INDUSTRY REPORT

ESG



InFocus: Built to last – investing in European resilience

Europe's push for competitiveness and resilience is creating structural tailwinds for Nordic equities. Sustainability is not sidelined but increasingly embedded in policy: decarbonisation, circularity and cleantech are now central to the EU's industrial, energy and security strategy. We identify four investment trends where policy commitments support identifiable demand – and the Nordic companies best placed to benefit.

Reality check. Europe is losing ground on competitiveness, and geopolitics has made dependency costly. The EU's answer – Strategic Agenda 2024–29, the Draghi report and the Competitiveness Compass – push procurement targets, domestic-content rules and import barriers. But delivery is slow: only 15% of Draghi's 383 recommendations have been fully implemented. Yet with almost 70% in progress, the direction is clear, even if the pace is not.

Four trends, potential winners. We highlight four resilience trends affecting Nordic companies: 1) the scale-up of critical raw materials and the circular economy; 2) the push for energy security, grids and AI infrastructure; 3) industrial decarbonisation and cleantech; and 4) the defence and security build-up. In our view, standouts are Boliden, Norsk Hydro and Outokumpu in raw materials; NKT, Munters, Magnora, Alfa Laval, ABB and Vestas in data centres, grids and power; SSAB in steel; and SAAB, Kongsberg and Kitron in defence. As CBAM improves EU pricing, several energy-intensive companies stand to gain, including SSAB, Yara, Norsk Hydro and Outokumpu.

A decade of progress and 483 new sustainability assessments. In this, our 10th annual Sustainability Guide, we also present our proprietary sustainability assessments of 483 companies under our coverage, combining reported ESG metrics with our analysts' qualitative views and ranking each company against its sector peers. Looking back, we are proud of the progress made by Nordic companies since the inception of this guide.

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Contents

Investment summary **5**
Who stands to gain most 5

European competitiveness and resilience: background and four investment trends **7**
Europe's reality check – brief background 7
The EU's Competitiveness Agenda: what it covers 7
Ambitious goal, albeit slow implementation 7
Annual investment gap of almost EUR1.2trn, according to the ECB 8
From ESG reset to resilience agenda: sustainability and competitiveness as one conversation 9
From woolly words to concrete impact: four trends 10
On the horizon: push for innovation and life sciences 10

Trend 1: Critical raw materials and circular economy **11**
What's driving this trend: key policy and market forces on circularity and CRM 11
EU Circular Economy Act (proposal expected Q4 2026) 11
Critical raw materials 13
Trend 1: investment summary 17

Trend 2: Energy security, grids and AI infrastructure **19**
What's driving this trend: key policy and market forces on energy security, grids and AI infrastructure 19
Energy security and affordable energy 19
AI infrastructure: the demand that closes the loop 22
Nordic exposure: companies benefiting from energy security, grids and AI infrastructure escalation 23
Within renewable energy and clean infrastructure 23
Nordic companies with exposure to AI infrastructure 25
Next wave: Strategic technologies – still early stage 25
Trend 2: investment summaries 26

Trend 3: Industrial decarbonisation and clean tech **28**
What's driving this trend: key policy and market forces on decarbonisation and clean tech 28
EU ETS Review and CBAM: carbon pricing floor and import levy 28
Net-Zero Industry Act and Industrial Accelerator Act: supply and demand side of low carbon industries 30
Clean Industrial State Aid Framework 31
Nordic exposure: which sectors and companies stand to gain 31
Impact on energy intensive industrials 32
Impact on maritime shipping 33
Trend 3: investment summary 35

Trend 4: Defence and security build-up **36**
What's driving this trend: key policy and market forces on defence and security 36
Nordic exposure: which sectors and companies stand to gain 37
core defence and Original Equipment Manufacturer (OEM) 37
Defence electronics and systems 38
Trend 4: investment summary 39

Time to be proud – a 10-year anniversary **40**
Nordic development within selected Climate and Environment metrics 40
Nordic development within selected Social and Governance metrics 43

Sector rankings **45**

In the sector sections we present a breakdown of our coverage by sector, including a summary of each sector's rankings followed by a one-page description of each sector company's ESG work. For an explanation of DNB Carnegie's ESG rating methodology please refer to the Appendix at the end of this report.

Investment summary

EU competitiveness policy shifts demand towards security of supply, domestic capacity and low-carbon infrastructure. We see four clear policy-driven capex trends with tangible Nordic exposure: defence and security, energy security, grids and AI infrastructure, critical raw materials and circularity, and industrial decarbonisation. The strongest near-term earnings visibility sits with the defence companies and their suppliers, where public budgets, European-procurement preference and large backlogs already support demand. Grid equipment is the broadest multi-year infrastructure exposure. Recycling and low-carbon metals offer the best resource-security exposure, but outcomes depend more on implementation, commodity prices and power costs.

Trends driven by EU competitiveness and resilience agenda	Regulatory framework and investment targets	Demand impact
Defence and security build-up	ReArm Europe targets up to EUR800bn; SAFE provides up to EUR150bn of loans favouring European supply; EDIS targets 50% EU-made procurement by 2030; NATO committed to 5% of GDP by 2035.	Government-funded, long-duration procurement lifts demand for European prime contractors, electronics, secure communications and production capacity.
Push for energy security, grids electrification and AI infrastructure	REPowerEU, the Affordable Energy Action Plan and the Grids Package support renewables, interconnectors and faster permitting. The AI Continent Action Plan adds computing capacity and data-centre power demand.	Multi-decade demand for high-voltage cables, transmission equipment, wind, electrical installation, cooling and grid connections.
Critical raw materials and circular economy scale-up	CRMA sets 2030 benchmarks of 10% EU extraction, 40% processing and 25% recycling, plus a 65% single-country limit. The proposed Circular Economy Act is intended to deepen collection, EPR and secondary-material markets.	Premium for secure, low-carbon, permitted supply; stronger scrap availability and demand for mining and processing technology. Final CEA targets remain decisive.
Industrial decarbonisation and clean-tech	CBAM is in its definitive phase; steel import quotas were cut 47% from July 2026, with a 50% tariff above quota. NZIA is in force; the proposed IAA would add low-carbon EU-content thresholds from 2029.	Better protection for European low-carbon steel, aluminium and fertiliser producers, but high power prices and the softer proposed ETS trajectory limit the upside.

Source: DNB Carnegie (estimates) and companies

Who stands to gain most

1. **SAAB** and **Kongsberg Gruppen** – strongest direct beneficiaries. The companies have the clearest match to rising European defence budgets and domestic-capacity policy. Reported backlogs of SEK318bn and NOK158bn respectively provide unusual revenue visibility; the binding constraint is production capacity, not demand.

2. **Kitron** – strongest second-order defence play. European rearmament translates directly into electronics-manufacturing demand. Defence and Aerospace reached roughly 50% of Q2 2026 group revenue, with defence backlog and capacity expansion supporting growth ahead.

3. **NKT, Munters, ABB and Alfa Laval** – core grid, energy-security and/or data centre build-out beneficiaries. NKT is particularly directly exposed to transmission reinforcement, offshore connections and interconnectors. **Vestas** benefits if permitting reform converts the political wind-buildout agenda into project execution and orders. **Magnora** is a pureplay exposure, but the company is pre-revenue

4. **Boliden, Norsk Hydro and Outokumpu** – best-established resource-security exposure. Their permitted production, recycling assets and comparatively low-carbon profiles position them for a more protected European materials market. Hydro offers the most balanced long-term aluminium and recycling exposure; Boliden and Outokumpu benefit from recycling and tighter European scrap/supply dynamics.

Bottom line. SAAB, Kongsberg and Kitron offer the highest policy-to-earnings conversion, NKT is the cleanest grid exposure. Boliden, Hydro and Outokumpu are the preferred materials exposure, while Tomra and SSAB remain more dependent on regulatory delivery and execution.

Nordic companies under DNB Carnegie's coverage with structural tailwind from Europe's push for competitiveness and resilience

Sector	Company	Trend 1: Critical raw materials and Circular		Trend 2: Push for Energy security, Grids and AI		Trend 3: Industrial Decarbonisation and		Trend 4: Defence and Security build-up	
		Sector tailwind	Direct winner	Sector tailwind	Direct winner	Sector tailwind	Direct winner	Sector tailwind	Direct winner
Industrial - renewable & clean-tech related	Bonheur				✓				
	Cambi	✓							
	Cloudberry				✓				
	Fortum				✓	✓			
	Scatec				✓				
	Vestas				✓	✓			
	Ørsted				✓	✓			
Materials and minerals related	Boliden		✓	✓		✓		✓	
	Outokumpu		✓				✓		
	SSAB		✓				✓		
	Norsk Hydro		✓				✓		
	Yara						✓		
	Elkem		✓						
	Borregaard		✓			✓		✓	
	Sandvik	✓						✓	
	Epiroc	✓						✓	
	Metso	✓							
	FLSmidth	✓							
	UPM		✓		✓		✓		
	Holmen		✓						
	Stora Enso		✓						
	Billerud		✓						
	Metsä Board		✓						
	Huhtamaki		✓						
	Elopak		✓						
Industrials - capital goods/equipment suppliers	Alfa Laval				✓				
	ABB			✓		✓			
	Assa Abloy			✓					
	Invisio							✓	✓
	Kongsberg								✓
	Munters			✓					
	Nederman				✓				
	NKT				✓		✓		
	SAAB								✓
	Systemair				✓				
	Tomra		✓			✓			
	Troax			✓					
	Volvo			✓					
	Wärtsilä				✓	✓			
	AQ Group				✓				
	Hanza				✓				✓
	Kitron				✓				✓
	Atea			✓					
	Lagercrantz				✓				
	MilDef								✓
	Napatech			✓					
	Nokia				✓				
	Norbit								✓
	Smartoptics			✓					
Construction & installation	Addtech				✓				
	OEM				✓				
	Sdiptech				✓				
	Tången				✓				
	AF Gruppen				✓				
	Endur				✓				
	GRK				✓				
	Peab				✓				
	Sentia				✓				
	Skanska				✓				
	Veidekke				✓				
	YIT				✓				
	Bravida				✓				
	Instalco				✓				
	InstallatørGruppen				✓				
	Netel				✓				
	AFRY				✓		✓		✓
	Etteplan				✓		✓		✓
	Norconsult				✓		✓		✓
	Reijlers				✓		✓		✓
	Sitowise				✓		✓		✓
	Sweco				✓		✓		✓
Transport-ation	Aker			✓					
	Elisa			✓					
	Magnora				✓				
	Telia			✓					
	Telenor			✓					
	Tele2			✓					
	A.P. Møller–Mærsk					✓			
	Höegh Autoliners					✓			
	Wallenius Wilhelmsen					✓			
	Klaveness Combination Carriers					✓			
	CMB.TECH					✓			

Source: DNB Carnegie

European competitiveness and resilience: background and four investment trends

Pandemic, war, China and Trump have exposed the cost of Europe's dependencies

Lately, the EU has been forced to fundamentally reassess its strategic position. The COVID-19 pandemic, Russia's weaponisation of energy and invasion of Ukraine, China's dominance in clean technology and critical raw materials, and the return of Trump have shaken alliances and ended a long period of globalisation and open trade. It has become clear that dependencies, whether on the US for defence, China for critical raw materials, or opaque global supply chains, constrain the EU's policy choices. The EU's response has been to launch numerous acts, policies and initiatives to boost competitiveness and resilience – while integrating sustainability.

EU response drives four investment trends in the short to medium term

In our view, the EU's new efforts will drive several investment trends, where four stand out in the short to medium term: 1) Defence & security build-up; 2) Push for energy security, grids and AI-infrastructure; 3) Critical raw materials and circular economy scale-up, and; 4) Industrial decarbonisation and clean-tech.

Europe's reality check – brief background

Europe can only compete by building strength in the industries that will define the next decades

Recent events have led the EU to reconsider and regroup. The response came in three moves. In June 2024, EU heads of state agreed on the Strategic Agenda 2024-29, built around three priorities: a free and democratic Europe, a strong and secure Europe, and a prosperous and competitive Europe. Three months later, the von der Leyen Commission, taking office in December 2024, translated that diagnosis into a work programme anchored by the Competitiveness Compass in January 2025: close the innovation gap, accelerate decarbonisation and reduce external dependencies[1].

The EU's Competitiveness Agenda: what it covers

The agenda that emerged is broad. At its core is the view that Europe can only compete by building strength in the industries that will define the next decades and that this will require action on several fronts simultaneously[2].

Seven fronts: innovation, energy, raw materials, defence, chips, clean tech and health

That means closing the gap in technology and innovation, where Europe has strong research but has struggled to commercialise and scale. It means securing energy – building on **RePowerEU** and diversifying away from single suppliers, accelerating renewables, and addressing the structurally high power prices that undermine European industrial competitiveness. Furthermore, it means taking control of critical raw materials, where binding 2030 targets now back domestic production, recycling and third-country partnerships for the minerals the green and digital transitions depend on. It means building a genuine defence industrial base, as NATO spending commitments and the return of geopolitical risk make secure domestic capacity a strategic priority rather than an option. It means reducing the chip dependency that leaves automotive, defence and AI value chains exposed to external disruption. And finally, it means treating clean technology and industrial decarbonisation not as a cost to be managed but as a source of competitive advantage, which is the logic embedded in the **Clean Industrial Deal**. Health and life sciences are also key themes on the agenda, with COVID having exposed the risks of relying on external supply for critical medicines.

One question: where does Europe want to be self-sufficient, and how does it get there?

Taken together, the European Commission underlines that these are not seven separate initiatives. Rather, they are seven facets of the same underlying question: where does Europe want to be self-sufficient, and how does it get there?

Ambitious goal, albeit slow implementation

Only 15% of the Draghi's 383 recommendations implemented, but 67% in progress across all sectors

The agenda is ambitious, but progress has been slow. Two years into the 2024–29 mandate, around 15% of Draghi's 383 recommendations had been fully implemented, according to the Draghi Observatory and Implementation Index[3]. Implementation rates vary significantly by sector, with defence (78.6%), energy-intensive industries (54.8%), clean technologies (53.8%) and critical raw materials (47.4%) leading. That said, counting initiatives in progress, all sectors

[1] https://commission.europa.eu/topics/competitiveness/draghi-report_en

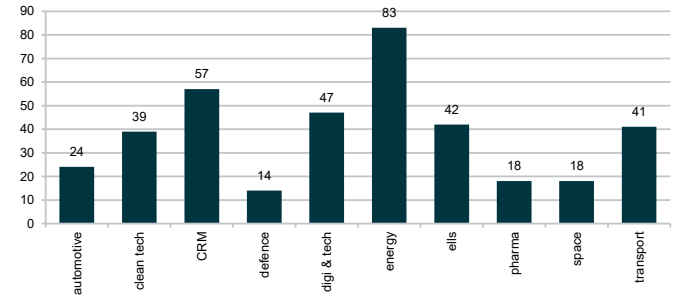
[2] https://commission.europa.eu/topics/competitiveness/draghi-report_en#paragraph_47059

[3] European Policy Innovation Council (EPIC), Draghi Implementation Index, July 2026

Our focus: where policy creates direct, quantifiable demand for Nordic companies

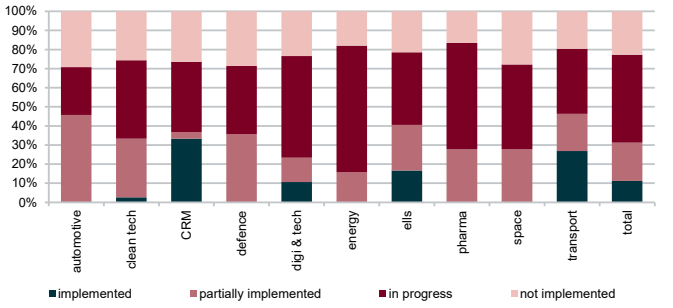
are above 67% – suggesting the machinery is moving, even if the finish line remains distant. Not all seven fronts translate equally into investable opportunities for Nordic companies.

Number of initiatives by sector



Source: DNB Carnegie (estimates) & company

Implementation rate by sector



Source: Draghi Observatory & Implementation Index

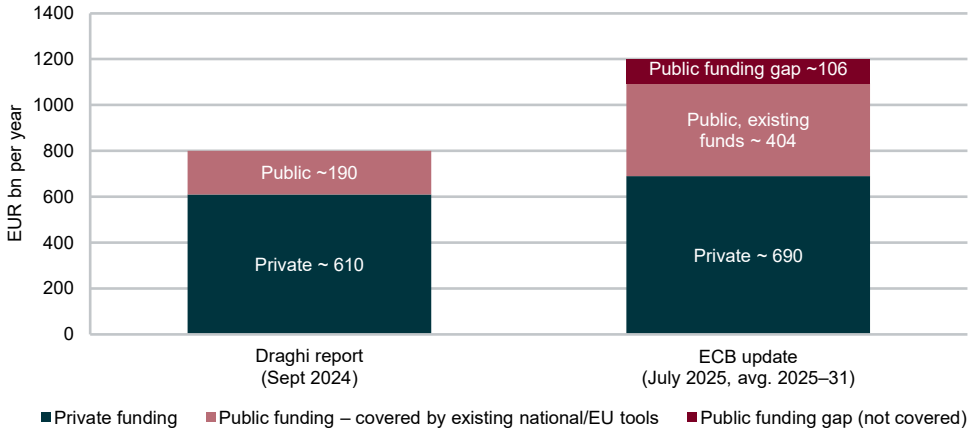
Annual investment gap of almost EUR1.2trn, according to the ECB

The Draghi report, the basis for the EU's Competitiveness Agenda, estimated in 2024 that the EU needs an additional EUR750bn–800bn a year, equal to 4.4–4.7% of GDP, above historical levels, to digitalise and decarbonise the economy and strengthen defence. The 383 Draghi initiatives outlined above are designed to help mobilise this capital.

However, after NATO's 5% target decision, the ECB (July 2025 – less than a year after the Draghi report) estimated annual investment needs of almost EUR1.2trn[4]. The additional investment need of almost EUR1.2trn is to be financed by both private and public capital.

EU annual investment gap of almost EUR1.2trn, to be financed by private and public capital

Additional annual investment needs above historical levels for the green, digital and defence transitions, by source of funding (EURbn)



Source: European Commission (Draghi report, 2024); ECB (2025); DNB Carnegie

In the sections below, we first explain how sustainability fits into this new Competitiveness Agenda, before identifying the four trends where EU policy is most likely to create direct, quantifiable demand and where we believe Nordic companies are best positioned to benefit.

[4] Time to be strategic: how public money could power Europe's green, digital and defence transitions", The ECB Blog, 25 July 2025.

From ESG reset to resilience agenda: sustainability and competitiveness as one conversation

Sustainability recast as competitiveness, under pressure rather than by design

The reframing of sustainability as a competitiveness and resilience tool did not happen by design, it has happened gradually and under pressure. While the ESG rhetoric may be receding, concrete action has continued to expand – as DNB Carnegie explained in our 'ESG reset' report of our 2025 ESG Guide.

Three shocks forced the shift:

Three shocks: energy, China and competitiveness

- **The first was energy**. Russia's weaponisation of gas supplies in 2021–22 exposed the strategic cost of fossil-fuel dependency overnight. Europe's renewable energy build-out, previously justified on emissions grounds, became an energy security imperative. REPower EU was the institutional response: conceived not as climate policy but as supply diversification, with decarbonisation as a co-benefit.
- **The second was China**. China's complete domination across cleantech verticals: solar, batteries, EVs, critical raw materials, revealed that the green transition carried its own dependency risks. China's price advantage, achieved with hefty state support, had eroded Western competitors' market shares and left European governments exposed. The Critical Raw Materials Act was the direct response: binding domestic production targets framed not as environmental policy, but as industrial sovereignty.
- **The third was competitiveness**. The US Inflation Reduction Act demonstrated that green industrial policy could anchor manufacturing capacity at scale. The EU's Clean Industrial Deal and Competitiveness Compass reflected the same logic. Decarbonisation and industrial strategy are no longer separable.

Sustainability now embedded in EU industrial strategy, not a parallel track

The cumulative effect is structural. With the EU’s Strategic Agenda 2024–29, sustainability and decarbonisation have consequently been embedded into the EU’s competitiveness agenda and industrial strategy, and is no longer treated as a parallel track or a constraint. The Clean Industrial Deal and the Competitiveness Compass are explicit: decarbonisation, circularity and clean technology are framed as drivers of growth, resilience and strategic autonomy. The underlying value drivers are as present as before although the demand signal has changed -it is no longer primarily a carbon price or a sustainability mandate. It is rather a procurement target, a binding domestic-content rule, or an import barrier. For investors, we believe the practical implication is clear: ESG and competitiveness are now the same conversation.

From woolly words to concrete impact: four trends

Four policy trends with tangible impact on Nordic companies

Different policy choices have different effects on the economy and companies. We believe there is no one set of policies that will drive EU's competitiveness, but rather a combination thereof. Thus, we focus on four key trends in policies, which we believe will have tangible impact on several Nordic companies: 1) Critical Raw Materials and Circular Economy scale-up; 2) a push for Energy Security, Grid Electrification and AI Infrastructure; 3) Defence and Security Build-up; and 4) Industrial Decarbonisation and Clean Tech.

Strict filter: binding law, set timelines or fiscal mechanisms, plus a sustainability rationale

To assess the impact of these investment trends on Nordic companies, we looked at the flagship EU initiatives, action plans or policies that have been proposed and/or achieved under each – in which hard law and concrete regulations are singled out.

We applied a strict filter: we only considered initiatives with binding legal force, published and approved enforcement timelines or direct fiscal mechanisms that create quantifiable demand or cost pressure in the short to medium term. Similarly, we limited our scope to initiatives with a clear sustainability rationale, such as decarbonisation and resource security.

Finally, we asked DNB Carnegie's equity analysts to assess whether (and how) these trends might affect the companies they cover, to 1) determine which sectors were likely to face headwinds or tailwind and 2) whether there were companies in each sector they considered more robust and thus identifiable as relative 'winners'. A few names stood out as already incorporating the risks and opportunities stemming from these policies, making them potential 'winners' of Europe's competitiveness and resilience agenda.

Four key trends impacting Nordic sectors and companies



Defence and Security build-up



Push for Energy security, Grid electrification and AI infrastructure



Critical raw materials and Circular economy scale-up



Industrial Decarbonisation and Clean-tech

Source: DNB Carnegie and companies

On the horizon: push for innovation and life sciences

Innovation and life sciences are key for EU competitiveness, but remain on our watchlist

In addition to the four trends, we highlight two further themes, closing the innovation gap and push for health & life sciences, that are strategically important for the EU, but fall outside our four-trend framework and remain on our horizon watchlist. Both are central to the Competitiveness Compass, and their legislative trains are moving: the **Biotech Act, Critical Medicines Act and Medical Devices** revision were all proposed in late 2025, and the 28th regime for start-ups is key but remains a proposal. Most of these measures are still working through the legislative process and commercial revenues remain early-stage. In our view, financial impact on listed Nordic companies is largely a post-2027 story.

Trend 1: Critical raw materials and circular economy

Europe consumes ~25% of the world's raw materials but mines only ~3%

Europe consumes roughly a quarter of the world's raw materials but mines only about 3% of them. This dependency has moved raw materials from a procurement issue to a strategic security concern. The Critical Raw Materials Act (in force May 2024) sets binding 2030 targets for domestic extraction, processing and recycling, and the upcoming Circular Economy Act (expected Q4 2026) adds binding obligations on waste collection and producer responsibility. Policy support is consequently strong, but does not override permitting risk, commodity-price volatility or national tax changes.

In our view, a few industrials and suppliers stand out: Boliden, Norsk Hydro and Outokumpu benefit on the production and recycling side; Epiroc, Sandvik and Metso on equipment. Tomra has a clear policy-to-revenue link, depending on policy enforcement.

What's driving this trend: key policy and market forces on circularity and CRM

EU Circular Economy Act (proposal expected Q4 2026)

CEA aims to double the circular material use rate to 24% by 2030

The Circular Economy Act (CEA) is the new flagship legislative initiative in the European Commission's 2026 work program[5]. It aims to create a single EU market for secondary raw materials and to double circular material use rate from 12% today to 24% by 2030[6]. The CEA will result in binding laws explicitly linked to industrial competitiveness, unlike earlier and far softer circular economy strategies that were framed as environmental policies. Laws will reduce EU dependence on imported, virgin raw materials, cut feedstock costs for energy intensive industries and build domestic recycling capacity.

What to expect: CEA will be launched in Q4 2026

Legislative teeth in three existing laws: waste, e-waste and producer responsibility

Note that the CEA, rather than creating new regulation from scratch, will build on and upgrade existing directives which speeds up the process. In our view, the following areas of the EU's aim to reach a 24% materials use rate have legislative teeth: three *binding* laws that are related to metals, electronics, packaging and plastics (and not, for instance, non-metallic construction materials):

- **Waste Framework and Landfill Directives**. The purpose is to harmonize end-of-waste criteria (e.g. definitions for 'Producer', 'Packaging' 'Recyclable' and more) across the Single Market. This determines whether and which recyclates can trade freely as commodities or remain trapped as by national waste law.
- **Waste Electrical and Electronic Equipment (WEEE) Directive**. As only 40% of all e-waste is collected (target = 65%), the WEEE will likely enforce collection and recovery rate targets – especially on critical raw materials such as copper, cobalt, rare earths and precious metals. Might change from Directive to Regulation, tightening enforcement.
- **Extended Producer Responsibility (EPR)**[7] increases the financial responsibility for producers of goods to manage those goods at end of life. Today, EPR is mandated by individual member states, as is *the* barrier for cross-border commerce. New EPR rules will include e.g. common EPR-registration and EPR-fees (supported by several Nordic companies).

In addition, the CEA is likely to promote ambitions and plans related to:

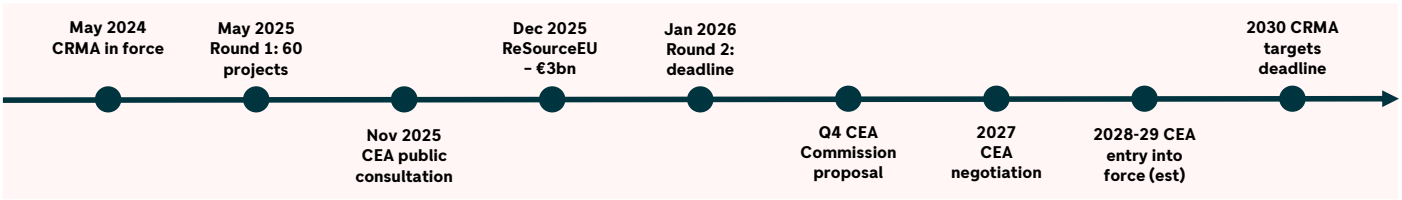
- Recycled content targets beyond plastics, such as for textiles. Targets for metals/non-ferrous metals are more unlikely given strong lobby and political opposition.
- Mandatory green public procurement, enforcing governments, as the largest class of buyers in the EU economy, to include a green share in all public buying.

[5]The Circular Economy Act is positioned under the EU Clean Industrial Deal and the Competitiveness Compass.

[6] European Commission, Critical Raw Materials Act (COM(2023))

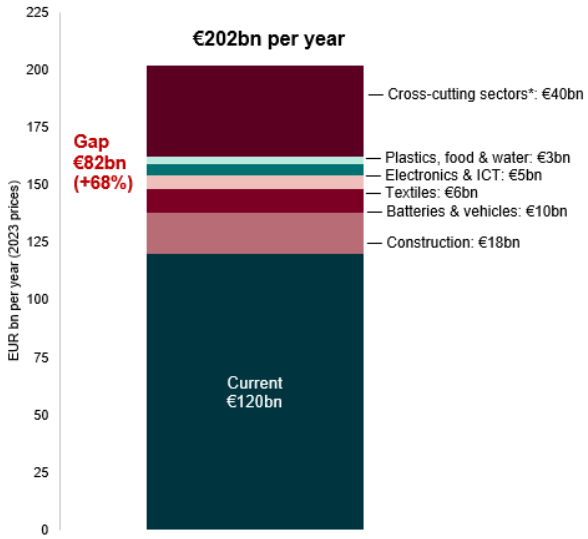
[7] EPR harmonisation at the EU level is also progressed through the Environmental Omnibus (Omnibus VIII), however in June 2026, the Council agreed to defer EPR-specific provisions to the CEA.

Timeline for Trend 1 key initiatives: CEA and CRMA



Source: European Commission and DNB Carnegie

EU circular economy: Annual investment needs 2025–40



Source: European Commission, 'Transitioning to a Circular Economy: Closing the investment gap in Europe', April 2026

Nordic exposure: which sectors and companies stand to gain from the CEA

Existing Nordic waste and circularity infrastructure is quite efficient vis-à-vis European standards. Consequently, in our view, the main market opportunity for Nordic companies will stem from supply of technology, processing infrastructure and materials that the EU needs to meet CEA targets. The investment case will depend on EU regulatory delivery: weak WEEE or EPR targets in the final text reduce the Nordic upside proportionally.

Nordic upside depends on the strength of final WEEE and EPR targets

We believe the key beneficiaries are likely to be recycling and waste management companies as the CEA is expected to increase recycled-content requirements, improve demand for secondary raw materials, strengthen waste collection and sorting systems and create markets for recycled metals, plastics and batteries – and we see several concrete examples as noted below.

Tomra is a potential key beneficiary

For **Tomra**, the DRS technology aligns directly with the PPWR collection requirements, and higher recyclability standards drive sorting volumes. Collection revenue increased by 45% in Q2 2026, driven largely by deposit-return roll-outs in new markets, led by Poland. Future earnings potential is mixed, since the DRS exemption for countries achieving 80% collection by 2026 introduces potential downside risk: France, Italy and Spain have resisted DRS implementation on cost grounds, and if they do not commit before end-2026, rollout could begin as late as 2028 – leaving countries representing over 50 million inhabitants outside the system for several years.

Stora Enso, UPM, Billerud and Borregaard gain as fibre replaces fossil-based materials

Stora Enso, UPM, Billerud; Huhtamaki, Elopak and **Borregaard** are all positioned as suppliers of renewable, recyclable and fibre-based materials that can substitute plastics, packaging made from virgin fossil feedstocks, and carbon-intensive materials.

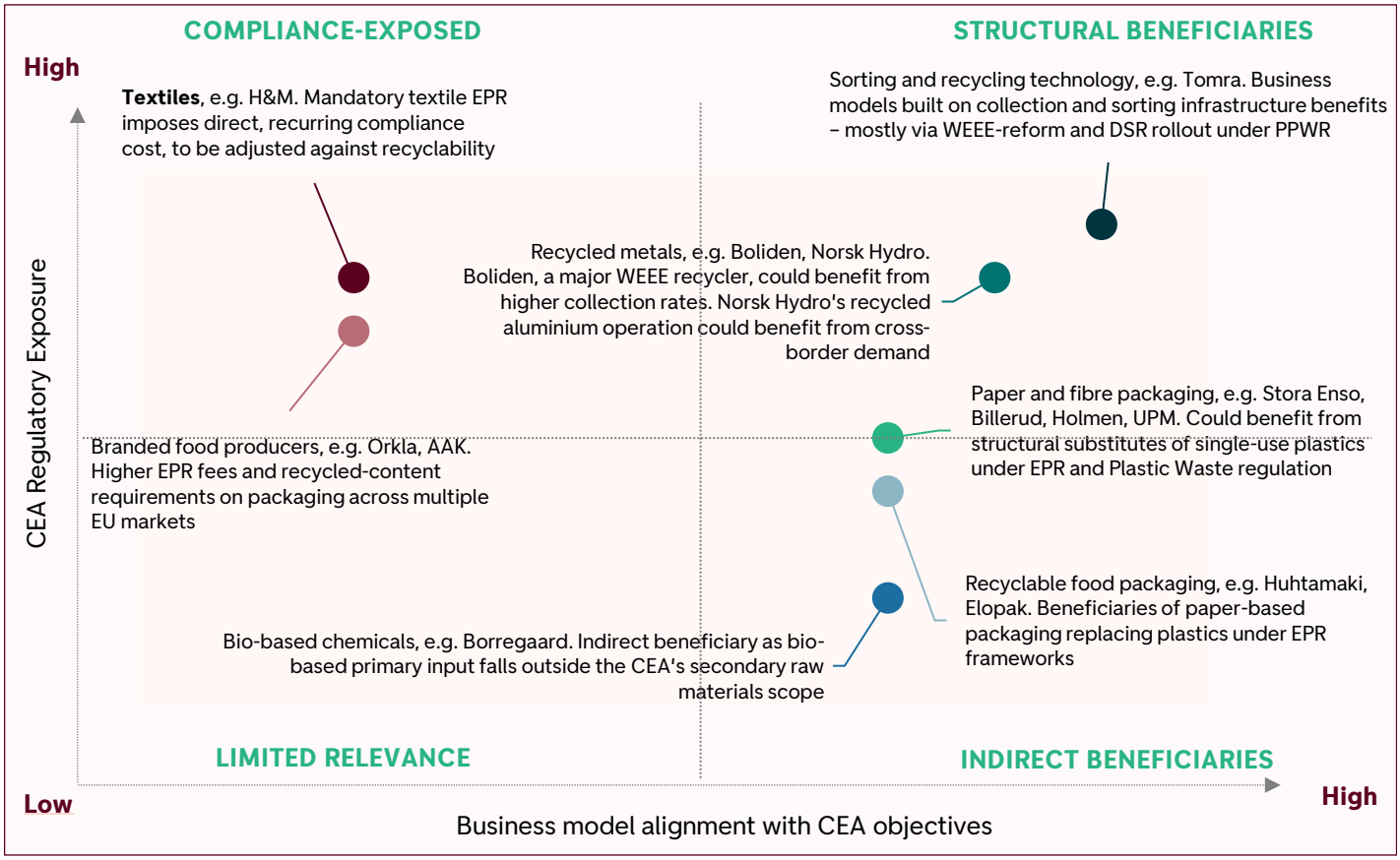
The CEA could furthermore improve access to recycled feedstock for **Boliden** in Rönnskär, a major e-scrap recycling facility with 120,000 tonnes processing capacity, as well as in Bergsöe, Europe's biggest recycler of used lead-acid batteries.

Outokumpu's 95-97% recycled input is an edge

Outokumpu's high use of recycled material (95-97%) also provides a favourable strategic position as the CEA should provide for larger scrap availability, more efficient European scrap markets, improved collection systems and stronger pricing support for recycled material streams.

SSAB is less of a beneficiary as its share of recycled materials has been stable at around 30% over the past three years. However, the conversion of the Oxelösund plant to an electric arc furnace and the construction of its new steel mill in Luleå (started 2025) will convert most of production to low carbon. The new mill in Luleå will run only on fossil free sponge iron and recycled scrap and have a capacity of 2.5m tonnes pa. Production start is expected end-2029.

Nordic sectors and companies – potential impact of the EU Circular Economy Act



Source: DNB Carnegie (estimates) & European Commission

Critical raw materials

CRMA sets binding 2030 targets; China's export controls add urgency

As a central part of its Competitiveness agenda, Europe has moved from treating raw materials as a procurement issue to viewing them as a strategic security concern, with policy and funding increasingly reflecting this shift. The **Critical Raw Materials Act (CRMA)** is the closest related law to EU's initiative of improving domestic production of critical raw materials. CRMA sets binding targets for 2030, and a total of 93 European Strategic Projects were selected in October 2026 and March 2025[8]. In addition, China's rare-earth export controls in 2025 added urgency to these efforts and led the EU to introduce the **RESourceEU** stockpiling and financing package in December. The direction of travel is thus clear: Europe is willing to pay a premium for secure, traceable and low-carbon supply of critical raw materials.

Favour permitted, low-carbon incumbents over greenfield mining

Against this backdrop, we see the strongest Nordic exposure in existing producers with permitted, low-carbon capacity rather than in greenfield mining. **Boliden, Norsk Hydro** and **Outokumpu**'s Kemi chrome mine are therefore well positioned to benefit as Europe places greater value on secure domestic supply. The opportunity also extends beyond producers.

[8] European Commission. Full list of Strategic Projects published 9 Oct 2026.

Epiroc, Sandvik, Metso and **FLSmidth** benefit from the broader increase in mining investment, regardless of where new capacity is developed.

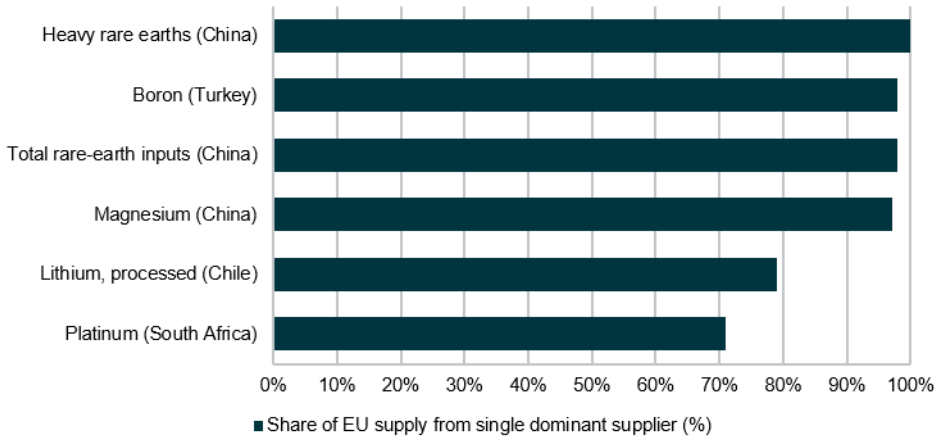
However, supportive EU policy does not remove the main barriers to investment. Permitting remains slow and national policies can still undermine project economics, as Boliden's Q2 2026 report illustrates. While its Nautanen concession was upheld in Sweden, according to the company, further extension of Kevitsa in Finland was halted following changes to the mining tax. Commodity-price volatility and potential Chinese countermeasures add another layer of uncertainty. Against these risks, the main catalysts to watch are the second CRMA strategic-project list, RESourceEU stockpile purchases, the November 2026 deadline for China's suspended second wave of export controls, and the targeted 2026 start-up of LKAB's Luleå rare-earth demonstration plant.

Why critical raw materials matter

China refines 19 of 20 strategic minerals, and demand is structural

Europe consumes roughly a quarter of the world's raw materials but mines only about three percentages of them. The gap is filled by imports whose supply chains concentrate in a handful of countries, above all China, which refines 19 of the 20 strategic minerals tracked by the IEA, holding about three-quarters of global processing capacity. Excluding rare earths, the average market share of the single largest refining country rose to 72% in 2025. This matters financially since the demand is structural where for instance electrification of transport and heating, grid build-out, batteries, wind turbines and rearmament all pull on the same materials. As a result, the IEA projects lithium demand to grow roughly fivefold by 2040, graphite and nickel to double, and finally, the backbone of all grids and cables, copper, to grow about 30% from an already large base. Still, there is projected supply deficit of around 25% for copper.

EU import dependency: supplier share and selected strategic raw materials



Source: European Commission & RESourceEU

2030 benchmarks; 10% extracted, 40% processed, 25% recycled in the EU

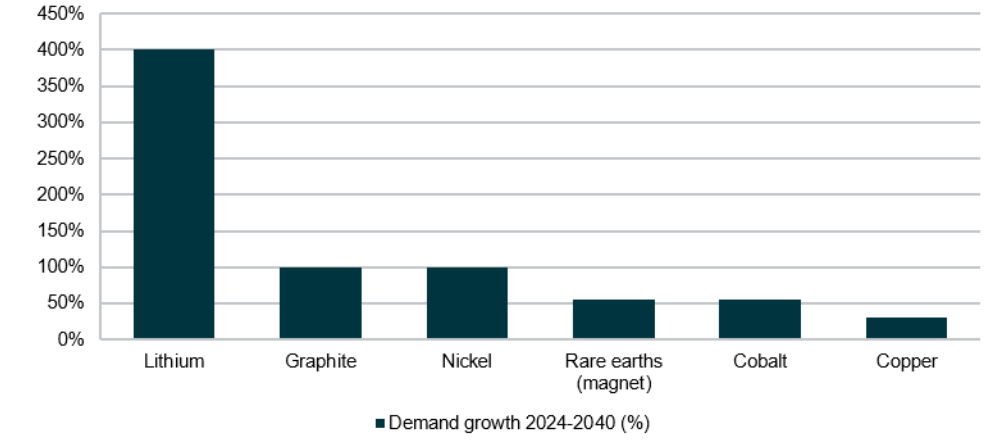
The CRMA therefore sets clear 2030 benchmarks for the EU's annual consumption of strategic raw materials:

- At least 10% should be extracted in the EU
- 40% processed in the EU and
- 25% supplied through EU recycling
- No more than 65% of the EU's annual consumption of any individual strategic material should come from a single third country.

Europe will pay a premium for secure, low-carbon supply

After China restricted rare-earth exports in April and October 2025 (with the second wave suspended until November 2026), the Commission added RESourceEU, including joint purchasing and stockpiling, an EU critical minerals centre, and restrictions on exports of recyclable battery scrap and rare-earth waste.

Critical-mineral demand growth to 2040, IEA Stated Policies Scenario



Source: IEA Global Critical Minerals Outlook 2025

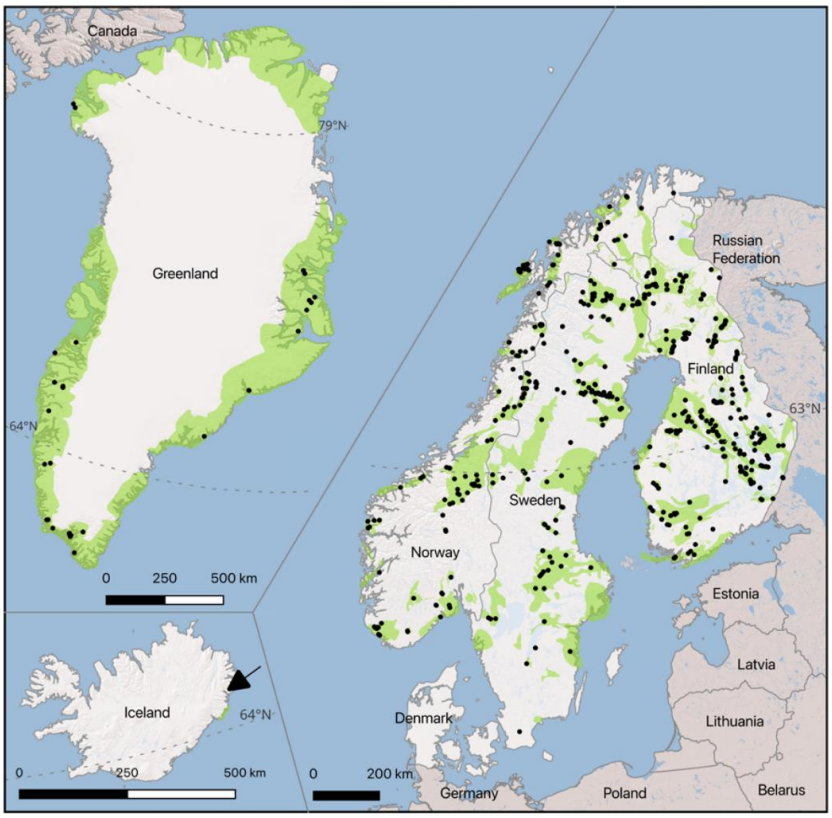
Nordics are exposed across extraction, processing and recycling – with several EU Strategic Projects identified in the Nordics

Nordic exposure: which sectors and companies stand to gain from the CRM

Within critical raw materials, the Nordics (Finland, Norway and Sweden) are relatively well positioned within Europe's critical-raw-materials strategy. Sweden and Finland account for a large share of EU production of iron ore, copper, zinc and nickel. The October 2026 and March 2025 strategic-project list includes several Nordic projects, such as Nussir extraction of copper, LKAB's rare-earth cluster, Talga's Vittangi graphite project, Keliber lithium in Finland and Terrafame's battery-grade nickel-cobalt production[9]. The region also benefits from relatively low-carbon power, a strong mining-technology cluster led by **Epiroc, Metso, Sandvik** and **FLSmidth**, and established recycling assets such as **Boliden**'s Rönnskär e-scrap smelter. In processing, **Elkem** supplies around 40% of EU silicon imports and 35% of ferrosilicon imports from hydropower-based plants in Norway and Iceland; silicon metal is one of the CRMA's strategic raw materials. In recycling, **Fortum**'s battery-recycling plant in Finland (Fortum Hydromet) was selected as a CRMA Strategic Project in March 2025, covering lithium, nickel, cobalt, copper and graphite. Together, these strengths give the Nordics exposure across the CRMA's extraction, processing and recycling objectives.

[9] European Commission. Full list of EU Strategic Projects published 9 Oct 2026

Known resources of critical and strategic raw materials in the Nordic countries



Finland	Res. (t)*
Antimony	2,555
Arsenic	2,400
Beryllium	464
Cobalt	**541,258**
Copper	**5,934,558**
Feldspar/nepheline syenite	910,000
Graphite	**1,562,794**
Lithium	**113,917**
Manganese	**3,391,240**
Nickel	**6,884,135**
Niobium	122,381
Phosphorus	219,800,000
Platinum group metals	**890.2**
Rare Earth Elements	**169,067**
Scandium	2,184
Tantalum	499
Titanium	**24,100,000**
Tungsten	**2,300**
Vanadium	1,100,000

Greenland/Denmark	Res. (t)
Antimony	3,780
Baryte	480,000
Beryllium	65
Copper	**108,000**
Feldspar/nepheline syenite	80,800,000
Fluorspar	250,000
Gallium	**27,000**
Graphite	**6,000,000**
Hafnium	107,500
Lithium	**235,600**
Niobium	5,900,000
Phosphorus	11,456,025
Platinum group metals	**575**
Rare Earth Elements	**33,749,590**
Silicon metal	**2,797,860**
Strontium	9,800,000
Tantalum	916,000
Titanium	**11,914,325**
Tungsten	**26,030**
Vanadium	179,000

Norway	(t)
Beryllium	630
Cobalt	**15,696**
Copper	**1,800,761**
Coking coal	26,000,000
Fluorspar	984,000
Graphite	**20,376,344**
Nickel	**160,620**
Niobium	22,052
Phosphorus	52,864,000
Platinum group metals	**4.25**
Rare Earth Elements	**12,880,090**
Scandium	6.5
Silicon metal	**11,664,000**
Titanium	**230,000,000**
Tungsten	**2,701**
Vanadium	2,112,077

Sweden	(t)
Antimony	23,005
Arsenic	446,120
Bismuth	**598**
Cobalt	**38,356**
Copper	**10,925,000**
Feldspar/nepheline syenite	110,000,000
Fluorspar	2,828,000
Graphite	**15,617,500**
Hafnium	6,741
Lithium	**3,180**
Manganese	**8,560,000**
Nickel	**3,253,868**
Niobium	38,500
Phosphorus	58,900,000
Platinum group metals	**0.485**
Rare Earth Elements	**3,200,169**
Silicon metal	**522,570**
Tantalum	68
Titanium	**18,930,000**
Tungsten	**1,770**
Vanadium	10,960,000

*Known resources, t = tonnes of contained metal / mineral.

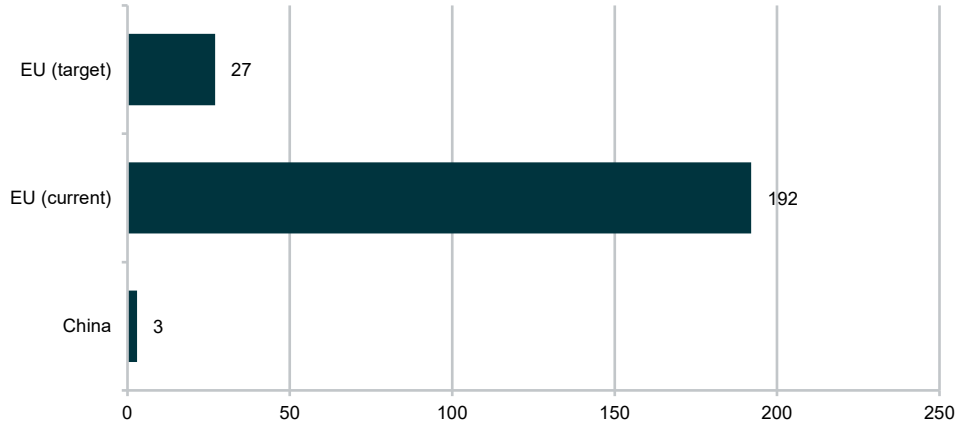
Source: The Nordic Supply Potential of Critical and Strategic Raw Materials, Nordic Innovation

Key risks are regulatory, taxation as well as land permitting rights

However, turning this resource base into additional production remains challenging and the EU's permitting can still be slow and subject to appeals, as illustrated by the appeal of Boliden's Aitik environmental permit shortly after it was granted. Several major deposits, including Per Geijer and Norra Kärr, also overlap with Sámi reindeer-herding areas, requiring consultation and rights processes that can extend development timelines. High construction costs and capital requirements create further hurdles, while national policy can work against the EU's broader objectives. Boliden, for example, cited Finland's higher mining tax when deciding not to extend further in Kevitsa[10]. Much of the region's rare-earth potential also remains pre-revenue, with LKAB targeting full-scale production only in the 2030s and a demonstration plant planned for 2026. For Norwegian producers, EEA membership does not guarantee market access: the EU's ferroalloy safeguards also apply to Norway and Iceland, affecting Elkem's ferrosilicon sales.

[10] See for example, Boliden press release 9 March 2026

Mine permit times - China versus the EU



Source: Nordic Innovation

Realistic upside: brownfield output (rather than new mines), equipment technology and recycling

The Nordics are therefore unlikely to make Europe self-sufficient in critical raw materials alone, and the existence of large mineral resources does not by itself create an attractive investment case. Returns will ultimately depend on grades, permitting, power, logistics and commodity prices, meaning some announced projects are likely to face delays or never reach production. In our view, the more realistic opportunity lies in expanding copper, zinc, nickel and chrome output from existing brownfield assets, as well as in benefiting from European spending on mining equipment and mineral-processing technology, and increasing recycling and secondary supply as EU restrictions on scrap exports improve access to feedstock.

Two observations from Q2 2026 support this thesis. First, the current cycle is already benefiting producers. Boliden grew revenue by 15% Y/Y, supported by strong copper and zinc prices, while also highlighting supply constraints in refined metal markets[11]. Second, the equipment channel continues to point to sustained upstream investment. Epiroc's equipment order grew 30% organically in Q2 2026 as mining customers maintained high activity levels supported favourable copper and gold prices[12]. In contrast, we would treat rare-earth and lithium exposure more cautiously, as prices in 2026 remain more than 80% below their 2022 peak and the sector continues to face oversupply and delayed project development.

Trend 1: investment summary

Potential winners: permitted assets and recycling at Boliden, Hydro and Outokumpu; Epiroc, Sandvik and Metso operating in the mining area

The most attractive Nordic exposure to Europe's critical-raw-materials push is in existing, permitted assets rather than early-stage mining projects, and in companies with recycling assets. **Boliden, Norsk Hydro, Outokumpu's** Kemi mine and **Elkem** can benefit from tighter European supply and greater emphasis on secure, low-carbon production without relying on new projects reaching commercial scale. Recycling should also become increasingly important as EU policy seeks to retain more secondary raw materials within Europe, supporting assets such as Boliden's Rönnskär, Norsk Hydro's recycling operations and Fortum's battery-recycling business, as designated CRMA Strategic Project.

Epiroc, Sandvik, Metso and **FLSmidt** offer a cleaner way to capture the broader investment cycle. Their earnings depend less on which individual European projects ultimately receive permits, as both benefit from rising global spending on mining capacity and processing equipment. Epiroc's Q2 2026 order growth provides evidence that this investment cycle is already supporting demand. By contrast, Nordic rare-earth and lithium projects remain longer-dated options: their strategic value is high, but commercial outcomes still depend heavily on permitting, project economics and commodity prices.

The main near-term earnings drivers therefore remain copper and zinc prices, mining-equipment orders and execution at existing assets, while the CRMA and RESourceEU are more important for the medium-term structure of the market. Policy should support European

[11] Boliden, 2026. See Press Release 21 July 2026.

[12] Epiroc, 2026. See Interim report Q2 2026, 17 July 2026.

supply, but national taxes, permitting appeals and local opposition can still delay investment, as illustrated by Boliden's experience at Kevitsa and Nautanen (Finland) and Aitik (Sweden). We would therefore favour incumbents and equipment suppliers today, while treating greenfield rare-earth and lithium exposure as optionality rather than a core earnings thesis. Key indicators to follow are new CRMA strategic-project designations, RESourceEU procurement, developments in Chinese export controls, progress at LKAB's rare-earth projects and the evolution of European copper supply balances.

Trend 1: investment summary

Exposure	Company	Country	Investment relevance	Potential risk
Existing production & recycling	Boliden	SE	Permitted, low-carbon metals output and e-scrap recycling benefit from tighter EU supply	Permitting appeals, national mining tax, metal prices
Existing production & recycling	Norsk Hydro	NO	Low-carbon production and recycling benefit from secure-supply premium and scrap retention	Commodity prices, final CEA targets
Existing production & recycling	Outokumpu	FI	High recycled input and domestic chrome supply give a structural edge	Scrap market development, commodity prices
Existing production & recycling	Elkem	NO	Hydropower-based silicon and ferrosilicon supply benefits from EU secure-supply premium	EU ferroalloy safeguards, power prices
Existing production & recycling	Fortum	FI	CRMA Strategic Project in battery recycling benefits from EU scrap-export restrictions	Battery-scrap volumes, slow EU battery build-out
Mining equipment & processing	Epiroc	SE	Captures mining capex cycle without direct permitting or commodity risk	Slowdown in miner capex
Mining equipment & processing	Sandvik	SE	Benefits from rising global mining investment	Slowdown in miner capex
Mining equipment & processing	Metso	FI	Benefits from mining and processing capacity expansion	Slowdown in miner capex
Mining equipment & processing	FLSmidth	DK	Benefits from mining and processing capacity expansion	Slowdown in miner capex
Collection & sorting technology	Tomra	NO	Direct policy-to-revenue link via deposit return systems and sorting	Delayed DRS rollout in large EU markets
Fibre-based substitution	Stora Enso	FI	Renewable fibre materials replace fossil-based packaging	Weak recycled-content and packaging rules
Fibre-based substitution	UPM	FI	Renewable fibre materials replace fossil-based packaging	Weak recycled-content and packaging rules
Fibre-based substitution	Billerud	SE	Fibre-based packaging replaces fossil feedstocks	Weak recycled-content and packaging rules
Fibre-based substitution	Huhtamaki	FI	Fibre-based packaging replaces fossil feedstocks	Weak recycled-content and packaging rules
Fibre-based substitution	Elopak	NO	Fibre-based packaging replaces fossil feedstocks	Weak recycled-content and packaging rules
Fibre-based substitution	Borregaard	NO	Renewable materials replace fossil-based alternatives	Weak recycled-content and packaging rules
Low-carbon steel transition	SSAB	SE	Limited near-term benefit; long-term upside from low-carbon steel capacity	Project execution, late start-up
Downstream demand	NKT	DK	Grid build-out supports copper demand and cable volumes	Pace of grid investment

Source: DNB Carnegie (estimates) and companies

Trend 2: Energy security, grids and AI infrastructure

Europe's energy agenda has shifted from crisis management to structural de-risking, but EU industrial electricity prices remain around EUR 184/MWh, two to three times US levels. Policy should reduce tail risk over time; however, it will not eliminate the cost disadvantage quickly.

In our view, Vestas, NKT and Addtech stand out as beneficiaries on the equipment supplier side, with permitting reform and grid build-out feeding directly into order intake. Companies such as Netel, Bravida and Instalco benefit on the installation and maintenance side. Higher energy demand from electrification and data centre build-out will benefit energy producers and developers such as Ørsted, Fortum, Bonheur, Cloudberry Clean Energy and Scatec. Moreover, these renewable energy companies will benefit from easier and faster permitting.

On AI infrastructure, several companies benefit from construction of new centres such as Skanska, YIT, Bravida and Instalco, while major equipment providers include Alfa Laval, ABB, Munters, NKT, Wärtsilä and Kitron. We have relatively few listed pure data centre-plays, one being Magnora. On the engineering and consulting side we have Sweco, Norconsult, AFRY, Reijlers and Sitowise, benefitting both from grid expansion and upgrades, as well as datacentre build out.

What's driving this trend: key policy and market forces on energy security, grids and AI infrastructure

Energy security and affordable energy

Import dependency turned energy into a security risk

Since the EU cut its dependence on Russian gas (REPowerEU, see below), the cost of dependency became clear through price spikes, emergency interventions and production cuts across energy-intensive industries. Europe's energy has since moved from crisis management towards a structural de-risking and increased domestic supply. The EU's new energy policy direction focus on four mutually reinforcing pillars:

Four pillars: diversify, electrify, expand grids, secure supply chains

- Replacing concentrated fossil-fuel imports with diversified supply
- Accelerating renewable generation and electrification
- Expanding grids, storage and interconnections
- Building more resilient European clean-technology and raw-material supply chains

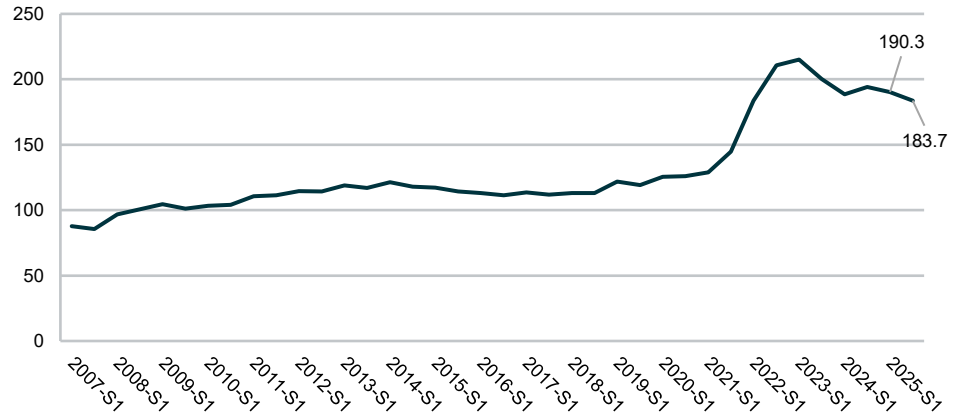
The objective is both environmental and economic as the EU attempts to balance decarbonization and geopolitical exposure while preventing high energy costs from eroding European industrial competitiveness.

Norway, Finland and Sweden have lower energy prices, especially in the north: a relative advantage in a costly market

Yet, high energy prices still overshadow European competitiveness: According to Eurostat, the average electricity price paid by medium-sized non-household consumers in the EU was EUR 183.7/MWh in H1 2026, down 3.5% from H1 2025 but still elevated by historical standards[13]. In this perspective, the Nordic position is comparatively favourable, with Finland and Sweden at EUR 74.7/MWh and EUR 97.0/MWh respectively, the two lowest levels recorded in the EU. However, energy-intensive Nordic producers continue to compete in a broader European market where power costs remain significantly higher. As the Draghi report noted, EU companies face electricity prices two to three times those in the US, and gas costs up to three times higher.

[13] Eurostat, May 2026

Electricity prices for industrial consumers, EUR/MWh



Source: DNB Carnegie & Eurostat

RePowerEU moved energy from a climate issue to a security priority

The EU's policy responses to the high electricity prices are addressed and operationalised through four notable frameworks that gradually moves closer to more physical infrastructure and energy supply for the longer run[14]:

REPowerEU (2022) was the original supply diversification response to Russia's invasion of Ukraine, marking the shift from treating energy as a climate issue to treating it as a strategic and geopolitical priority. It targeted the replacement of Russian gas, oil and coal with diversified LNG imports, accelerated wind and solar deployment and the build-up of strategic gas storage reserves. It remains the underlying framework on which all subsequent initiatives build.

The Clean Industrial Deal (February 2025), the Green Deal's successor and an umbrella strategy for making competitiveness and decarbonization pull in the same direction: the Deal targets reducing industrial energy costs through accelerated permitting, expanded renewable capacity and reformed electricity market design – while also protecting European manufacturing from carbon leakage through the Carbon Border Adjustment Mechanism (CBAM – further explained below under Trend 3). This Deal was a communication, rather than hard law, but more than 18 months on, its energy agenda has turned into more concrete initiatives. For instance, the Clean Industrial State Aid Framework (June 2025) allowing subsidies of renewables and clean-tech until 2030 and the proposed Electrification Action Plan (July 2026) aiming to double electricity's share of EU energy use from 23% today to 46% by 2040[15].

European Commission sees savings of EUR 130bn a year by 2030

The Affordable Energy Action Plan (February 2025), the Clean Industrial Deal's energy pillar, targets structural reductions in electricity prices for industry and households through increased renewables, better grid interconnection and electricity market redesign. In our view, the most notable and concrete legislation under this Plan is the Electricity Regulation (July 2026), which is set to be hard law once adopted, requiring electricity to be taxed no higher than gas). The Commission estimates the Clean Industrial Deal and the Action Plan together could deliver savings of EUR 45bn in 2025, rising to EUR 130bn annually by 2030 and EUR 260bn by 2040[16]. On permitting, however, little is yet binding beyond RED III (Renewable Energy Directive from 2023 – which sets binding maximum permitting times for renewables[17]) as permitting on grids remain in discussion (see below).

Grids Package: binding permit deadlines likely to start a multi-decade grid capex cycle

The European Grids Package (December 2025) is the legislative follow-through that converts the Affordable Energy Action Plan's grid ambitions into binding law. It revises the TEN-E Regulation (Trans-European Networks for Energy), updating the framework for cross-border energy infrastructure to cover electricity, storage, hydrogen and CO_2 networks, and introduces

[14] European Commission, 2026. See full list of energy -and electricity related initiatives under Clean Industrial Deal

[15] For further details, see DNB Carnegie's Comment on Clean Industrial Deal, 2025.

[16] European Commission, Feb 2025. Press release.

[17] See for example European Parliament Legislative Observatory's summary of RED III permitting provisions

Policy likely to lower the tail risk, not necessarily the cost gap

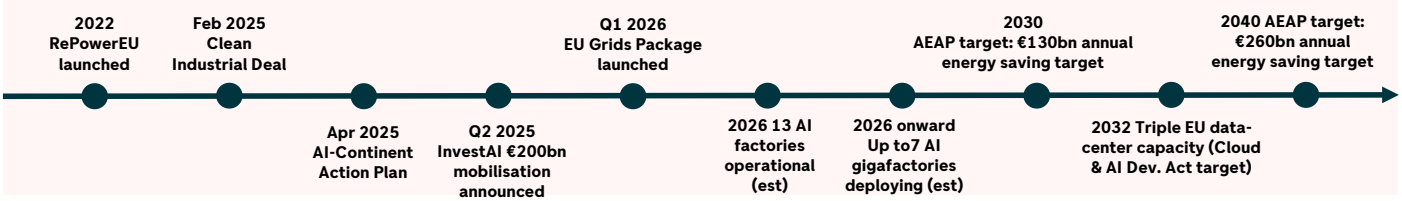
a Permitting Acceleration Directive that for the first time establishes binding EU-level time limits for permitting decisions on grid infrastructure, renewables and battery storage. Notably, where authorities miss the deadline, projects benefit from 'tacit approval' i.e. permits are automatically granted if authorities miss the deadline. However, under current negotiations, Member States have opposed this 'tacit approval', making it optional rather than mandatory[18].

Foundation for multi-decade demand for grid, power and electrical equipment

Notably, these listed initiatives under Trend 2 are complemented by regulations that strive to also protect energy-intensive industries e.g. **Carbon Border Adjustment Mechanism (CBAM)** and **Review of EU Emissions Trading Scheme (ETS Review** – both are further explained below, in Trend 3), by pricing imported carbon, protecting against carbon leakage and mandate renewable deployment. These initiatives, to both increase decarbonisation and reduce energy-security tail risk, are further explained under Trend 3.

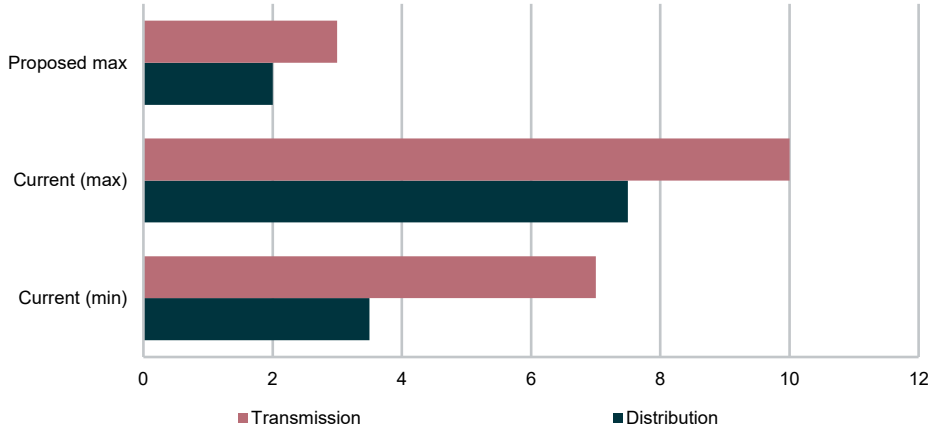
Taken together, our view is that although few of the EU's many energy security and affordable energy initiatives are legally binding, they form a strong foundation for structural shift. For investors, these instruments translates energy-security ambitions into likely multi-decade demand for grid, power and electrical equipment (cables, transmission and enhancing technologies), regardless of how the final laws are worded.

Trend 2: Timeline of Energy Security, Grids and AI Infrastructure initiatives



Source: DNB Carnegie (estimates) and companies

EU Grids Package: Permitting timelines – current vs proposed maximum (years)

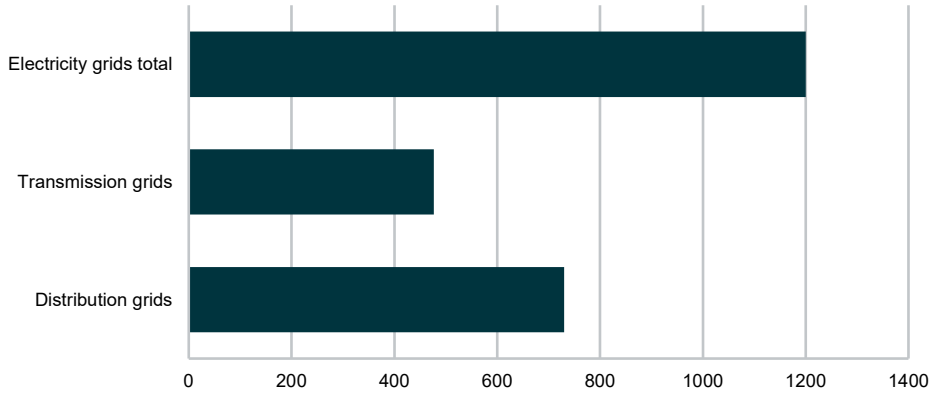


Note: The current maximum and minimum durations are from the European Commission's Impact Assessment (December 2025). The proposed maximum durations are those proposed by the European Commission, but the European Council has suggested that they should be non-binding.

Sources: DNB Carnegie; European Commission; European Council

[18] See our Green Deal Trackers, Aug 2026

EU grid network investment needs, cumulative 2024–40 (EURbn)



Source: European Commission, European Grids Package (December 2025)

EU grids need ~EUR 1.2trn by 2040: EUR 730bn for distribution and EUR 477bn for transmission

AI infrastructure: the demand that closes the loop

EU holds <5% of global AI compute; up to seven AI gigafactories planned

AI infrastructure and data-centre build-out is the most recent driver of European grid demand, and it reinforces the energy security and renewables agenda. The EU currently accounts for less than 5% of global AI computing power, against approximately 75% for the US and 15% for China[19]. The **AI Continent Action Plan** (9 April 2025) is the Commission's response, structured around five pillars of which computing infrastructure is the most directly investment-relevant. It establishes a network of 13 AI Factories anchored in existing supercomputers including in Finland and Norway among the 19 participating states, and is deploying up to seven Gigafactories, each equipped with approximately 100,000 next-generation AI chips and backed by €20bn mobilised through **InvestAI** out of a total €200bn envelope. In parallel, the proposed **Cloud and AI Development Act** targets at least tripling European data-centre capacity within five to seven years.

Even if the EU successfully mobilises the full EUR200bnn envisaged under InvestAI, the scale remains modest relative to the US private-sector AI buildout. The combined 2026 capital expenditure plans of the five leading US hyperscalers alone amount to about USD660bn–690bn, more than 3x the size of the entire EU AI investment envelope[20].

Energy, grids and AI: one compounding demand signal

The strategic relevance for Nordic listed companies is therefore not European AI sovereignty in the abstract, but the physical infrastructure that any large-scale computing facility requires regardless of who funds it, electrical equipment, grid connections and industrial cooling. These needs are identical whether the driver is an AI gigafactory, an offshore wind farm connection or a cross-border interconnector. The EU programme concentrates that demand in regions with access to low-carbon power, cool climate and established connectivity, which describes the Nordic region well.

Nordics are well placed: low-carbon power cool climate and connectivity

The investment implication is that energy security, grid infrastructure and AI data centres should be read as one compounding demand signal rather than three separate themes. The **Grids Package** provides the legislative backbone; the **Affordable Energy Action Plan** and **REPowerEU** provide the policy direction and cost rationale; and AI infrastructure provides an additional, accelerating source of electricity and grid demand that extends the capex cycle further into the decade. For investors, the question is not which of the three themes will dominate, but which companies sit at the intersection of all three, supplying the electrical equipment, cooling technology and transmission infrastructure that all of them require.

[19] European Commission. See the list of 5 strategic areas under AI Continent Action Plan

[20] European Commission. See InvestAI initiative press release Feb 2025

AI Continent Action Plan



Source: European Commission

Nordic exposure: companies benefiting from energy security, grids and AI infrastructure escalation

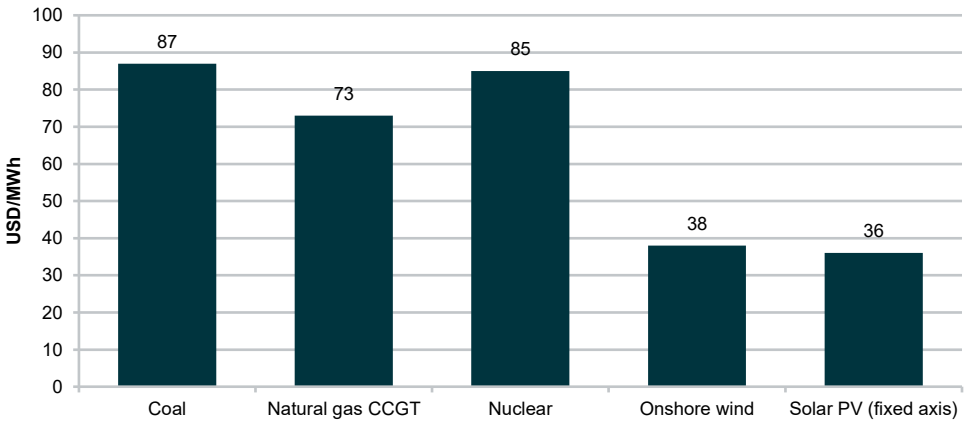
Within renewable energy and clean infrastructure

Turbine, cable and clean energy suppliers are direct structural beneficiaries

As outlined above, the EU's **Affordable Energy Action Plan** directly targets accelerated permitted and expanded grid infrastructure as the primarily levers to improve connectivity, capacity and bring down European electricity prices. In light of this, we see that **Vestas, NKT, Addtech** and **Kitron** (contract manufacturer) stand out as beneficiaries on the equipment supplier side, with permitting reform and grid build-out feeding directly into order intake. Moreover, companies such as **Netel, Instalco** and **Bravida** stand out to benefit on the buildout and maintenance side. Higher energy demand from electrification and data centre build-out will benefit energy producers and developers such as **Ørsted, Fortum, Bonheur, Cloudberry Clean Energy** and **Scatec**. Moreover, the renewable energy companies, as replacers of fossil-fuels, will benefit from easier and faster permitting.

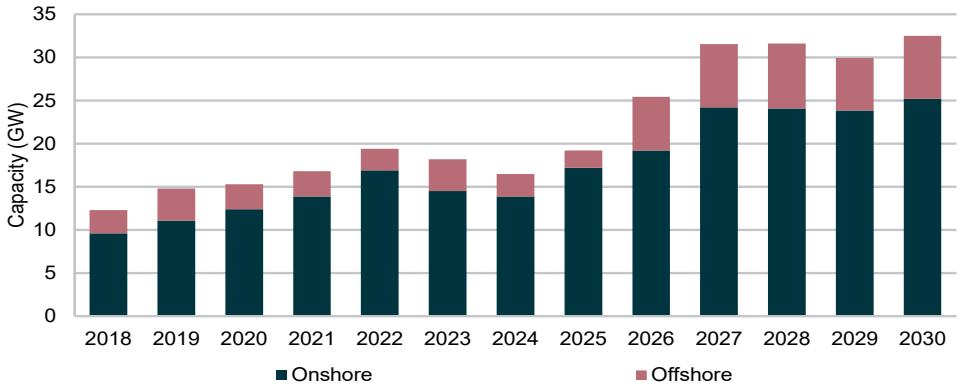
Permitting reform is key to order intake

Levelised Cost of Electricity by Source



Source: DNB Carnegie (estimates) & Vestas

Annual onshore and offshore wind installations in Europe, 2026–30



Source: WindEurope, 2025 Statistics and the outlook for 2026–2030

Vestas is the clearest play in the European wind acceleration Agenda. The company has repeatedly linked the investment case for wind to the growing political focus on energy security and affordability while also highlighting the EU grid investment as a supportive development. The economic rationale is simple, that onshore wind is among the lowest cost sources of renewable power, however the principal constraint is the pace of development. The company has identified excessive bureaucracy and slow permitting as key barriers to project execution and industrial scaling. Permitting reform is therefore essential for the companies order intake and the earning impact will depend on how quickly the streamlined EU rules are implemented.

High-voltage cables are at the core of EU grid priorities

NKT is another company directly affected by increased demand for reinforced national transmission networks and cross-border interconnection, as well as within manufacturing of high voltage power cables required to connect offshore wind farms to onshore grids. These are all explicit priorities under the Affordable Energy Action Plan and the broader EU energy-security agenda and is supported by a multi-decade capital-expenditure cycle driven by both supply- and demand-side electrification. Renewable generation requires new transmission infrastructure, while the electrification of industry, transport and buildings increases the need for stronger and more flexible grids. NKT's order backlog is therefore underpinned by several overlapping structural drivers, including offshore wind connections, interconnectors and national grid reinforcement.

Addtech derives some 20% of EBITA from the Energy segment, which sells input components to power transmission and distribution products and covers the chain from grid construction to power supply for energy-intensive industry. It includes components for infrastructure products for national and regional grid expansions and renovations, as well as electrification products.

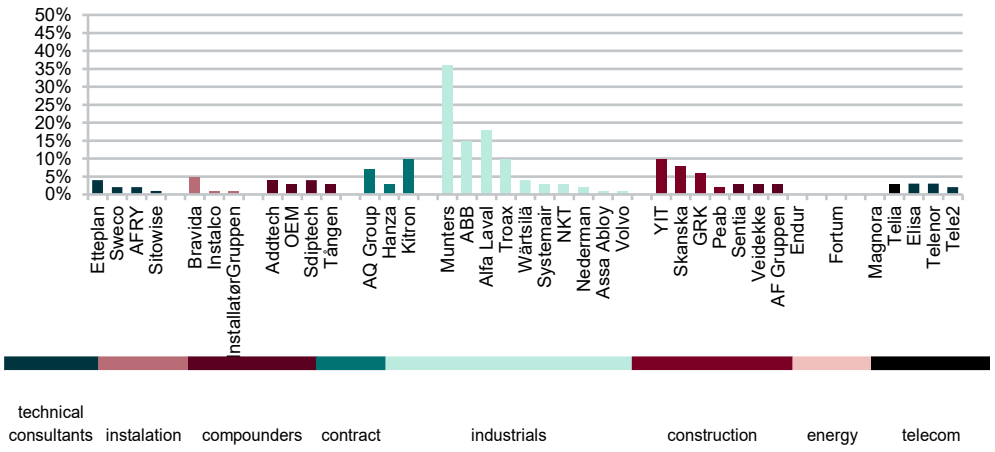
Netel's Power segment accounts for just below 40% of Group sales and builds and maintains electricity supply infrastructure. It designs, plans, constructs and maintains electricity distribution networks up to 400 kV. Typical work includes substation and transformer station expansions and upgrades, network connections, and ground and construction work. The company operates in Sweden and Norway and its customers are energy companies, both private and publicly owned. With the recent merger with Infrea, Power accounts for some 20% of the combined Group's revenue.

In addition, companies **Lagercrantz, Instalco** and **Bravida** all report a solid share of 2025 revenue generated related to power, transmission and/or distribution of electricity.

Nordic companies with exposure to AI infrastructure

The current relevance for Nordic listed companies is still more the construction, installation and physical infrastructure, electrical equipment, grid connections and industrial cooling rather than the running of data centres (albeit pre-revenue start-up **Magnora** and the telecom operators run data centres). The graph below summarises our estimated share of revenue from data centre exposure by market segment and companies.

Estimated data centre exposure share of revenue



Source: DNB Carnegie (estimates) and companies

Next wave: Strategic technologies – still early stage

Beyond AI infrastructure, a couple of strategic initiatives are notable:

- Beyond critical raw materials, the forthcoming **Advanced Materials Act** (proposal expected Q4 2026), aims to strengthen European production of high-performance materials used in areas such as electronics, batteries and aerospace.

- Within semiconductors, the **European Chips Act** (in force since 2023) targets 20% of global semiconductor production by 2030, though the European Court of Auditors concluded in April 2025 that this ambition is very unlikely to be achieved[21]. A Chips Act 2.0 was proposed in June 2026, broadening support across the value chain and linking semiconductor resilience more closely to public procurement for critical infrastructure, with agreement targeted for Q2 2027. However, as stated by the European Court of Auditors, Europe is likely to remain reliant on external suppliers and the financial effects will emerge gradually over the medium to long term, as supported capacity still needs to be constructed, scaled and customer-qualified before it materially changes European semiconductor supply.

[21] European Court of Auditors, Special report: The EU's strategy for microchips. Dec 2025.

Trend 2: investment summaries

Data centre exposure investment summary, estimated share of revenue

Etteplan: 3–5% of current revenue mix.
Sweco: 1–2% of current revenue mix. Uses expertise in the UK organisation, with focus on project management, pre-planning, and permitting. We believe that out of a total building capex mix, 5% of value goes to engineering/design.
AFRY: 1–2% of current revenue mix. Expertise revolves around site selection, power and grid, and building design. We believe that out of a total building capex mix, 5% of value goes to engineering/design.
Sitowise: <1% of current revenue mix. Limited part of the business; we believe that the company does some work in environmental impact assessments.

Bravida: 5% of revenue mix/40–45% of backlog. 15+ years track record in the business, in which it has expanded its scope from subcontractor to also taking on general contracting responsibilities. Has announced SEK8bn–9bn in orders since June.
Instalco: 1% of sales. Limited direct exposure to data centre build-out as these projects are too large and carry a level unfavorable for Instalco's project mix.
InstallatørGruppen: Not disclosed, but still relatviely limited exposure. We estimate about 1% of sales.

Addtech: 3–5% of current revenue mix.
OEM: 2–4% of current revenue mix.
Sdiptech: 3–5% of current revenue mix. We believe the main exposure for Sdiptech refers to Eagle, a business in the Safety & Security business area that makes high-security gates, bollards and blockers certified against vehicle attacks, with products mainly sold through contractors in Ireland; however, Eagle follows its contractors globally.
Tången: 2–4% of current revenue mix. Part of the company's Regulatory Expertise business area.

AQ Group: 6–8% of sales. ABB's MW-UPS HiPerGuard is becoming one of AQ Group's most important projects. AQ produces drives to ABB, Schneider, and Danfoss, as well as sheet mechanics and inductors, which could be used in DC applications. It also manufactures cooling equipment for Vertiv.
Hanza: 2–4% of current revenue mix. We believe Hanza manufactures e.g. UPSs for customers such as Eaton at its Finnish operations. We also believe it has some data-centre-related revenue with ABB.
Kitron: we estimate Kitron will generate some 10% of revenues from data centres in 2026e.

Atea: Atea delivers hardware and software, and provides consulting and technical services for design, implementation and operation. AI infrastructure and data centre development is therefore significant, although the exposure is indirect. Atea also offers capacity in its own data centres.
Napatech: According to our estimates, most of its revenue in the next 12–24 months will be related to selling networking equipment to AI data centres.
Smartoptics: Material share of revenue comes from selling optical networking equipment connecting data centres for neoclouds, and even some hyperscalers.
Munters: Latest numbers showed that DCT stands for 36% of group sales, but 78% of group backlog – driven by ramp-up phase in 2026–27.
ABB: 9% of 25 sales and some 2-digit share of orders. Data centre related orders have grown 3-digits Y/Y in 2026 YTD, so likely >20% of orders now and mid-teen share of sales.
Alfa Laval: c17–20% of orders in the Energy Division and c7–8% of group orders.
Troax: c10% of orderbook today. Our estimate is c6% from Vichnet acquisition (Asia/China), and 4% from legacy operations (mainly Europe/US).
Wärtsilä: Supplies engines, off-grid power plants, energy storage and related services. Some 4% of revenue in 2026e, rising to 14% in 2028e.
Systemair: We estimate 2–4% direct exposure. Recently announced order for a data centre project in Finland reflects c0.5% of group turnover.
NKT: Supplies cables, mainly medium-voltage, low-voltage and high-voltage cables up to 132 kV, and building wires. Est 3% of sales.
Nederman: Not specified by company; we estimate low-single-digit direct exposure.
Assa Abloy: 1% of sales. CAGR of 75% in data centre-related sales since 2023.
Volvo: Direct data centre exposure <1% of sales through Penta (backup power systems). Data centers represent 15% of Penta's order book and are growing vs a 14% CAGR market forecast over the next decade. Applied to current Penta revenues of cSEK20bn, representing c4% of group revenues, the data centre contribution is still modest at group level today. At the CMD in 2026, Volvo Penta launched an ambition of doubling revenues within 5–10 years, which is underpinned by data centres.

Skanska: Reported SEK15bn in data centre bookings and SEK177bn of revenue in 2025.
Peab: Low levels of revenue today, but inceasing as a share of construction project bookings.
YIT: We estimate 10% of revenues related to data centre construction, but ramping up fast.
GRK: Roughly 6% of revenue, larger share of order book.
Sentia: We estimate around 10% growth potential.
Veidekke: Could benefit around 3–4%, according to estimates.
AF Gruppen: Could benefit around 3–4%.
Endur: No exposure p.t., but focus point for growth

Fortum:Fortum's recently announced PPA with Google starts from 2028. It will represent c5% of sales when fully ramped up in 2029–30. The share of EBIT will be higher.
Scatec: No PPAs with data centers p.t., but indirect positive exposure due to increased power demand and power prices driven by data centre development.
Bonheur: No PPAs with data centres p.t., but indirect positive exposure due to increased power demand and power prices driven by data centre development.
Cloudberry: No PPAs with data centers p.t., but indirect positive exposure due to increased power demand and power prices driven by data centre development. In addition, Cloudberry is developing already powered land.

Magnora: Pre-revenue builder and operator of data centres in Norway; 100% of top-line exposure to data centres.
Telia: Still a relatively small share of group revenues.
Elisa: Still a relatively small share of group revenues.
Telenor: Still a relatively small share of group revenues.
Aker: Exposure via its ownership in Nscale, representing 26% of the NAV of Aker per end-Q2, being the company's second largest holding.
Tele2: Still represents a relatively small share of group revenues.

Source: DNB Carnegie

Trend 2: investment summary (for further AI infrastructure specific exposure, see separate table above)

Exposure	Company	Country	Investment relevance	Potential risk
Grid & renewable equipment	Vestas	DK	Clearest play on EU wind acceleration; permitting reform feeds order intake	Slow permitting, pace of EU rule implementation
Grid & renewable equipment	ABB	CH/SE	Benefits from grid expansion and upgrades, and data-centre electrical equipment	Pace of grid investment
Grid & renewable equipment	NKT	DK	High-voltage cables are core to EU grid, interconnector and offshore wind priorities	Delays in grid and offshore wind projects
Grid & renewable equipment	Addtech	SE	Energy segment supplies grid construction and electrification products	Pace of grid investment
Grid & renewable equipment	Kitron	NO	Contract manufacturer exposed to grid and data-centre equipment demand	Customer order timing
Grid installation & maintenance	Netel	SE	Builds and maintains electricity distribution networks in Sweden and Norway	Utility capex timing; lower Power share after Infrea merger
Grid & data-centre installation	Instalco	SE	Installation exposure to energy and data-centre projects, still small share	Limited revenue exposure today
Grid & data-centre installation	Bravida	SE	Installation exposure to grid and data-centre build-out	Limited revenue exposure today
Power producers & developers	Ørsted	DK	Higher power demand from electrification and data centres	Permitting, project execution
Power producers & developers	Fortum	FI	Higher power demand from electrification and data centres	Power price development
Renewable energy	Bonheur	NO	Renewables replacing fossil imports; easier permitting supports growth	Permitting, project economics
Renewable energy	Cloudberry Clean Energy	NO	Renewables replacing fossil imports; easier permitting supports growth	Permitting, project economics
Renewable energy	Scatec	NO	Renewables replacing fossil imports; easier permitting supports growth	Permitting, project economics
Data-centre construction	Skanska	SE	Benefits from construction of new data centres	Data-centre investment pace
Data-centre construction	YIT	FI	Benefits from construction of new data centres	Data-centre investment pace
Data-centre equipment	Alfa Laval	SE	Cooling and equipment demand from data-centre build-out	Data-centre investment pace
Data-centre equipment	Munters	SE	Cooling demand from data-centre build-out	Data-centre investment pace
Data-centre equipment	Wärtsilä	FI	Equipment demand from data-centre build-out	Data-centre investment pace
Data-centre operator	Magnora	NO	One of few listed pure data-centre plays	Pre-revenue, execution risk
Engineering & consulting	Sweco	SE	Benefits from grid expansion and data-centre build-out	Public and private investment cycles
Engineering & consulting	Norconsult	NO	Benefits from grid expansion and data-centre build-out	Public and private investment cycles
Engineering & consulting	AFRY	SE	Benefits from grid expansion and data-centre build-out	Public and private investment cycles
Engineering & consulting	Reijlers	SE	Benefits from grid expansion and data-centre build-out	Public and private investment cycles

Source: DNB Carnegie (estimates) and companies

Trend 3: Industrial decarbonisation and clean tech

The EU's clean-industrial policy is supporting Nordic earnings primarily through tighter import rules rather than subsidies, via several initiatives: EU ETS remains firm – albeit with a moderated price outlook, and CBAM entered its definitive phase on 1 January 2026 – cutting steel import quotas by 47% from 1 July 2026 and imposing potentially 50% tariff on excess volumes. Moreover, the Clean Industrial State Aid Framework and the Industrial Accelerator Act are under development, but are not yet adopted.

In our view, this trend means the following for earnings, as the EU uses four main mechanisms to improve competitiveness: 1) increasing the carbon cost of imported products, 2) restricting steel imports above defined quotas, 3) permitting state support for industrial investments, and 4) creating demand for European, low-carbon and recycled product.

In light of these mechanisms, we believe a few names stand out within energy-intensive industrials as CBAM strives to tighten import and support European prices, e.g. SSAB, Yara, Norsk Hydro and Outokumpu – although the underlying energy cost disadvantage is still present. Within shipping, companies like Mærsk, CMB.TECH and Hafnia are also positioned for the emissions transition driven by these mechanisms in varied ways.

What's driving this trend: key policy and market forces on decarbonisation and clean tech

From voluntary ambition to binding mechanism

Europe's industrial decarbonisation agenda has moved from voluntary ambition to binding mechanism. Carbon pricing, import levies and trade protection are already reshaping the competitive landscape for energy-intensive industry; procurement obligations and manufacturing targets are building the demand base for low-carbon products. The question for investors is no longer whether the policy framework will tighten, but which Nordic companies are positioned to capture the repricing before it becomes consensus.

EU ETS Review and CBAM: carbon pricing floor and import levy

EU ETS and CBAM: the carbon floor protecting low-carbon producers

The EU ETS and CBAM together form the core carbon pricing architecture for European industry, the floor beneath which the competitive position of low-carbon Nordic producers is protected[22].

EU ETS (since 2025; EU ETS Review proposed July 2026). The EU ETS is the EU's primary tool for reducing industrial emissions, covering c50% of total EU CO2 output. It was launched in 2005 as a carbon 'cap-and-trade' market: companies are required to have a permit for every tonne of CO2 they emit, and can trade emission allowances so that total emissions stay under the cap. The total cap reduces annually by the Linear Reduction Factor (LRF), currently 4.3% (4.4% from 2028), making permits progressively scarcer. On the current trajectory, the cap will reach zero in 2039. Since 2005, the scheme has cut covered-sector emissions by c50%[23].

CBAM cost approx. EUR 76/t in Q1 2026; but proposed protection of EU's CBAM names could pose a WTO challenge

Free allowance allocation is used to safeguard the competitiveness of the regulated industries and to avoid carbon leakage, i.e. companies relocating outside the EU. Benchmarks are set based on the 10% most carbon-efficient performers in each sector and are useful to determine companies' overall carbon cost. Installations emitting above that benchmark must buy EU allowances (EUAs), while carbon-efficient performers can be fully covered.

CBAM (definite phase from 1 January 2026). The Carbon Border Adjustment Mechanism (CBAM) is the carbon toll on imports designed to level the playing field for EU producers. Its purpose is twofold: 1) to reduce global emissions by incentivising non-EU countries to reduce their emissions if they wish to sell goods within the EU; and 2) to protect EU industry by reducing the risk of carbon leakage, i.e. production being moved outside the EU to countries with laxer climate policies.

In practice, CBAM requires companies that import into the EU to purchase so-called CBAM certificates. These cover the difference between the carbon price paid in the country of

[22] European Commission EU ETS and CBAM website; DNB Carnegie EU ETS regulatory updates

[23] DNB Carnegie's Green Deal Trackers

production and the price of carbon allowances under the EU ETS. The cost of the certificate depends on the size of the carbon footprint of the imported commodity.

Carbon levies are imposed on the imported sectors gradually, at the same speed as free allowances for EU-domiciled companies are phased out under the EU ETS. Importers of products including steel, aluminium and fertilisers must therefore gradually pay for their embedded carbon emissions as free EU carbon allowances are withdrawn. This should improve the relative competitiveness of Nordic producers with lower emissions, although Norway is exempt because it participates in the EU ETS.

Steel quotas: the most immediate protection

In April 2026, the Commission defined for the first time how much importers pay on carbon-intensive products from outside the EU. CBAM will cost approximately EUR 76/tonne of CO_2 on goods imported in Q1 2026 (steel, fertilisers, cement, aluminium, power and hydrogen), and the levy for goods imported in 2026 is due to be paid in 2027. The CBAM price is equivalent to the three-month average of the EU ETS carbon price, but from 2027 will be set weekly instead of quarterly.

Steel import safeguards (from 1 July 2026). Steel import safeguard (from 1 July 2026). Steel protection is more immediate. According to the Council of the EU, duty-free import quotas were reduced by approximately 47% from 1 July 2026, while volumes above the quota face a 50% tariff. This should reduce import pressure and support European steel prices, particularly for SSAB and Outokumpu. It does not, however, improve underlying industrial demand.

EU ETS Review is decisive for the future carbon price

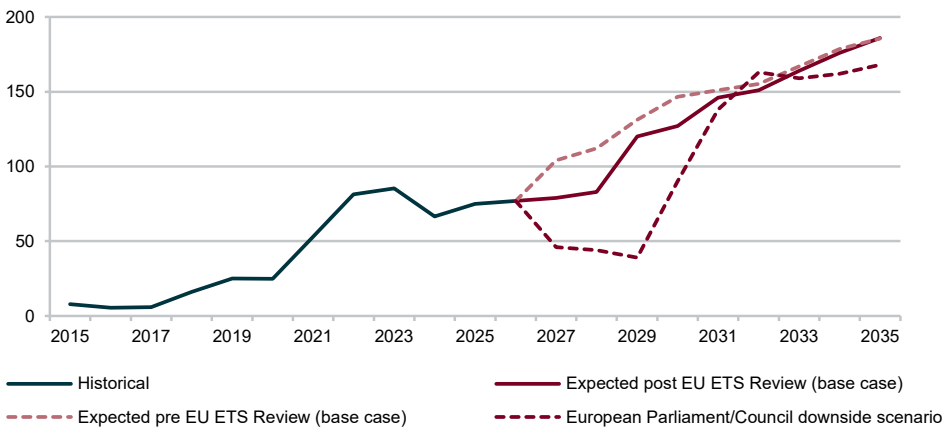
What changes: the July 2026 ETS review. On 17 July 2026 the Commission published its Review of the EU ETS, resetting the system beyond 2030. The main change is a softer cap reduction: the Linear Reduction Factor drops from 4.4% to 3.7% between 2031 and 2035, and to 1.7% from 2036, meaning more allowances remain in the market for longer and the carbon price will be lower than previously expected. Free allowances for CBAM-covered sectors (steel, aluminium, fertilisers, cement and hydrogen) are extended four years to 2038, with a 15% residual allocation from 2034 to 2037. From 2031, all free allowances become conditional on verified decarbonisation investment plans. A new Industrial Decarbonisation Bank (IDB) is introduced from 2028, with an indicated funding capability of approximately EUR100bn. The EU ETS Review is currently under active negotiations, as the outcome will determine the future carbon price. Final legislation is not expected before Q1 2027, and the market carbon price will remain volatile until then.

The delay creates a transitional period from 2034 to 2038 where both CBAM and residual free allowances apply simultaneously. This is a potential double subsidy and clear near-term benefit for Europe's CBAM companies and sectors, but may face WTO challenge, with Russia, China, India, Brazil and Indonesia all having raised formal objections. If CBAM is weakened as a result, the competitive protection these sectors rely on is reduced.

Near-term cost relief, but a weaker long-term price signal

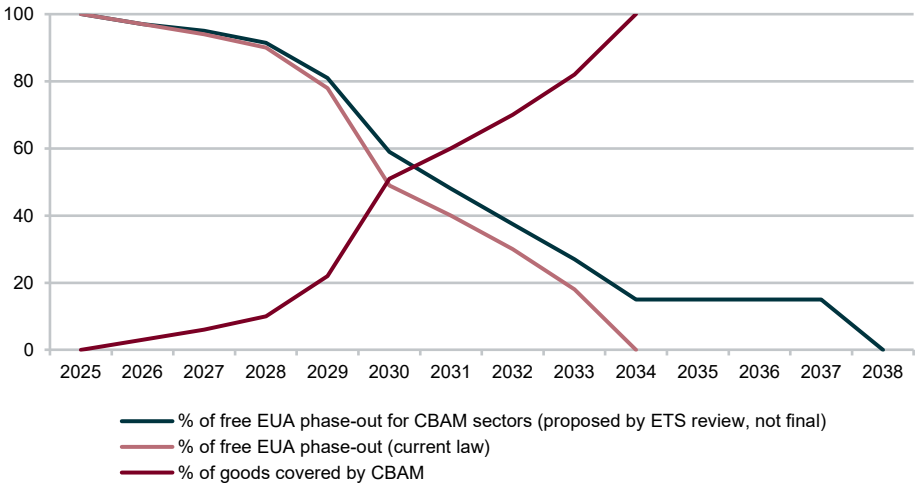
For investors, the read is twofold: ETS and CBAM sectors are likely to see a near-term cost relief, but as the carbon price is likely to stabilise at a lower level than earlier anticipated, this becomes a weaker long-term price signal for the green investment cycle. The IDB partially compensates, but the timeline for returns on hydrogen-based steelmaking and renewables-based aluminium has lengthened.

EU carbon price forecast, depending on outcome from EU ETS Review 2026 (in EUR/tCO2e)



Source: BNEF, European Commission, DNB Carnegie

CBAM: Free allowances extended to 2038, with a slower phase-out from 2028 (in %)



Source: BNEF, European Commission, DNB Carnegie

Net-Zero Industry Act and Industrial Accelerator Act: supply and demand side of low carbon industries

Supply-side and demand-side of low-carbon industry

The EU's approach to clean-tech competitiveness operates on two levels: stimulating domestic manufacturing capacity on the supply side and creating guaranteed demand for low-carbon products on the demand side.

NZIA: 40% of net-zero tech to be made in the EU by 2030

The **Net-Zero Industry Act** (in force 29 June 2024) is the supply-side instrument. It targets 40% of EU annual deployment needs for strategic net-zero technologies to be manufactured domestically by 2030, and 15% of global market value by 2040, covering 19 technologies including solar, wind, batteries, electrolysers, heat pumps, grid components and carbon capture. It delivers this through streamlined permitting for net-zero manufacturing projects, fast-track 'strategic project' status for the most critical facilities, and non-price resilience and sustainability criteria in public procurement that disadvantage offers relying too heavily on a single non-EU supplier. Implementing rules that were adopted on 23 May 2025 defined the covered technologies and activated the non-price procurement criteria from 30 December 2025. The NZIA is the EU's direct industrial policy response to the US Inflation Reduction Act and China's subsidised clean-tech dominance.

IAA: 25% low-carbon steel and aluminium in public projects from 2029, not yet adopted
Notably: any weakening of ETS ambition, as debated in the parallel ETS review, would erode the IAA's demand creation effect

The **Industrial Accelerator Act** (IAA, proposed 4 March 2026), part of the Clean Industrial Deal, is the demand-side counterpart. Its most concrete provision introduces mandatory minimum low-carbon content thresholds in publicly funded projects from 1 January 2029: at least 25% of steel and aluminium, and 5% of concrete must be both low-carbon and of EU origin, although low-carbon definitions are still to be set. This directly complements the EU ETS, which makes carbon-intensive production expensive but does not itself generate product demand[24]. The ETS is as such critical: a credible, rising carbon price makes the low-carbon label commercially meaningful. Any weakening of ETS ambition, as debated in the parallel ETS review, would erode the IAA's demand creation effect for low-carbon producers[25].

The EU aims at adoption of IAA by end of 2026. However, recent tension over the so-called 'Made in Europe' clause, i.e. whether public procurement should require a minimum share of EU-origin content (or be extended to countries with EU trade agreement), is causing some delay making IAA adoption in mid-to-late 2027 more realistic[26]. The IAA is as such not yet adopted and should not be treated as secured earnings support.

A softer EU ETS erodes the low-carbon advantage

Regardless of definite outcome, the two instruments are designed to work in combination: the NZIA builds the manufacturing base, the IAA guarantees a market for what it produces. Both depend on a credible carbon price to remain commercially meaningful, hence the softer ETS trajectory proposed in July 2026 directly erodes the competitive advantage the low-carbon label is intended to confer.

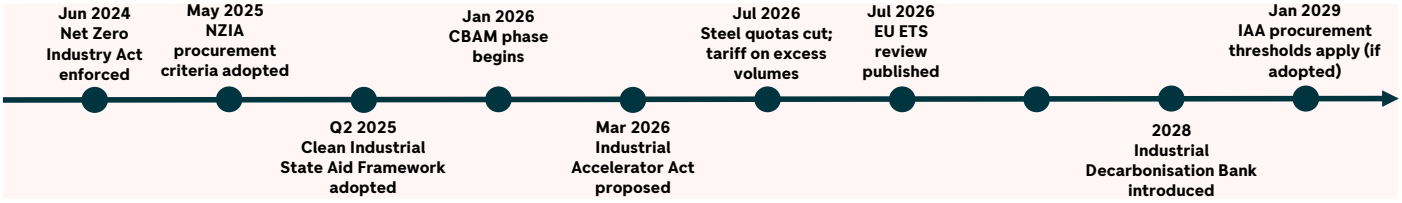
Clean Industrial State Aid Framework

State aid rules ease decarbonisation capex through 2030

The **Clean Industrial State Aid Framework**, adopted by the Commission in Q2 2025 as part of the Clean Industrial Deal, allows member state governments to co-fund decarbonisation and clean-technology investments through 2030. It simplifies and accelerates state aid approval for industrial decarbonisation projects, reducing the upfront capital burden for energy-intensive companies undertaking the transition, while also supporting clean-tech manufacturers competing against heavily subsidised non-EU producers.

Approval reduces initial investment costs but does not ensure commercially attractive returns, and support levels differ significantly across member states. For Nordic industrials, where governments have generally been more restrained in deploying industrial subsidies than France or Germany, the framework matters more as a competitive context than as a direct earnings driver.

Trend 3: European initiatives timeline



Source: DNB Carnegie, European Commission

Nordic exposure: which sectors and companies stand to gain

Companies like SSAB and Outokumpu gain on steel pricing

The EU's clean-industrial policy is beginning to support Nordic earnings, primarily through tighter import rules rather than subsidies. **SSAB** and **Outokumpu** should benefit from improved European steel pricing, while **Hydro** offers the most balanced long-term exposure through low-carbon aluminium and recycling. The benefits for **Boliden, Yara** and **Vestas** are less direct, while Nordic CO2 storage and the hydrogen names could be longer-term potential options. Weak European demand, substantial investment requirements and slow permitting remain the principal constraints.

[24] European Commission, Newsroom March 2026

[25] For more information on EU ETS Review, see DNB Carnegie's News Comments and Green Deal Tracker, July and August 2026

[26] See for example Agence Europe and Politico press releases, 8 Oct 2026

Impact on energy intensive industrials

High energy prices remain a disadvantage for energy-intensive sectors; CBAM offers only partial protection

For European producers of metals, chemicals, materials and in general sectors of high energy intensity, both Trend 2 on energy security and electrification and Trend 3 on Decarbonisation have complex impacts. Structurally, high electricity and gas prices remain a material competitive disadvantage, particularly relative to the US and other lower-cost regions: EU steel production has already fallen by almost 20% over the past decade, and aluminium by around 40%[27]. European companies still face electricity prices two to three times those in the US, although parts of Finland and Sweden have the lowest non-household electricity prices vis-à-vis European peers.

However, the CBAM and EU ETS Review add certain layers of protection and relief that we believe certain Nordic names stand to benefit from, especially since CBAM is intended to provide protection against imports that do not face equivalent electricity prices and carbon costs. In parallel, the EU ETS Review extends free carbon allowances for CBAM sectors (including steel, aluminium, fertilizers, cement and hydrogen) to 2038, which bring near-term relief to several Nordic companies:

SSAB has the strongest exposure to tighter steel-import rules, which is important as SSAB has high-energy intensive operations. According to its Q2 2026 report and earnings call, management expects excess imported inventories to clear around the end of Q3, which should allow higher European steel prices to become more visible thereafter. The main benefit would come through stronger pricing and better protection of European volumes, while CBAM and future procurement rules could also support demand for SSAB Zero and fossil-free steel. However, we would avoid assuming a lasting green premium until this is reflected in realised prices.

Execution remains the main risk for SSAB. The Oxelösund electric-arc furnace is now expected to start production in Q2 2027 following a grid-connection delay, while the company maintained its SEK13.5bn capital-expenditure guidance for 2026. European steel prices, import-quota utilisation and progress at Oxelösund and Luleå will therefore be important indicators of whether the expected policy benefits translate into earnings.

Outokumpu should benefit from a similar improvement in European trade protection, although weak underlying demand limits the near-term impact. In its Q2 2026 disclosure, adjusted EBITDA improved to EUR100m as European stainless-steel imports declined, a development management partly attributed to CBAM and the new trade measures. While this creates a more supportive pricing environment, the European division generated only EUR17m of adjusted EBITDA and demand remained subdued.

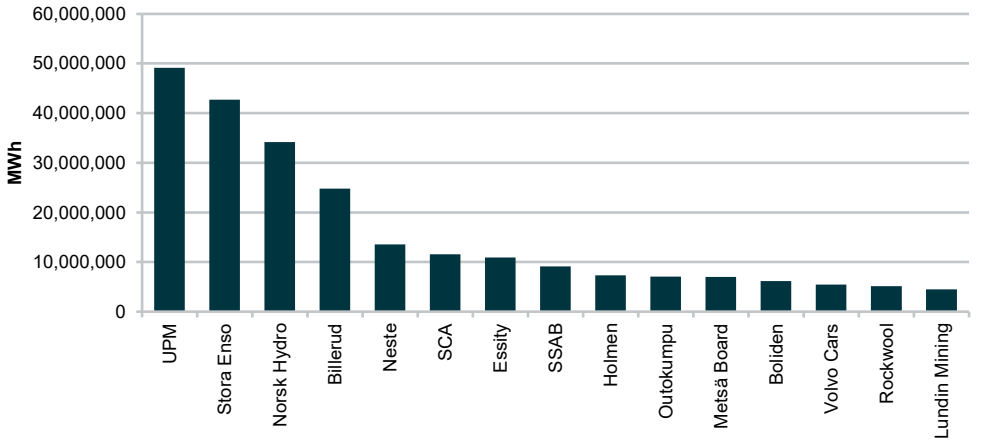
Norsk Hydro illustrates the immediate industrial consequences of Europe's high-power prices. The company curtailed production at its Slovalco aluminium smelter in 2022 when electricity costs and limited compensation for indirect carbon costs made operations unviable, before improved access to long-term power supported an initial restart. CBAM and aluminium's designation as a strategic raw material should strengthen Hydro's position as a relatively low-carbon aluminium producer, and the company could be well-placed to qualify for the IAA's low-carbon label and procurement preferences from 2029.

Yara International is also among the most directly exposed companies, as natural gas is both the main energy source and an essential feedstock in ammonia and nitrogen-fertiliser production, making the company's cost base highly sensitive to regional gas prices. In combination with the higher cost from gas prices in Europe compared to US and other regions, this remains a structural disadvantage. However, Yara appears well-positioned to benefit from CBAM, with management expecting the protection from the mechanism to exceed its carbon costs because its European production has lower emissions than the average importer. This should provide some margin support, although the economics of green ammonia remain dependent on customers being willing to pay a premium.

[27] European Commission, March 2025. Commission's European Steel and Metals Action Plan

Low-carbon aluminium gains, but power-price risk persists

Highest energy consuming industrials, absolute terms



Source: DNB Carnegie (estimates) & company

Impact on maritime shipping

Carbon pricing fully integrated from 2026

Since January 2024, the original EU ETS has covered all cargo and passenger ships above 5,000 GT calling at EU/EEA ports, regardless of flag. It applies to 100% of emissions on intra-EU voyages and at berth, and to 50% of emissions on voyages to and from third countries. The phase-in, which began with 40% for 2024 and 70% for 2025, ends this year, with allowances covering 100% of 2026 emissions required to be surrendered. Any shortfall triggers an excess emissions penalty of EUR100 per tonne of CO2e, indexed to EU consumer prices, and the missing allowances must still be surrendered. While no shipping penalties have been charged to date, penalties have been enforced in other sectors, including aviation.

From 2026, methane and nitrous oxide are also priced. This could raise costs for LNG-fuelled vessels with methane slip and narrow the carbon advantage of LNG over conventional fuels. Offshore vessels of 5,000 GT and above will be included from January 2027, with their first surrender in 2028.

The 2026 EU ETS Review ties maritime decarbonisation closer to the EU's competitiveness agenda

The EU ETS Review from July 2026 proposes, for the first time, to recycle ETS revenues back into the sector. A new **Sustainable Maritime Alternative Propulsion (SMAP)** mechanism is proposed to reserve up to 110m allowances, worth roughly EUR10bn–15bn, depending on the carbon price, from 2028 to 2040. Support would cover the fuels covered by FuelEU Maritime (e.g. e-methanol and e-ammonia, advanced biofuels, biogas and low-carbon hydrogen). Eligibility favours fuels produced and technology manufactured in Europe. The main purpose of these new EU ETS Review measures is to tie shipping decarbonisation directly to Europe's industrial competitiveness and resilience agenda.

Moreover, the new EU ETS Review proposal widens the scope: general-cargo and offshore ships between 400 and 5,000 GT would enter the ETS from 2031, followed by smaller tankers and gas carriers. Any vessel serving an EU offshore worksite, including offshore wind, would also be included. To close loopholes associated with operating from non-EU bases, rules on transhipment ports outside the EU are tightened.

EU ETS and FuelEU raise costs and open alternative-fuel opportunities

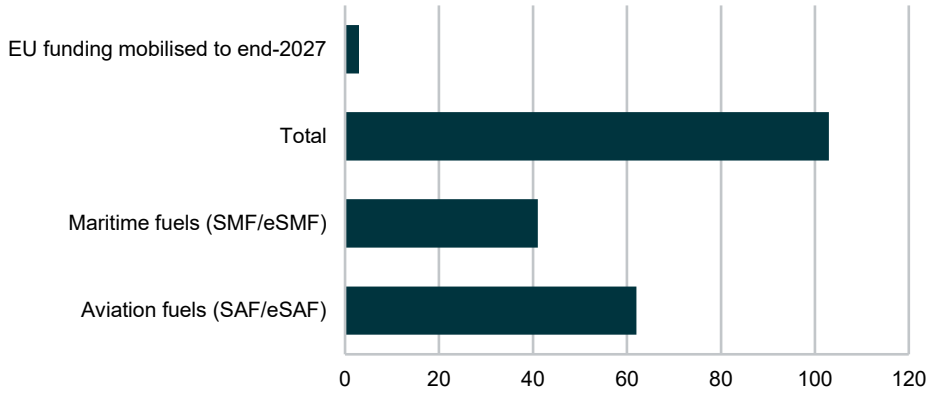
In our view, the EU ETS Review proposal gives ship-owners with alternative-fuel and energy-efficient fleets additional support, while inefficient tonnage could face rising costs, which is in line with the original purpose of the EU ETS. However, the scale should not be overstated: European Shipowners estimates that the proposed SMAP allocation would need to be tripled to 330m allowances to help build a market for sustainable fuels. The EU ETS Review proposal still needs agreement between the Council and Parliament (likely, in our view, by Q1 2027), with implementation unlikely before 2028. In addition, the International Maritime Organization vote on a global net-zero framework in December 2026 could trigger a further EU review to avoid double charging – although this IMO vote has been delayed and watered down repeatedly.

Policy is supportive rather than transformative for most names

Consequently, this ongoing decarbonisation trend could support companies that perform well on emissions efficiency. Two IMO-based indicators capture this: The Energy Efficiency Operational Indicator (EEOI) measures CO2 per tonne of cargo actually carried per nautical mile, while the Annual Efficiency Ratio (AER), the basis for the IMO's Carbon Intensity Indicator (CII), measures CO2 per unit of vessel capacity per nautical mile. A lower value means less fuel burned and fewer allowances surrendered for each unit transported.

With the EU ETS at 100% and FuelEU Maritime tightening, efficiency now translates directly into lower carbon costs. In our view, **Höegh Autoliners, Wallenius Wilhelmsen, Klaveness Combination Carriers** and **A.P. Møller-Mærsk** stand out on these indicators. We also see potential support for companies that enable the supply chain of shipping decarbonisation, such as **Wärtsilä, Kongsberg Maritime, CMB.TECH** and **Alfa Laval** in engines, fuel systems and efficiency technology. However, the pace of return will depend on green-fuel availability and on the final shape of the EU ETS review and the IMO framework.

Sustainable fuel production: investment needs to 2035 versus EU funding (EURbn)



Note: the approx. EUR100bn covers fuel production plants only.

Sources: European Commission, Sustainable Transport Investment Plan (November 2025).

Trend 3: investment summary

Trend 3: investment summary

Exposure	Company	Country	Investment relevance	Potential risk
Steel trade protection	SSAB	SE	Beneficiary of tighter steel import rules; supports European pricing and volumes, with CBAM and procurement rules backing fossil-free steel	Project execution (Oxelösund delayed to Q2 2027), high capex, no proven green premium yet
Steel trade protection	Outokumpu	FI	Benefits from lower stainless-steel imports and better trade protection	Weak underlying European demand
Low-carbon aluminium	Norsk Hydro	NO	Most balanced long-term exposure; low-carbon aluminium and recycling well placed for procurement preferences	IAA not yet adopted; softer ETS weakens low-carbon advantage
Fertilisers	Yara	NO	CBAM protection expected to exceed own carbon costs, supporting margins	Customer willingness to pay for green ammonia
Metals	Boliden	SE	Indirect benefit from the clean-industrial policy framework	Weak European demand, permitting
Wind	Vestas	DK	European-content requirements could strengthen its competitive position	Permitting delays, grid connections, weak auction economics
Industrials	Alfa Laval	SE	Offers engineering solutions to heavy industrials reducing environmental impact, helping with energy efficiency and carbon emissions.	Cyclical demand and regulatory changes
Industrials	Wärtsilä	FI	Global leader in medium-speed engines, digital and technical optimisation solutions to marine- and energy sectors	Weak demand; regulatory delays
Industrials	Kongsberg Maritime	NO	Listed pure-play since April 2026; hybrid propulsion and energy-management tech cut owners' ETS/FuelEU costs	Newbuild cycle; IMO framework still not adopted
Shipping	A.P. Møller-Mærsk	DK	Large methanol and LNG dual-fuel fleet renewal; scale to pass on ETS costs	Green-fuel supply and premium; freight cyclicality
Shipping	CMB.TECH	BE	Strong exposure to hydrogen and ammonia shipping and offshore wind services	Availability and cost of green fuels
Shipping	Klaveness Combination Carriers	NO	Combination carriers use 30–40% less fuel per tonne-mile, lowering ETS cost per cargo	Small niche fleet; no zero-carbon fuel pathway yet
Shipping	Wallenius Wilhelmsen	NO	Large methanol and LNG dual-fuel and ammonia fleet renewal	Renewal capex; green methanol cost; car-trade volumes
Shipping	Höegh Autoliners	NO	Fleet cuts CO2 per car by up to 58%; ammonia-fuelled ships from 2027	Ammonia engines and bunkering unproven at scale

Source: DNB Carnegie (estimates) and companies data

Trend 4: Defence and security build-up

Russia's invasion of Ukraine has shifted defence from a national responsibility to a coordinated EU strategic priority. ReArm Europe targets up to EUR800bn in defence investment; SAFE provides EUR150bn in low-cost loans prioritising European suppliers; NATO members have committed to spending 5% of GDP on defence and security. The investment opportunity extends well beyond traditional arms manufacturers to electronics, secure communications and critical infrastructure.

In our view, the earnings impact of this trend is more immediate and certain than in any of the above trends. Defence budgets are government-funded and non-cyclical, and NATO commitments and SAFE's loan structure extend order visibility for the longer term. The primary constraint is production capacity rather than demand.

Companies such as SAAB and Kongsberg are the most direct beneficiaries, with backlogs of SEK318bn and NOK158bn. Kitron is the strongest indirect play, with defence revenues up 234% organically in Q2 2026, while its peer HANZA is also set to grow. INVISIO, Norbit and MilDef Group all offer more specialised exposure through tactical and secure communications.

Note that for the purpose of this report, we define defence and security as companies whose core activities support European deterrence, critical infrastructure protection, and societal resilience, explicitly excluding weapons prohibited under international conventions. This is consistent with the investment policies of major Nordic asset managers and the EU's Defence Readiness Omnibus (June 2025 – explained below), which confirmed defence investment is compatible with the EU sustainable finance framework.

What's driving this trend: key policy and market forces on defence and security

Russia's invasion of Ukraine ended the era of European defence as a primarily national responsibility. What began as emergency procurement coordination has become a structural shift in EU industrial policy, moving from crisis response to a large scale and long-term policy strategy for defence industrial readiness and societal resilience.

Defence has moved from a national to an EU strategic priority

ReArm Europe/Readiness 2030 (March 2025). The overarching framework, aiming to mobilise up to EUR800bn in defence-related investment. It combines four levers: EU loan instruments, national fiscal flexibility, EIB Group financing and private capital. To create fiscal space, the Commission invited member states to activate the Stability and Growth Pact's national escape clause, allowing each to increase defence spending by up to 1.5% of GDP per year outside normal deficit rules for four years[28].

ReArmEurope: EUR800bn across four financing levers; SAFE: EUR150bn in loans favouring European supplies, with Norway eligible

SAFE (Security Action for Europe), adopted by the Council 27 May 2025. The most concrete instrument within Readiness 2030, providing up to EUR150bn in long-maturity loans for urgent and large-scale defence procurement. Joint procurement involving at least two member states is the default condition, creating a structural preference for European suppliers[29]. Norway and other EEA-EFTA countries are eligible to participate, a material detail for Nordic companies supplying into allied defence programmes.

EDIS: 50% of procurement budgets on EU-made products by 2030

EDIS and EDIP (the European Defence Industrial Strategy (5 March 2024)). The first-ever EU-level defence industrial strategy. Its three 2030 procurement targets are the most investor-relevant element: at least 40% of equipment procured collaboratively; at least 50% of the procurement budget spent on EU-made products; and at least 35% of defence goods traded between member states. These targets create a structural European industrial preference extending well beyond traditional prime contractors. EDIP (2025–2027) is the immediate EUR1.5bn adopted bridge instrument translating EDIS into funded action.

NATO Hague Summit (24–25 June 2025). All member endorsed the commitment to 5% of GDP on defence and security by 2035 (although some claim need for flexibility). The target comprises at least 3.5% for core defence requirements and up to 1.5% for critical infrastructure, network defence, civil preparedness -and resilience, innovation and the defence industrial

[28] European Council – Council of the European Union. European defence readiness plan. 2026.

[29] European Commission. SAFE – Security Action for Europe website. 2026.

base. The 1.5% component is directly relevant to this report's scope, as it covers deterrence-enabling investments beyond conventional weapons, including secure communications, energy resilience and supply chain security.

Defence is compatible with EU sustainable finance, widening the investor base

Defence Readiness Omnibus (June 2025). The Commission clarified that investment in European defence is compatible with the EU sustainable finance framework, removing a structural barrier that had prevented significant pools of Nordic institutional capital from accessing the sector. Combined with the evolving positions of major Nordic asset managers on defence exclusions, this has materially expanded the investor base for listed defence and security companies.

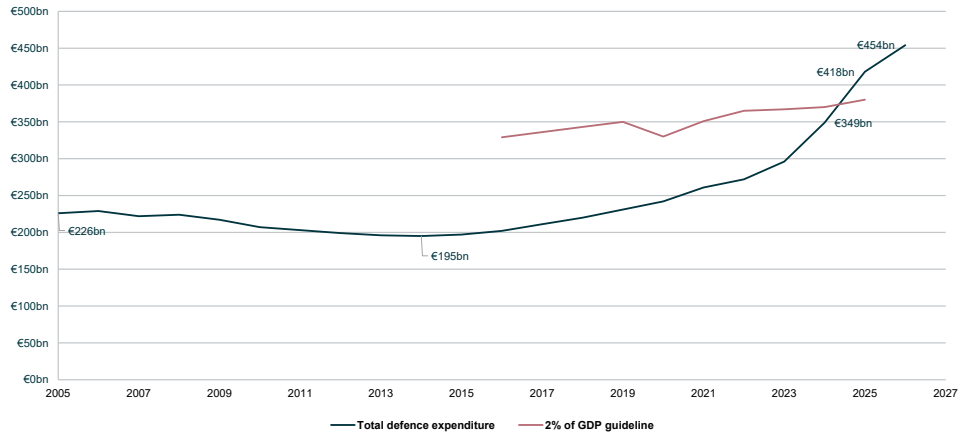
EU Defence and security (selected) initiatives timeline



Source: DNB Carnegie, European Commission

EU defence expenditure

EU defence spending reached EUR418bn in 2025, up 20% Y/Y, and is projected to reach EUR454bn in 2026. On current trends, it could reach cEUR547bn by 2029



Source: European Defence Agency; 2025–26 are estimates.

Nordic exposure: which sectors and companies stand to gain

core defence and Original Equipment Manufacturer (OEM)

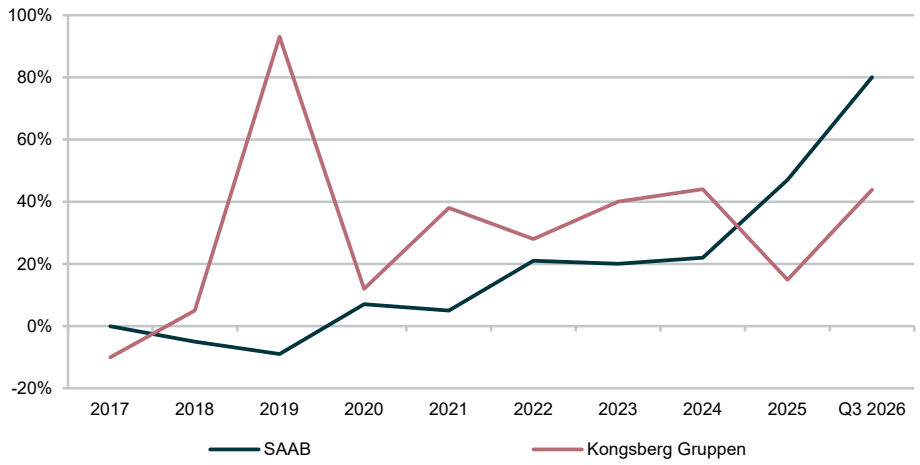
Among the companies under coverage, **SAAB** and **Kongsberg Gruppen** are the most direct beneficiaries of Europe's rearmament and the EU's objective of strengthening domestic defence industrial capacity. Both companies derive most of their revenues from government defence customers making them directly exposed to rising NATO defence budgets and increased European procurement. Following the April 2026 demerger of Kongsberg Maritime, Kongsberg has become a pure-play defence and technology company with Kongsberg Defence & Aerospace accounting for about NOK25bn of 2025 revenues. Similarly, 93% of SAAB's 2025 sales originated from defence activities while international markets represented about 69% of revenues in Q2 2026.

SAAB and Kongsberg are most directly exposed to defence

Both companies have experienced order momentum as European governments have accelerated procurement programmes. Kongsberg reported a record order backlog of NOK158bn at the end of Q2 2026 supported by a 1.6x book-to-bill ratio, while SAAB's backlog reached SEK318bn, equivalent to roughly four years of revenue at current run rates. Alongside strong backlogs, the companies have won multiple large contracts, for instance Kongsberg's NOK16bn Polish counter UAS programme and SAAB's securement of the SEK47bn Polish A26 submarine program to name only two.

The investment case extends beyond higher defence spending to Europe's ambition of building sovereign industrial capabilities since both SAAB and Kongsberg manufacture defence critical technologies. However, the key challenge in the near time will be production capacity rather than demand. Kongsberg is expanding missile production across Norway while establishing new facilities in Australia, the US and Poland, with capex expected to remain at 7–9% of revenues through 2027. Likewise, SAAB is investing SEK8bn–9bn annually to increase production of Gripen aircraft, Giraffe radars, Carl-Gustaf systems and A26 submarines. The scale of these investments suggests management expects European defence spending to remain structurally elevated over the coming decade, supporting continued backlog growth and earnings visibility.

Order backlog Y/Y growth (%)



Source: DNB Carnegie (estimates) and company

Defence electronics and systems

Second-order winners: defence electronics and subsystems

Beyond prime contractors, Europe's defence build-up is expected to benefit suppliers for critical electronics, communications and subsystem technologies that form the backbone of modern defence platforms. Increasing production of missiles, combat vehicles, unmanned systems and surveillance equipment requires a resilient European electronics supply chain, positioning Nordic companies such as **Kitron** and **HANZA** in manufacturing capacity, and **Norbit, INVISIO** and **MilDef Group** in specialised defence electronics and communications. In our view, these are important second-order beneficiaries of the EU's defence industrial strategy.

Kitron has emerged as one of the strongest indirect beneficiaries of European rearmament through its role as an electronics manufacturing services (EMS) provider to leading defence contractors. Defence and Aerospace represented about 50% of group revenue in Q2 2026, compared with 32% for full-year 2025 while segment revenues increased 234% organically Y/Y. The company reported an order backlog of EUR794m, of which around 60% related to defence and aerospace, supported by demand for electronics used in missile systems, UAVs, combat vehicles, encryption, surveillance and naval hardware.

Rather than contracting directly with government, Kitron supplies major defence primes, including BAE Systems Hägglunds, making it a key enabler of increased European defence production. The company is also investing aggressively in capacity, expanding operations in Poland, Sweden and Norway, with management describing Poland as a growing "defence manufacturing hub" for Europe.

HANZA, like Kitron, is a contract manufacturer. It runs a LYNX programme aimed at the defence industry and has become Europe's largest listed contract manufacturer after acquiring BMK.

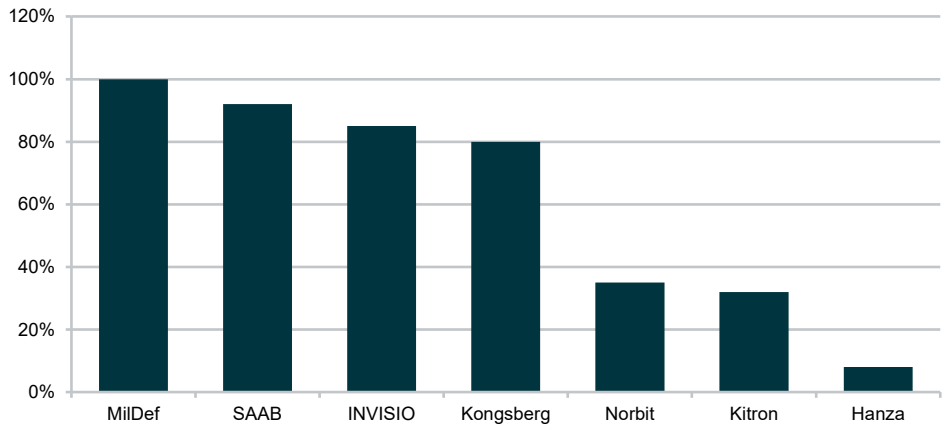
INVISIO represents a more specialised exposure, supplying tactical communication systems and hearing protection to military personnel across NATO countries. About 85% of revenues originate from defence customers, with the remainder largely serving public safety

organisations such as police and coast guards. Long-term framework agreements with customers including the US, the Netherlands, Canada and the UK provide recurring demand, while products such as the T30 tactical headset, INVISIO Link wireless intercom system and the new Drone Aware capability are directly aligned with current operational requirements, particularly the growing focus on soldier communications and counter-UAS capabilities. Revenue increased 20% Y/Y in Q2 2026, while management continues to scale production capacity through additional European manufacturing partners to support expected demand growth.

MilDef Group is a rugged IT and military digitalisation company, and a near pure-play within secure communications. Order backlog was SEK5,645m at end-September 2026, up 61% Y/Y. It won its largest-ever hardware order, about SEK1,100m, from German Bundeswehr, and is doubling capacity in Helsingborg by Rosersberg by autumn 2027.

Norbit adds a diversified, high-margin exposure into European rearmament through niche sensors, mostly for maritime use, connectivity and defence contract manufacturing. Defence and security revenues more than doubled to NOK549m in H1 2026, equal to ~35% of group revenues. The exposure sits mainly in the Product Innovation & Realization (PIR) segment, where defence accounts for 78% of segment revenues.

Defence revenue share (%)



Source: DNB Carnegie (estimates) and companies

Trend 4: investment summary

Trend 4: investment summary

Exposure	Company	Country	Investment relevance	Potential risk
Core defence (OEM)	Saab	SE	Most direct beneficiary of European rearmament; record backlog gives long earnings visibility	Production capacity constraints, high capex
Core defence (OEM)	Kongsberg Gruppen	NO	Pure-play defence after demerger; record backlog and strong order intake	Production capacity constraints, international expansion execution
Defence contract manufacturing	Kitron	NO	Strongest indirect play; key electronics supplier to defence primes, with sharply rising defence share	Capacity ramp-up, customer concentration on defence primes
Defence contract manufacturing	HANZA	SE	Contract manufacturer growing defence exposure via dedicated programme and acquisition	Integration of acquisition, scaling defence share
Specialised defence electronics	INVISIO	SE	Tactical communications with high defence share and recurring framework demand	Scaling production through external partners
Specialised defence electronics	MilDef Group	SE	Near pure-play in rugged IT and secure communications; growing backlog	Capacity expansion execution
Specialised defence electronics	Norbit	NO	Diversified, high-margin niche sensor and connectivity exposure to rearmament	Defence still a minority of group revenue

Source: DNB Carnegie (estimates) and companies

Time to be proud – a 10-year anniversary

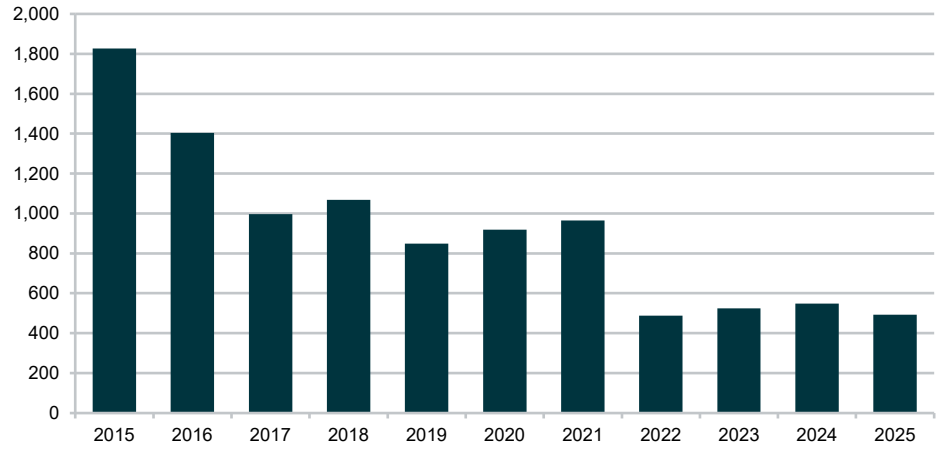
We celebrate our tenth sustainability guide and companies ESG-ranking. This year, our ranked universe has expanded to cover 483 companies (investment companies and companies currently 'Not Rated' are excluded). Progress has been made, particularly on reducing CO2 emissions in relation to reported EBITDA, and on Board composition, which has moved from 30% women to 38%. However, our companies' internal work with talent management promoting women to senior positions needs improvement with the share of women in senior management, or as CEOs, having flattened out at low levels.

Launched in 2017 using year-end 2016 data, our sustainability rating now covers 483 companies, up from 333 at launch. This ESG coverage reflects DNB Carnegie's position as the provider of the broadest Nordic company coverage.

Nordic development within selected Climate and Environment metrics

CO2 emissions (Scope 1+2) in relation to EBITDA have seen a declining trend on the aggregate, albeit comparability is not ideal as companies have over the past ten years widened their scopes of included emissions, which would imply that the downward trend is even steeper.

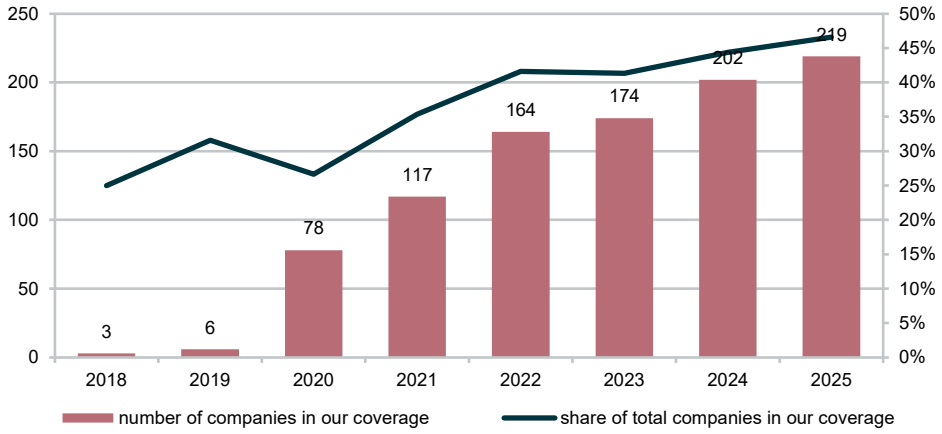
CO2 emissions/EBITDA (tonnes/EUR)



Source: DNB Carnegie (estimates) & company

The share of companies that have set science-based CO2 reduction targets continues to show an encouraging upward trend, suggesting that measurement, KPI-setting and regular follow-up are becoming part of regular reporting and oversight. We have previously shown in our research that companies with science-based CO2 reduction targets have a steeper emissions-reduction trajectory than those without them, implying that, as is often the case, what gets measured gets done.

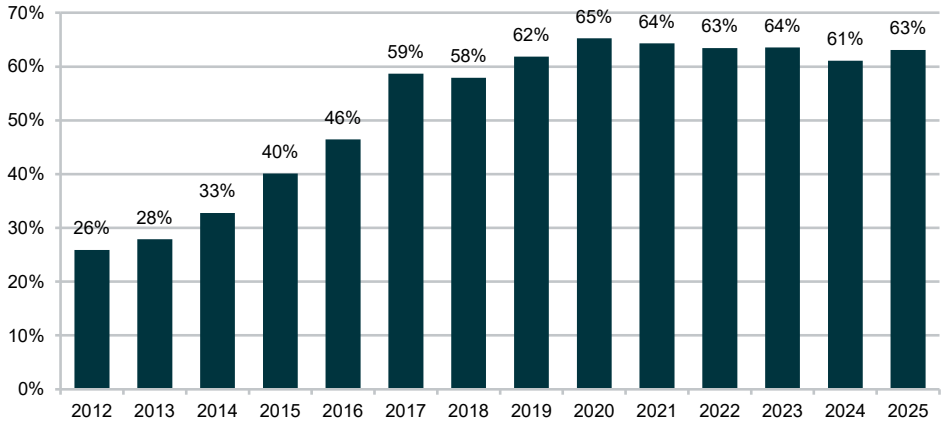
Companies that have set science-based CO2 reduction targets



Source: DNB Carnegie (estimates) and companies

Companies have also improved their recycling, reaching an average waste-recycling rate of more than 60%, following the implementation of tighter regulation, particularly in the construction industry. The rate has plateaued, suggesting a need for new regulatory thresholds, as well as improved recycling methods and opportunities, subject to the cost-benefit trade-off).

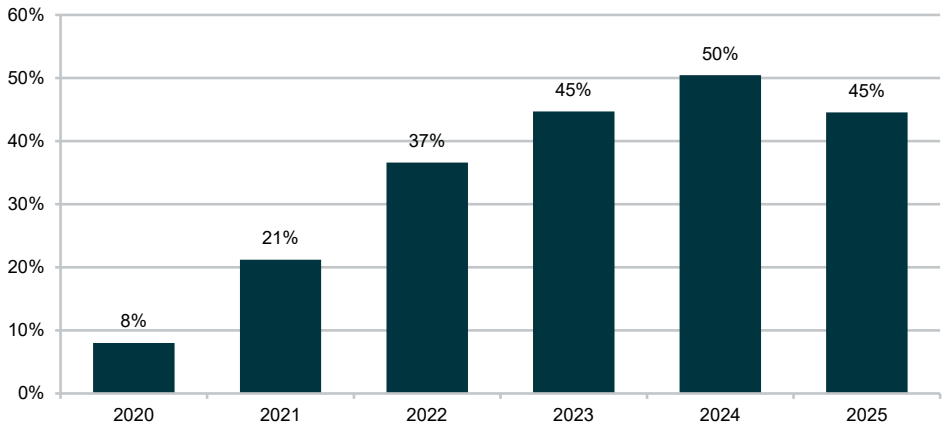
Average waste recycling rate



Source: DNB Carnegie (estimates) and companies

The share of companies reporting on biodiversity has increased significantly since we began tracking this metric in 2020. We also see that the maturity and quality of reporting on the topic have improved. We attribute the decline in the share in 2025 partly to a change in the mix of companies now included in the guide and partly to a stricter definition this year.

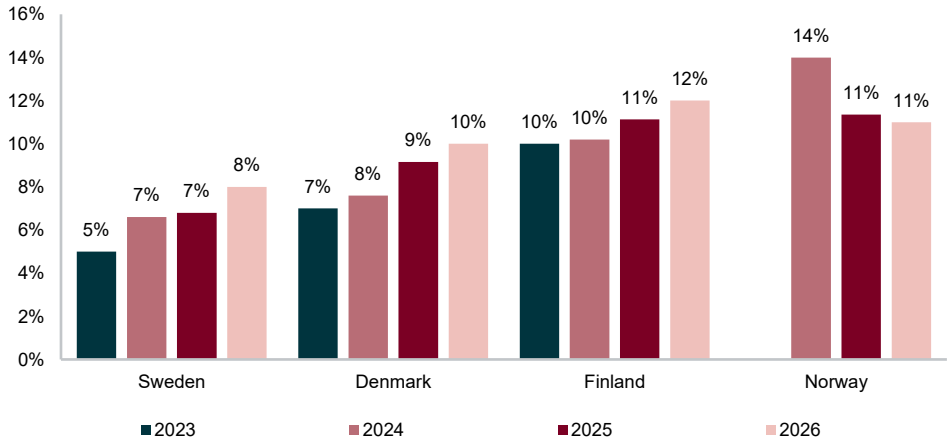
Share of companies reporting on biodiversity



Source: DNB Carnegie (estimates) and companies

The EU Taxonomy entered into force in 2020, and its reporting requirements have applied since 2022 (2023 for Norway). This implies that companies, since then, have disclosed how much profit from and invest in economic activities defined as 'sustainable', according to the EU. It has become a common reference point for capital markets, and incentivise investments that support sustainable transition of the EU economy, in line with European Green Deal. Despite data gaps and reporting complexity, DNB Carnegies annual research show that across Nordic countries, there is a moderate and steady increase in their share of sustainable activities between 2023 and 2026 (with Norway an outlier – due to delayed implementation).

Per country average EU Taxonomy aligned revenue is growing

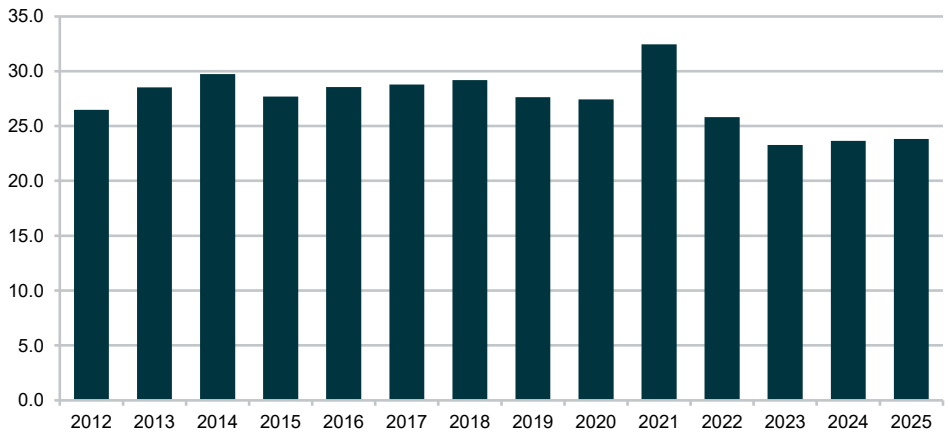


Source: DNB Carnegie (estimates) and companies

Nordic development within selected Social and Governance metrics

Not much has changed underlying in the average compensation gap between the CEO and average employee. As our coverage has expanded, primarily more small cap companies have been added, which in general tend to have lower compensation gaps, explaining the decline seen from 2021 forward.

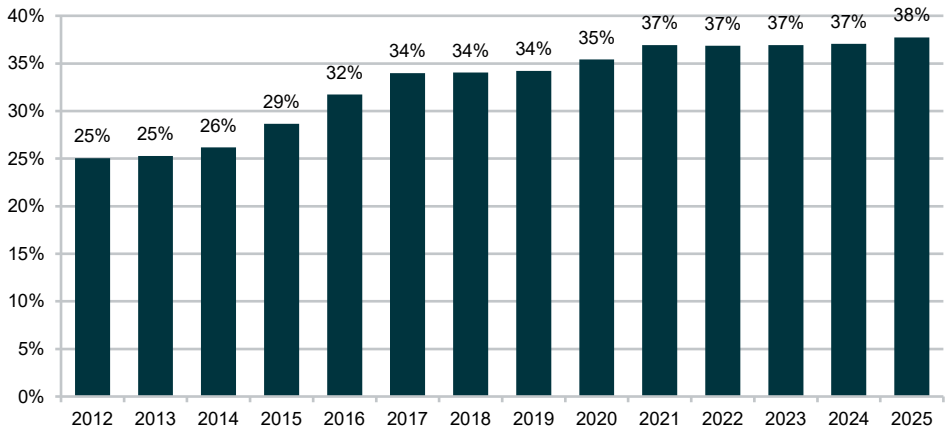
CEO/avg employees compensation gap



Source: DNB Carnegie (estimates) and companies

Gender equality on Nordic Boards has seen great improvement, having achieved much attention from institutional shareholders. Nordic boards of our covered universe of companies now averages just below 40% women, up from just below 20% 10 years ago.

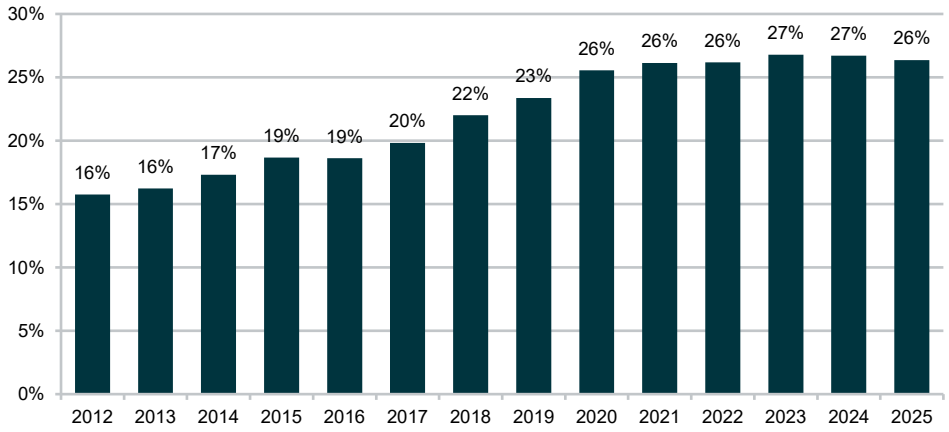
Board of Directors % women



Source: DNB Carnegie (estimates) and companies

The internal gender equality work on company level is not proceeding as fast. Only one of four senior executives is a woman, up from one in five 10 years ago. However, we seem to be stuck – not much has changed for the positive in the past 5–6 years.

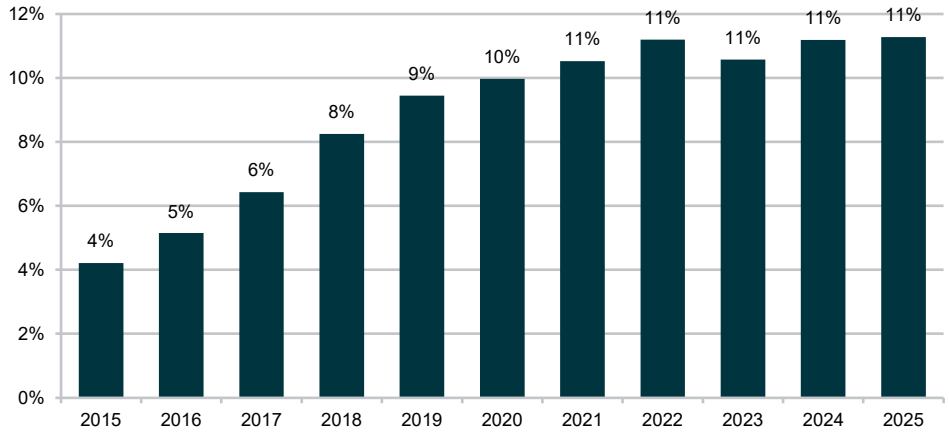
Senior executives % women



Source: DNB Carnegie (estimates) and companies

The share of women CEOs is still exceptionally low at just 11%, having also flattened out over the past 5–6 years.

Share of companies with a woman as CEO



Source: DNB Carnegie (estimates) and companies

Sector rankings