SCIENCE BASED TARGETS NETWORK
GLOBAL COMMONS ALLIANCE

SBTN OFFICE HOURS

- Rename yourself with your name and organization

- Please add your question in the chat

- When we get to your question, feel free to unmute to join the discussion

- Any questions we can't answer during the hour, we will follow up with you afterwards

- All questions and answers will be documented and made available after the session. This session will be recorded for internal use only, to allow us to document all Q&A.

Extra resources:

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QUESTIONS SENT IN BEFORE THE SESSION

- Please can you clarify the business unit concept?
- What exactly is the difference between the "Pressure sensitive state of nature" and "Ecosystem Integrity"?
- How do the concepts of General 'state of nature' indicators [SoNG] and pressure-sensitive 'state of nature' indicators [SoNp] connect to DPSIR?
- Do you know if other structures used their LCA data to quantify their impacts ?
- How to evaluate the terrestrial ecosystem use / use change for upstream activities ? This varies depending on the stage of the value chain you look at.
- When should specific data from LCA databases be used? For instance, we can know the land occupation for 1kWh of electricity produced by PV (in m²/kWh), how to compare this data with specific onsite data that, e.g. water consumption (500 L) that is given for the whole site for one year ?
- How should the efficiency of production be taken into account?
- Do you have any updates on the biodiversity and land hubs and when we may be able to pilot these?
- What is the process for setting interim targets in 2022 line with SBTN requirements?
- I would like to ask and discuss how we can support the SBTN

QUESTIONS SENT IN BEFORE THE SESSION - Step 1a

- **Lots of questions received this month on how to select ISIC codes so we will quickly review this slide from the last session.**

General guidance for finding ISIC codes:

1. **Review the UN Stats guidance document** (4th revision) that supports the classifications.

2. **Remember that there might be more than one relevant ISIC code** for a particular part of your business, i.e. for recycled paper manufacturing there are separate codes for the collection, treatment and manufacturing of recycled waste so you will need to check which parts of the value chain are covered by your company.

3. **Ask for help** - your company secretariat or finance teams may be good places to go to ask for guidance here, as they may have come across this or something similar before.

4. **Take the highest scores** - if you are still not sure and are trying to choose between two ISIC classes, you can take the highest materiality score among the two for each pressure category rather than choose between them. Please just document the approach taken here in your 1a Output Template.

5. **Review your ratings in the sense-check** - if some of the the scores don't look right to you, don't worry, they are based on average data rather than your company. The sense-check guidance in the Technical Supplements will help you to review them.

Still stuck? Ask SBTN: corporate-engagement@sbtnetwork.org

QUESTIONS SENT IN BEFORE THE SESSION - Step 1a

- **Please can you clarify the business unit concept?**

Definition:

'Business units' can be defined by a company on the basis of regions, industries or brands and should be a well-established part of the company's organisational structure (i.e. used in core business processes and communications, not delineated solely for the purpose of setting SBTs)

HOLCIM

- Cement
- Aggregates
- Ready-Mix Concrete
- Solutions & Products

Unilever

- Beauty & Personal Care
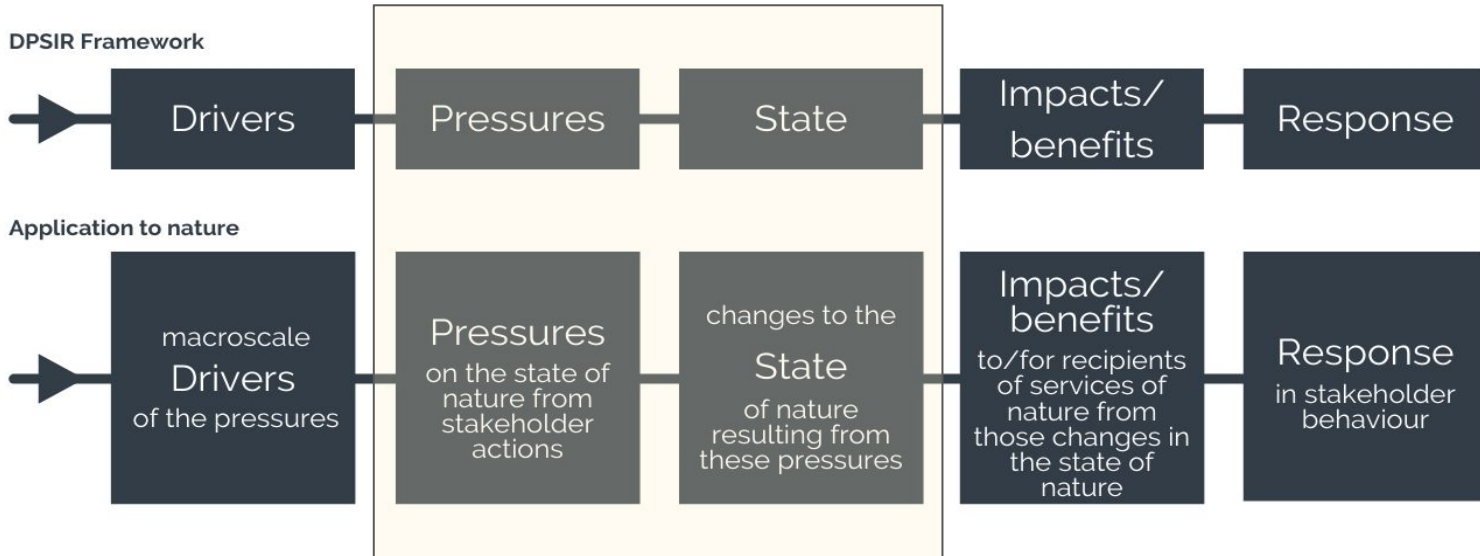- Foods and Refreshment
- Home Care

Nestlé

- Zone Americas
- Zone Europe, Middle East and North Africa
- Zone Asia, Oceania and sub-Saharan Africa
- Nespresso
- Nestlé Health Science

Tip: Start by looking at the Financial Review section of your company's Annual Report. What operating segments are reported on here?
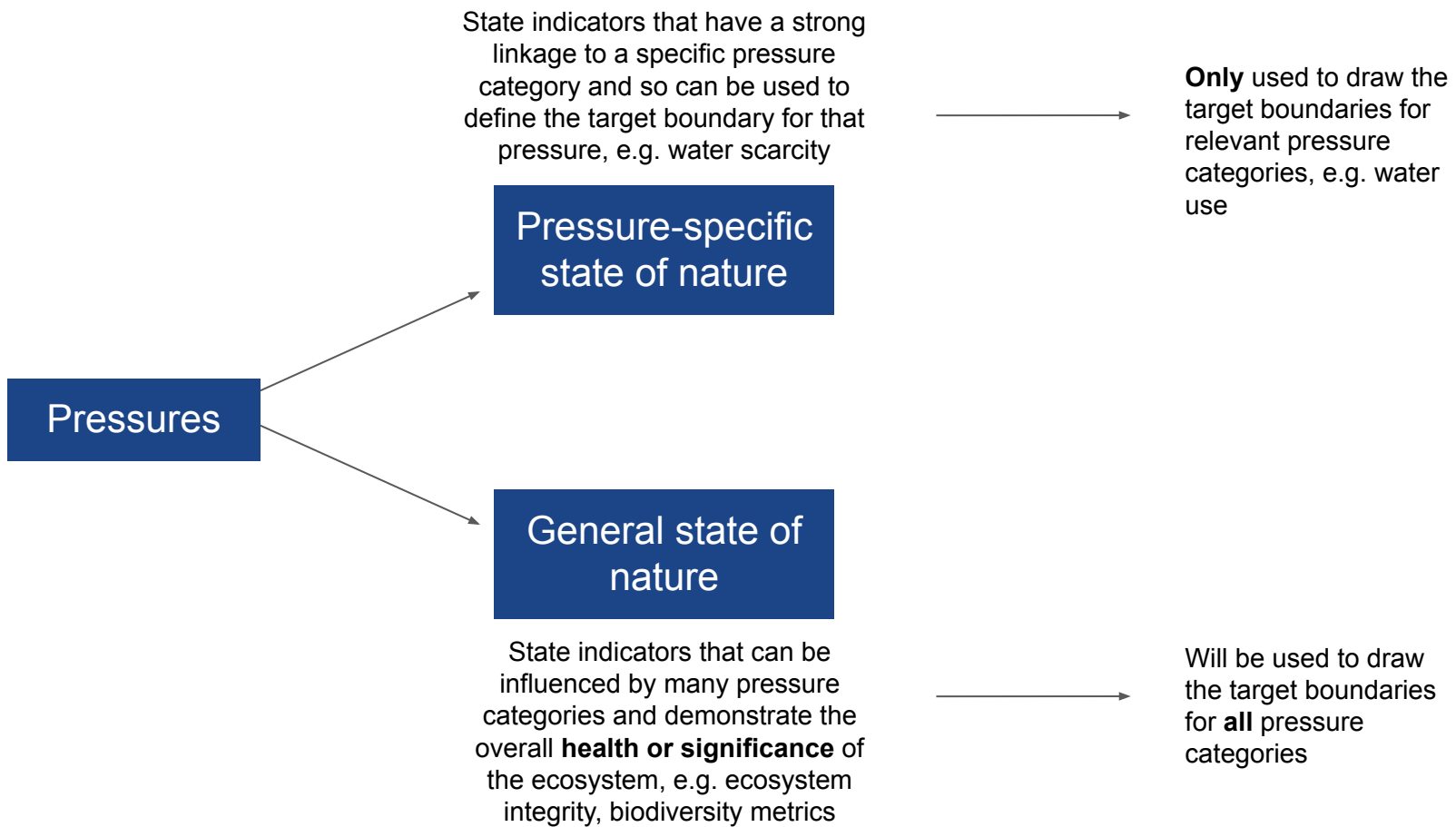
QUESTIONS SENT IN BEFORE THE SESSION - Step 1b

- **What exactly is the difference between the "Pressure sensitive state of nature" and "Ecosystem Integrity"? How do the concepts of General 'state of nature' indicators [SoNG] and pressure-sensitive 'state of nature' indicators [SoNp] connect to DPSIR?**

In Step 1, we are aiming to capture sufficient data to robustly demonstrate which pressures in which locations n the value chain need to be covered by science-based targets.

The complexity in applying the DPSIR logic to nature is that many pressures are combining to cause changes to the state, which can itself be measured in many ways. This is done by breaking down the state indicators into two categories: general and pressure-specific.

State indicators that have a strong linkage to a specific pressure category and so can be used to define the target boundary for that pressure, e.g. water scarcity

Only used to draw the target boundaries for relevant pressure categories, e.g. water use

Pressure-specific state of nature

Pressures

General state of nature

State indicators that can be influenced by many pressure categories and demonstrate the overall **health or significance** of the ecosystem, e.g. ecosystem integrity, biodiversity metrics

Will be used to draw the target boundaries for **all** pressure categories

A key note here is that the current Technical Supplements were developed focusing specifically on freshwater. They will be further evolved to incorporate land, oceans and biodiversity, plus the integration across pressure categories.

QUESTIONS SENT IN BEFORE THE SESSION - Step 1b

- **Do you know if others used LCA data to quantify their impacts?**

YES! We anticipate secondary data to be important for Step 1b.

We are always looking for worked examples/case studies to illustrate how companies can implement the guidance, please get in touch with us if you are able to share your experience.

QUESTIONS SENT IN BEFORE THE SESSION - Step 1b

- **How to evaluate the environmental indicators (e.g. terrestrial ecosystem use, water use) for upstream activities? This varies depending on the stage of the value chain you look at.**

1. Breaking down the value chain will be important here if you are looking at an overall LCA figure

2. We appreciate that this can be very complex and SBTN is doing a lot of research into this space right now

3. We hope to share a database of supply chain mapping initiatives, tools and guidance to support companies tackling this challenge

4. We are also trying to understand more from companies and partners about what is feasible in the near-term and into the future. This research will inform the next iteration of the Step 1 and 2 guidance. We have an open questionnaire here if you would like to contribute.

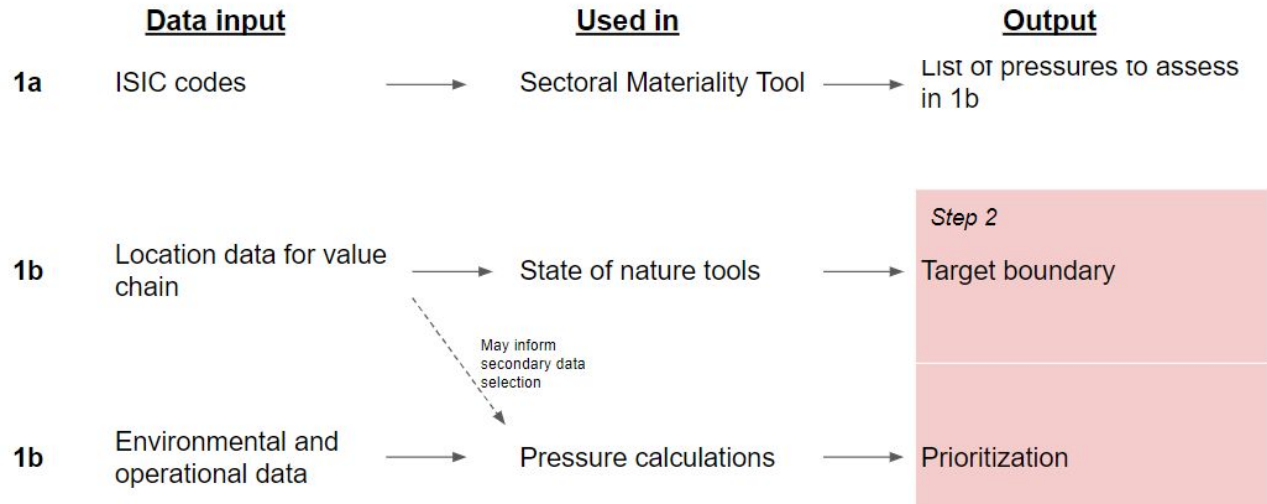Helpful source of information: Accountability Framework Initiative

QUESTIONS SENT IN BEFORE THE SESSION - Step 1b

- **When should specific data from LCA databases be used? For instance, we can know the land occupation for 1kWh of electricity produced by PV (in m²/kWh), how to compare this data with specific onsite data that, e.g. water consumption (500 L) that is given for the whole site for one year ?**

(i) We would advise following the data hierarchy in Technical Supplements 1 to select the optimum data source, i.e. site-specific data is likely to be more accurate than an average LCA figure and so will inform more accurate targets;

(ii) In terms of comparing water to land, our current guidance focuses on water only therefore does not yet address if/how prioritization may occur across issue areas;

(iii) Temporally, we are looking for 12-month coverage of data, therefore multiplying the m2/kWh figure by the total kWh produced by the site in one year would be fine (although please check the methodology for how this figure was calculated to confirm it is appropriate).

- **How should the efficiency of production be taken into account?**

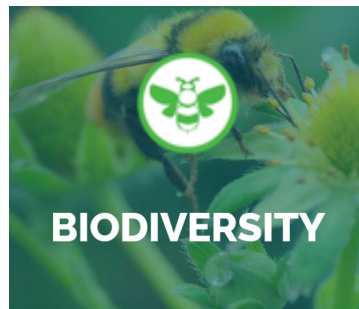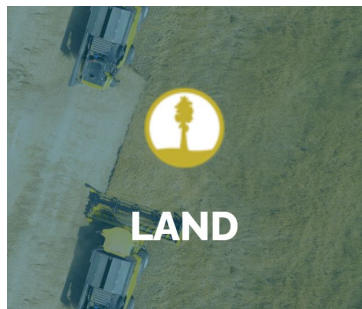This would fit into the prioritization in Step 2. More guidance is still to be developed on this.

	Data input	Used in	Output
1a	ISIC codes	Sectoral Materiality Tool	List of pressures to assess in 1b
1b	Location data for value chain	State of nature tools	Target boundary
		May inform secondary data selection	*Step 2*
1b	Environmental and operational data	Pressure calculations	Prioritization

QUESTIONS SENT IN BEFORE THE SESSION - Step 3

- **Do you have any updates on the biodiversity and land hubs and when we may be able to pilot these?**
- **What is the process for setting interim targets in 2022 line with SBTN requirements?**

We are currently working on a plan for the first public iteration of the target-setting guidance for late 2022/early 2023, when companies will be able to set and have validated targets. We will share more on this as soon as possible.

In terms of pilots, The Land Hub is looking for 4-6 companies who source rice, cotton, soy, maize and/or palm oil to participate in commodity pilots. These pilots will be used to test the Hub's Commodity Assessments Measuring Effects on Land (CAMEL) tool. The Hub is asking Corporate Engagement Program member companies to fill out this form by Friday, 22 April to express interest in being involved in the pilots. The Biodiversity Hub is focusing on integrating its work into the methods of the other realms, so it may be that it will be covered as part of future water and land pilots for example.

In terms of how this will all impact the targets, we are still working through this. Please see the survey (here) as we ask some questions on this to give us a better understanding of how and where SBTN needs to provide more guidance.

LAND

BIODIVERSITY

QUESTIONS SENT IN BEFORE THE SESSION - General

- **I would like to ask and discuss how we can support the SBTN?**

Amazing! Please drop us an email at corporate-engagement@sbtnetwork.org.

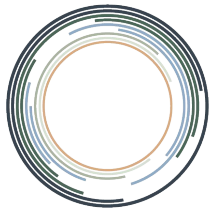T H A N K   Y O U

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THANK YOU FOR JOINING!

Watch out for an updated invite to SBTN's next CEP session. We will be giving updates on how we are addressing the feedback received on the Technical Supplements and introducing the Water Step 3 guidance documents.