avoidance of E and C) • Construction site (for builders) could be changed to include management of Invasive exotic species. • Biodiversity friendly buildings for Project management: 2 proposals based on means or results • Pollution and waste for builders: proposal on practices instead of EU regulation

Chemical	Proposed modifications for the upstream part for the chemical sector (4.2 Chemicals): • Differentiate the items in the matrix depending on whether the raw materials are petro-based or bio-based • Distinguish between means/objective of action (implementation of practices to reduce impacts on biodiversity) and result objectives (% of raw materials or suppliers concerned): not in the same matrix • Add an item on water practices: distinguish between quality and quantity objectives • Make it possible to answer the matrices even for raw materials not considered as HIC, with different expectations
Energy	General modifications proposed for module 2 (Direct operations) • Differentiate roles of developers versus Operators, as responsibilities are different. According to the role, the matrices will be different. • Differentiate requirements between solar and wind energy. • 4 matrices have been proposed to replace the Energy renewable one: Solar developers, solar operators, wind developers, wind operators. • The items “Work in progress” and “Hierarchy of mitigation measures” could be replaced by “Technical design of the project “and “compensation”

FEEDBACK FROM ANALYSTS

Analysts have a key role during the road test:

- To guide companies through data collection and provide a relevant assessment.
- To have a critical view on the methodology and provide relevant feedback on all key aspects of the ACT biodiversity methodology
- To propose solutions to improve the methodology and the data collection tool.

Therefore, analysts were asked to complete a form to give their opinion on the road test on 3 topics:

TABLE 4 : FEEDBACK FROM ANALYSTS

Key topics	Feedback from analysts
Data collection process	• A physical meeting at the start of the project to explain the data collection process and tool was very useful. • It is important to warn the key contact person that they might need the help of other departments at the beginning of the road test, and they must spend time to understand the methodology. • The questionnaire (Excel) used to collect data was complex to understand and not fully aligned with the analysis tool, making data collection difficult and longer than expected. Recommendation is to develop a questionnaire more ergonomic and aligned with the tool as well as other data collection files (CDP, CSRD….). • A robust materiality analysis is essential to start data collection. Companies did not all have made a Materiality assessment analysis, and some were subject to discussions. Analysts recommended having more guidelines on materiality analysis and including a scoring on the robustness of this assessment. • For all, collecting data for Module 4 was very difficult, partly due to a lack of upstream analysis but also to the complexity of upstream supply chain.

	Guidelines on prioritization on raw materials could help.

ACT Assessment	• Performance score:
	  • An arborescence was proposed to make the selection of matrices more fluid.
	  • Preliminary questions related to water and excess nutrient targets were too detailed making the completion of such targets impossible for some companies.
	  • Feedback per module is detailed in §1.3-Average rating per module
	• Narrative score:
	  • The method is adapted. The evaluation of the robustness of materiality analysis could complete this score
	• Trend score:
	  • The trend score was mostly very low, because the level of requirement is very high. Companies should have many scores at level “Biodiversity aligned” to be assessed as positive trend.
	  • This score has been changed manually in most cases to reflect the trend observed by the analysis during the evaluation.
	  • The tool design might be reviewed to better frame the analyst judgement.

ACT Methodology	• The methodology is consistent in its structure but not well adapted to the sectors and particularly complex for multi-activities companies. . • The methodology covers most erosion factors (4 of 5), it is strict but pertinent and adapted to show what companies need to do to implement consistent and robust actions. • More details and guidance could be added to provide harmonized assessments as it has been done during the road test with regular meetings between assessors.

2. Output

2.1. SUCCESS OF THE ROAD TEST

- **Thirteen assessments** were completed during the road test, leading to valuable feedback and interest from companies. Most companies were assessed using private data shared under NDA.

- The assessors believe that with some improvements to the method and the tool, the **assessment will provide a fair reflection of a company’s readiness to transition to a Nature-positive economy**.

- **Sectorial workshops** helped to review and improve **sectorial maturity matrix**.

- The approach developed by ACT is ambitious and innovative, providing a **holistic overview of how companies integrate biodiversity in their strategy and measure their impact**. It is relevant to evaluate progression of the industry sector to move effectively to a Nature-positive economy.

- The team highlighted the **ergonomics and practicality of the tool.** Some minor “bugs” were detected in the tool and quickly fixed during the road test.

2.2. LIMITS OF THE ROAD TEST

- **Time spent on data collection**: many difficulties related to data collection, notably for quantitative Modules 2 and 4. Many challenges arose from lacking data to assess some modules. Companies and analysts spent more time on the project than expected to collect data as accurately as they could.

It is worth mentioning that the questionnaire (excel) was not well adapted to the required data, leading to some wasted time.

- The **questionnaire** (format excel) for data collection needs to be improved to be more aligned with the methodology.

- The evaluation focusses on reduction of negative impacts. Besides, **positive impacts** are not considered. Positive impacts are when the activity is reducing one erosion factor, for example by depollution of water. These activities could not be valorized in the performance score.

- The materiality analysis is difficult for companies having **subsidiaries with different materiality**. Guidance is required for version 1.

- **Sectorial matrices** were not always relevant for the sector, especially when several actors can play different roles in the sector. In the energy sector for example, roles are very different between developers and site operators. The responsibilities on biodiversity impacts must be differentiated.

- **Granularity of data,** especially for module 4, was not adapted to large companies. For example, an analysis of all suppliers' sites is not doable for most companies.

- **Intangible investments** module (3) is considering training and investment related to biodiversity, this is also the case for suppliers (6) and customers (7) engagement strategy. They could be more inclusive and consider also investments or requirements in the environment in general or on one erosion factor (ex: climate change) attributing them a lower score. The maximal score could be attributed when all erosion factors are covered.

2.3. MAIN CHANGES & RECOMMENDATIONS

All inconsistencies or issues experienced by the analysts and companies during the road test have been gathered in a logbook and integrated in a draft methodology at the end of the road test after discussion with the Steering Committee. The following points summarize the key recommendations stemming from the exercise:

- **Improve the materiality assessment:** include a method to evaluate the robustness of the materiality analysis done by the company and provide guidance for companies with activities having different materialities.
- Provide guidance for **companies with multi-sectorial activities,** regarding how to adjust the evaluation of the activity considering its material impacts.
- **Revise certain targets in module 1** (e.g. water basins, plastic use) to make them more practical and realistic for large companies with more than a hundred water basins. This can be also a guidance to help select the relevant water basins.
- **Clearly differentiate in modules 3, 6 and 7** what is related to environment in general versus biodiversity specific.
- **Adapt the data requirement for module 4:** while upstream impacts are essential to a company's biodiversity footprint, assessment criteria should reflect the practical limitations faced by companies with large supplier bases. A pragmatic approach based on supplier environmental certifications—although not fully covering biodiversity aspects—could support supplier engagement and selection. Specific criteria should apply to HIC, with alignment to the SBTN HIC list.
- **Consider introducing generic maturity matrices for Modules 2 and 4,** complemented by open sector-specific matrices based on targeted questions, enabling a more cross-sectoral approach with weighting adjusted to the number of matrices completed
- **Adapt module 7 to better reflect customer engagement strategies** across both BtoB and BtoC contexts.
- **Strengthen guidance for assessors, in particular by:**
  - o aligning the Excel-based data collection tool more closely with the methodology and the online tool;
  - o clarifying whether practices must be implemented at 100% to be considered fully applied, and how partial implementation should be scored;
  - o specifying scoring rules for non-applicable items

3. Conclusion from the road test

CONTRIBUTION OF ACT TO ENGAGING COMPANIES IN THE NATURE POSITIVE TRANSITION

All companies were asked to share their opinion on the method after the presentation of their evaluation result. Many companies acknowledged that this method helps them to understand how they could reduce their negative impacts on biodiversity. Most companies were previously focused on their direct impacts, especially on their sites, and did not realize the importance of upstream supply chain. This method helped them to take a more holistic view on the topic.

The evaluations were mainly based on private data, meaning that even for companies publishing a sustainability report in line with the CSRD, public data was not sufficient for the evaluation. The reason maybe that they did not get enough maturity on ESRS E4 (Biodiversity) standard yet.

Most companies mentioned that large amounts of data are requested and that these are difficult to access. Some improvements must be made to adapt the level of data to the size of companies, without lowering the level of expectations.

In general, companies are less mature on biodiversity than climate change. Some have a Climate change transition plan but main had no Nature-transition plan, despite it being a requirement to start the evaluation. Their materiality assessment was not always robust enough for the evaluation.