



***Nature Credits Markets – Finnish Concept
Already Working***

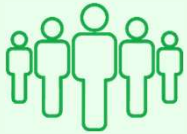
**Buyer Perspective: Why and How
Companies Purchase Nature Credits**

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S GROUP - RETAIL MARKET LEADER IN FINLAND



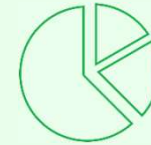
2.6 million

co-op members



84%

of all households are
co-op members



48.3%

grocery stores' market share



€529 million

in monetary benefits to
members per year



41,413

employees



€14.2 billion

tax-free retail sales



2,007

places of business



82%

recycling rate

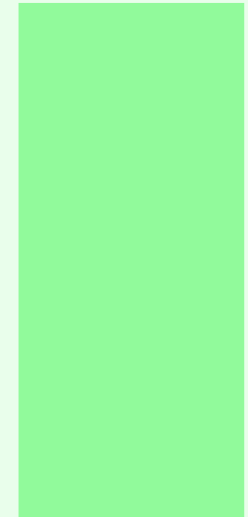
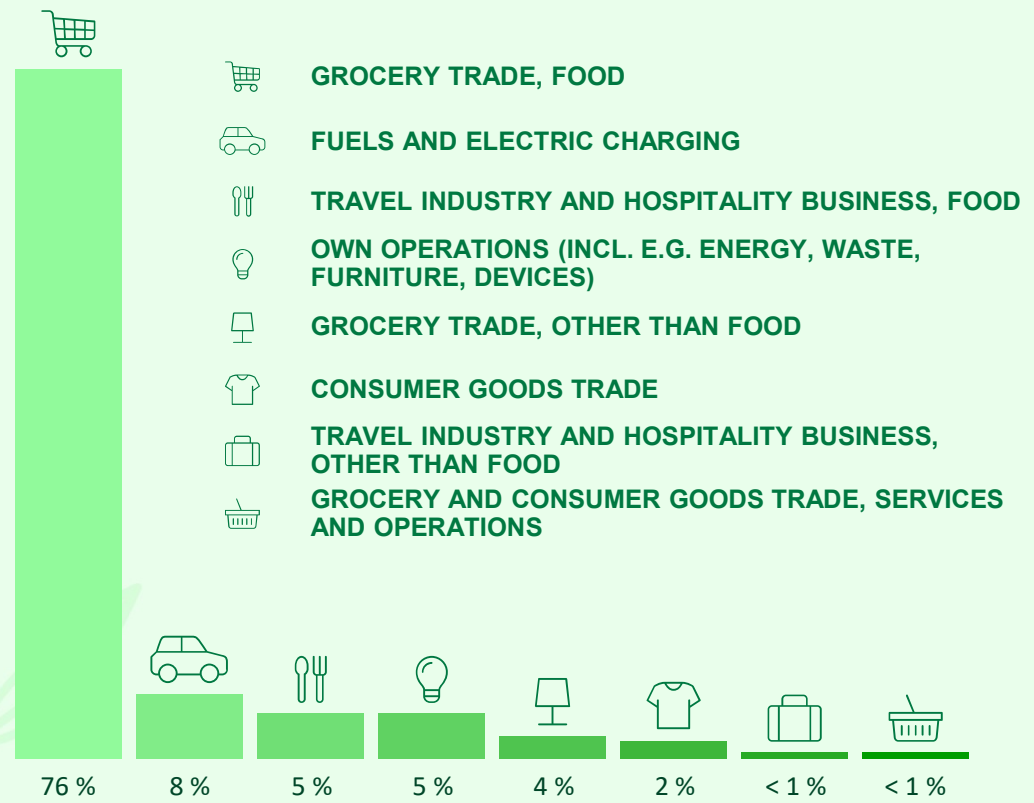


2.4 km

average distance to the
closest grocery store

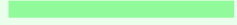


WHAT DOES THE S-GROUP'S BIODIVERSITY FOOTPRINT CONSIST OF?



WORLD excl. FINLAND

97 % global biodiversity footprint



FINLAND

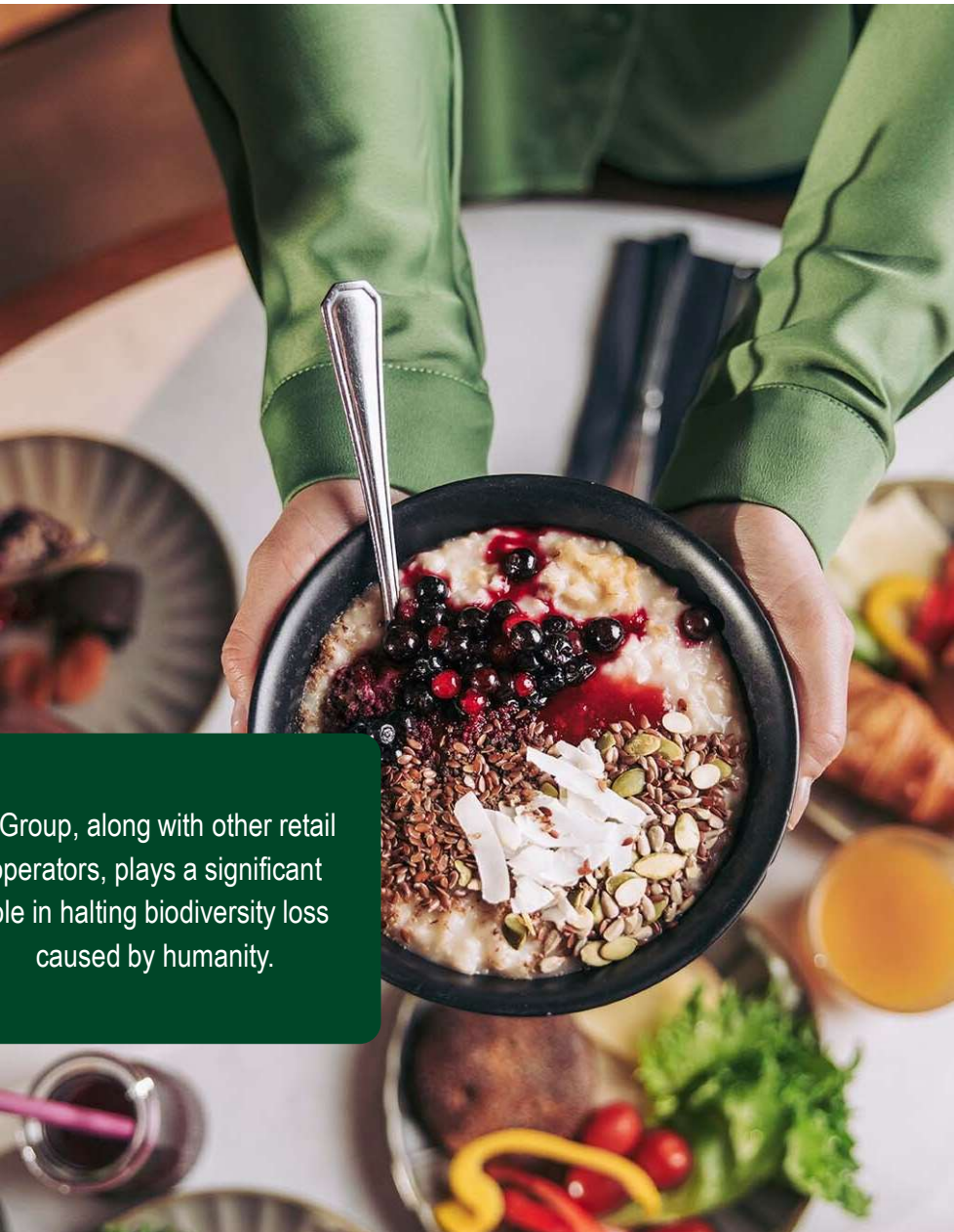
3 % global biodiversity footprint

Biodiversity footprint of the food, land use



Is S Group's biodiversity footprint significant?

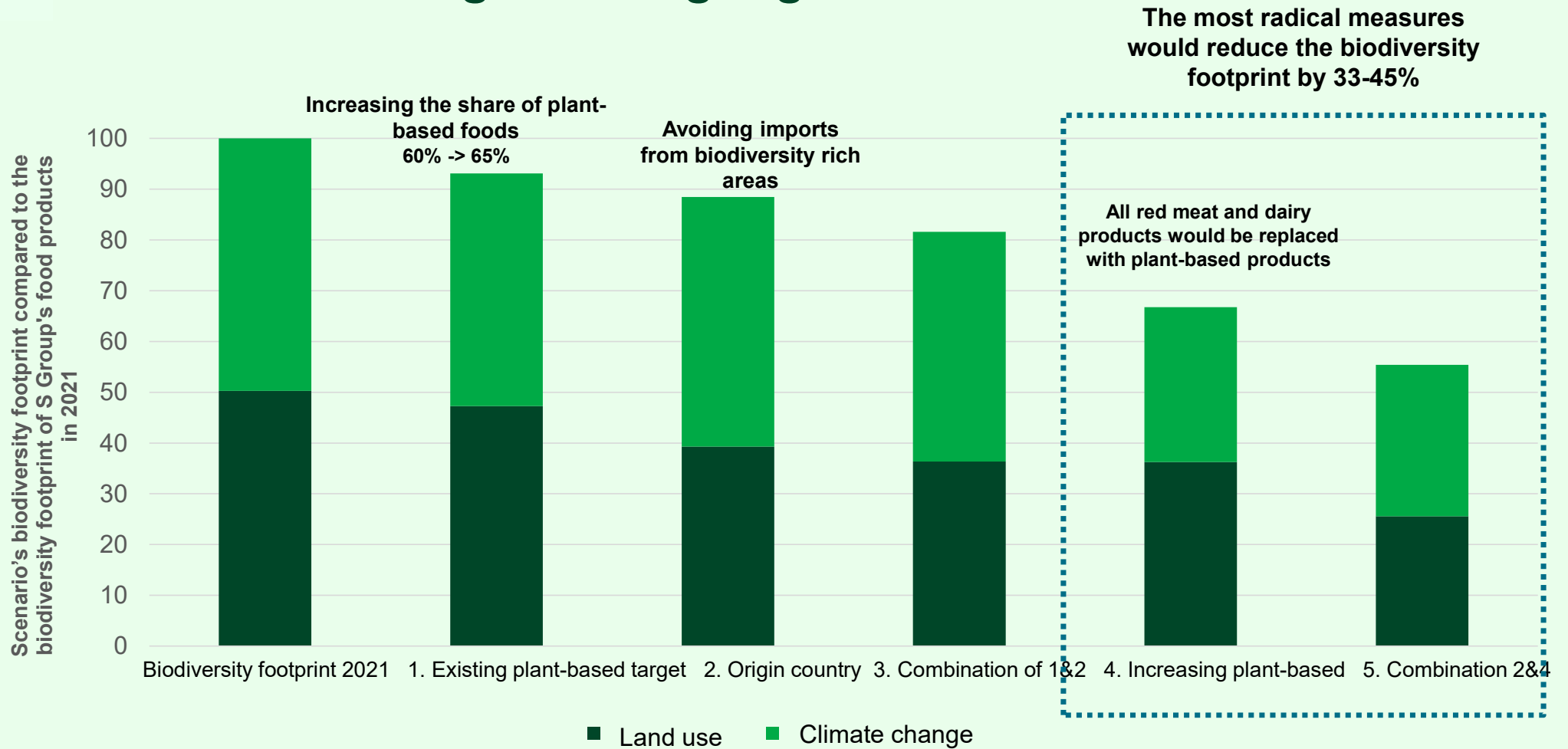
- The S Group's biodiversity footprint is 19,000 nano biodiversity equivalents (nBDe), meaning 0.0019% of the world's species are at risk of disappearing as a result of the operations and value chain of the S Group if the harm continues in the same way. 0.0019% of the world's estimated approximately 8 million species (IPBES, 2019) equals 153 species.
- Globally, it is currently estimated that around 2,300 species have gone extinct (IUCN, 2025). The S Group's biodiversity footprint is significant, but the biodiversity footprint is a shared outcome of the S Group's, value chain actors', and citizens' consumption.
- The S Group is estimated to be the 79th largest retail operator in the world (Deloitte, 2025).
- If the world's largest retailer, Walmart, had a biodiversity footprint structurally similar to that of the S Group, its operations and value chain would cause an increased extinction risk for about 6,000 species.



S Group, along with other retail operators, plays a significant role in halting biodiversity loss caused by humanity.



How could the S Group's biodiversity footprint be reduced through strategic goals?





Avoid, Reduce and Restore

In sustainability work, hierarchy needs to be followed. Restoration can be done even if not all impacts have been avoided or reduced.

1. Avoid negative impacts

- Considering nature in construction
- Resource efficiency
- Circular economy



2. Reduce negative impacts

- Plant-based target 65%
- Domestic origin
- Organic selection
- Guidelines (e.g., reducing food waste, chemicals etc.)
- Supplier agreements and requirements
- Supporting regenerative agriculture



3. Correct the negative impacts, restore

- Restoration project in marsh area in Pielavesi
- Collaborative projects, e.g., banana plantations in Costa Rica, water stewardship project in Spain



4. Offset/ compensate –
S Group has not piloted this





Nature credits in practice

Nature credit transaction in North Karelia – transaction between a private landowner and a company

- Private forest owner as the seller and Pohjois-Karjalan Osuuskassa, a local cooperative in North Karelia belonging to S Group as the buyer
- Restoration of app 15 hectares of marsh area (removing tress and blocking ditches)
- The Forest Management Association of North Karelia has been responsible for planning and mapping the practical restoration work with the landowners.
- We need the market to be credible and scalable and the credits to be measurable and secure the additionality
- The regulation and the development work done in Finland makes it possible
- A common view of the nature credit market is necessary
- Project preparation, processes and implementation take time and this needs to be developed and secure cost-efficiency
- Secure land owners benefit



Collaboration is the key
There is a need and will for the restoration
Good regulation for the nature credits made it possible



Biodiversity & private sector

- Biodiversity belongs to the corporate agenda
- To achieve international goals set in GBF, creating conservation areas is not enough, but companies need to focus also on how we use natural resources
- It is important that global and national goals as well as corporate goals are aligned and that we move towards a common targets together
- The creation of market-based mechanisms e.g ecological compensation or other models is of paramount importance so that companies have the opportunity to participate in biodiversity work.





KIITOS