

Science Based Targets Network

Corporate Engagement Program

Peer to Peer Learning Session

May 18, 2021

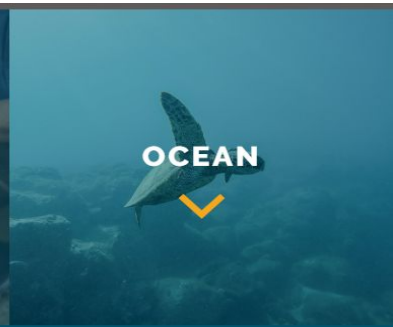
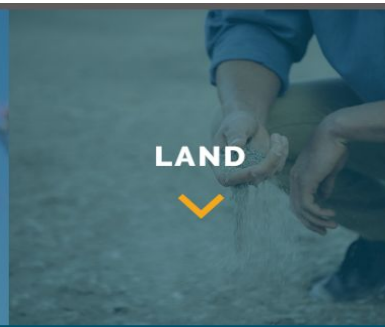
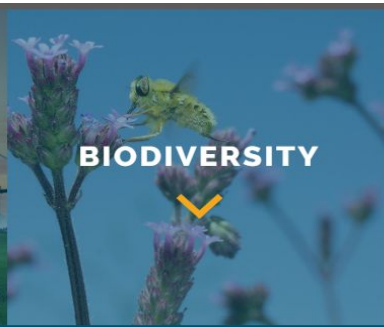
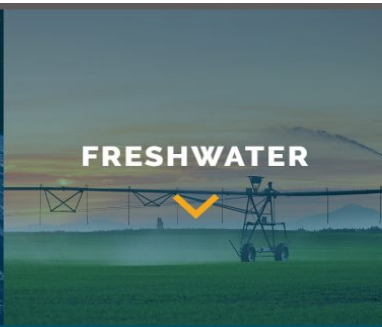
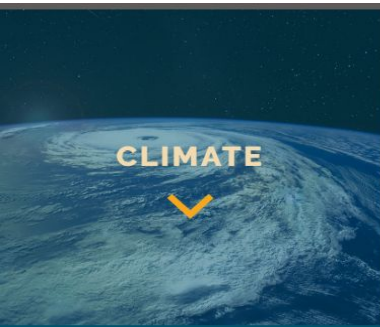


Table of Contents:

Sonae presentation	3-21
BL-evolution presentation	22
Bel Group (via Metabolic and WWF) presentation	23 - 33

Nature

SBTN



SONAE

IMPROVING LIFE

Confidential: any use of this material without specific permission of Sonae is strictly prohibited.

SONAE COMPANIES

A PORTFOLIO OF BUSINESSES WITH LEADING POSITIONS



SONAE CAPITAL



The path to sustainable development is long and (...) the different businesses of the Sonae universe still have an important path to pave. (...) knowingly, we aim to lead the way.

Belmiro de Azevedo



AND WORKING TOGETHER FOR NATURE

Doing our fair share to maintain the global commons

Integrated approach at Corporate level

Specific Work Groups:

- CO2 and climate change
- Plastics
- Nature and Biodiversity

Scientific partnership for Nature & Alignment with SBTN



InBIO

RESEARCH NETWORK

Biodiversity and Evolutionary Biology

- ✓ Two-year partnership
- ✓ Leadership from InBIO Board Member and researcher in Biodiversity
- ✓ Exclusive dedication of PMO to Nature and Biodiversity Work Group
- ✓ Pool of over 300 researchers to provide ad-hoc support



CO₂ and climate change

By 2030 reduce our own emissions by 54% (vs 2018)

By 2040, achieve Carbon neutrality of Operations (Scope 1+2 GHG Emissions)



Plastic

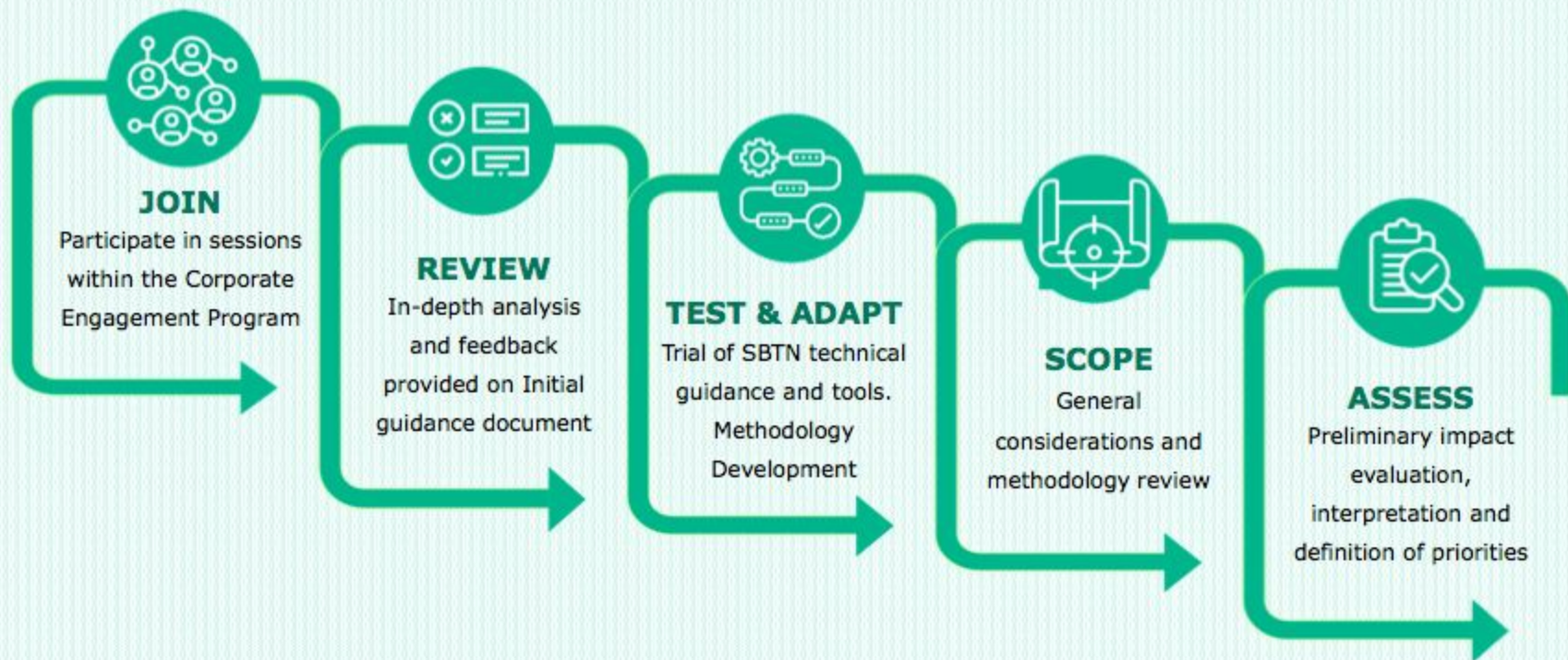
By 2025 the plastic packaging of our products will be 100% reusable, recyclable or compostable.



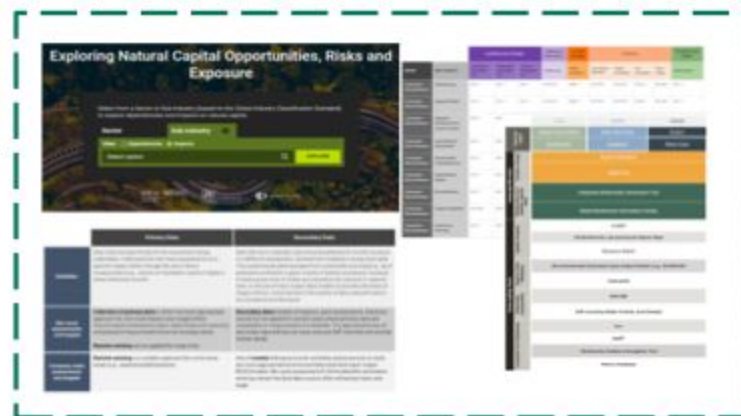
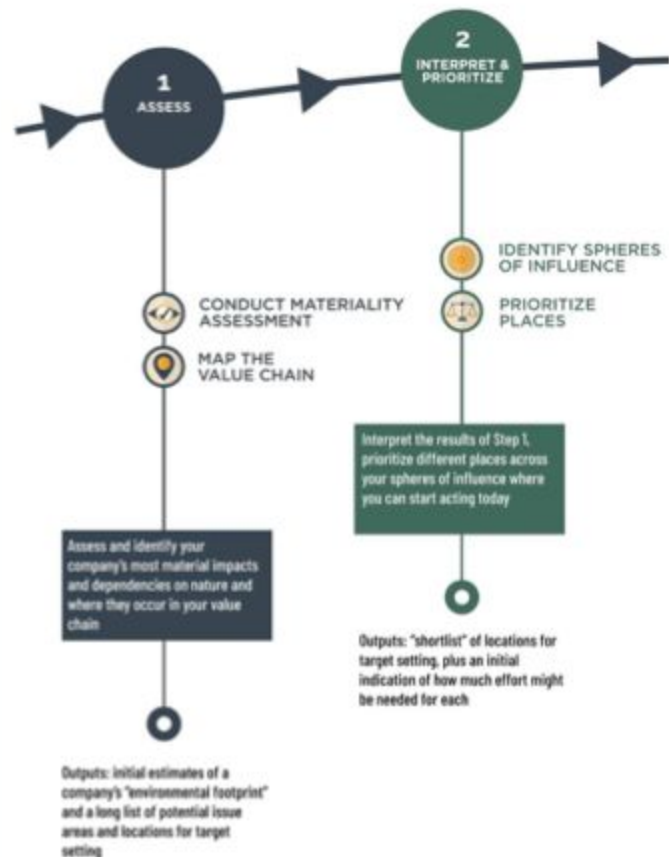
Nature and biodiversity

By 2022, set Science Based Targets for Nature

SBTN PROCESS THUS FAR



STEP 1 & 2- ASSESS & PRIORITIZE



STEP 1 & 2- ASSESS & PRIORITIZE

Business sectors

- ✓ Retail (food, fashion, electronics ...)
- ✓ Wood panels industry (recycling, manufacturers)
- ✓ Energy sector
- ✓ Tourism (including accommodation)

SONAE
FASHION

SONAE CAPITAL

worten

SONAE
INDUSTRIA

SONAE MC

SONAE
ARAUCO

Two separate approaches

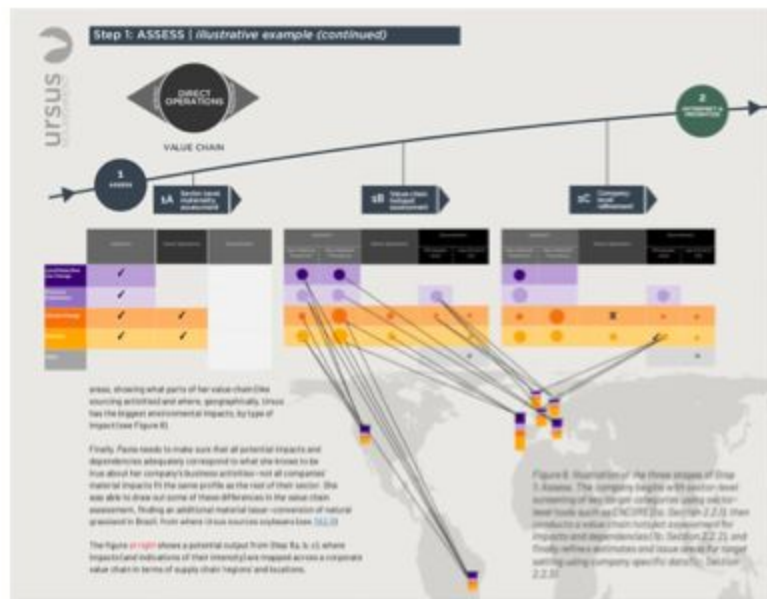
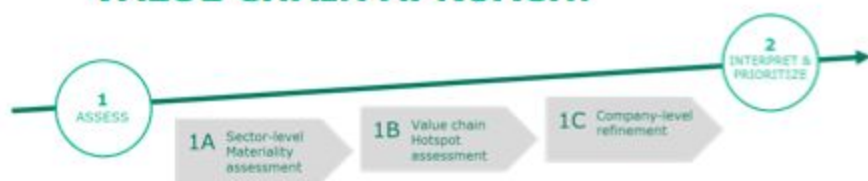
Value-chain assesment



Land-use assesment (on-going)



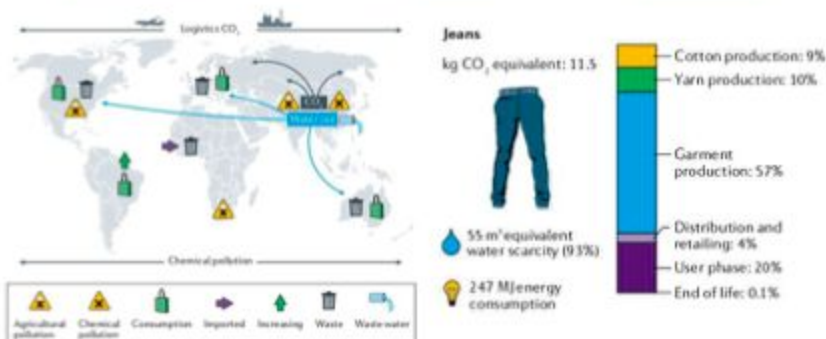
VALUE CHAIN APPROACH:



The environmental price of fast fashion

Kirsi Niinimäki, Greg Peters, Helena Dahlbo, Patsy Perry, Timo Rissanen & Alison Gwilt

Nature Reviews Earth & Environment **1**, 189–200 (2020) | Cite this article



VALUE-CHAIN RELATED ASSESMENT:



Primary Data



DATABASES

- Suppliers and location
- Key Producers and location
- Purchases (quantities)
- Sales (quantities)
- Products composition



Secondary Data



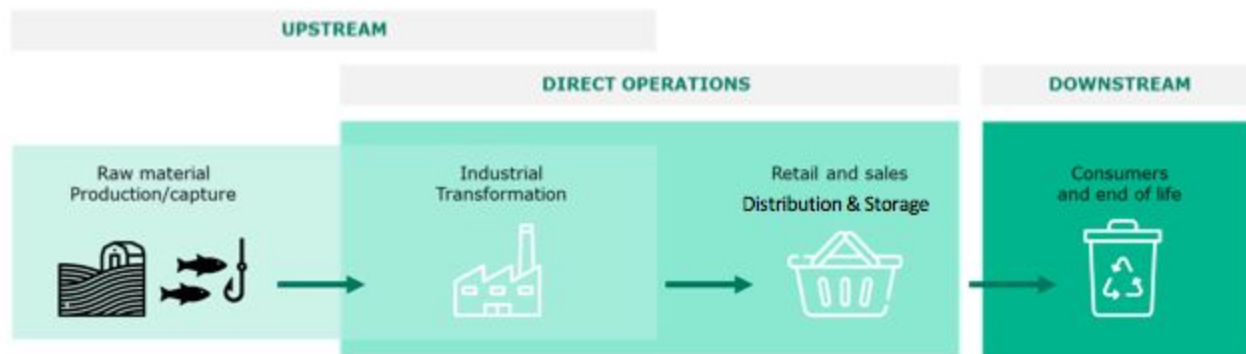
INSTITUTO NACIONAL DE ESTATÍSTICA
STATISTICS PORTUGAL



SEVERAL SOURCES

- FAO datasets
- National databases
- Life cycle assesments
- Scientific papers

VALUE-CHAIN RELATED ASSESMENT:



CASE STUDY PRODUCTS



Clothes

SONAE
FASHION



Olive Oil



Natural Yogurt



Fresh bream
(farmed fish)



Canned
Sardines

SONAE MC



Wood panel

SONAE > SONAE
ARAUCO INDUSTRIA

GENERAL CONSIDERATIONS

SCOPED IN (IMPACTS)



Land use
footprint



Direct
exploitation
footprint



Carbon
footprint



Chemical
footprint
(use and chemical
pollution)



Waste
footprint
(waste and loss of
materials)



Water
footprint
(use)

SCOPED OUT



Animal
welfare



Residues



Long value
chains related
to abiotic/inert
raw materials



Dependencies

WEIGHTING CATEGORIES



Low



Moderate



High

Upstream

STEP 1



Raw material

- Cotton (90%)
- Synthetic fibers
- Viscose (cellulose - timber)
- Leather

Production process:

- Historical production sites with increasing use of OGM, intensification and high usage of pesticides and water consumption

Location (supplier location):

- Several sources – country level



Direct Operations

STEP 2



Key processes:

- Dying and bleaching
- Washing (includes Laundry)
- Spinning, weaving and garment production

Locations

- (supplier location):
- Several sources – country level



STEP 3



Key processes:

- Product development
- Fast fashion business model
- Information to clients

Locations

- (facilities location):
- Global



Downstream

STEP 4



Key processes:

- Purchase choices
- Usage of products
- Disposal of products

Locations

- (households):
- Global



WEIGHT Low Mod High

IMPACT Land Footprint

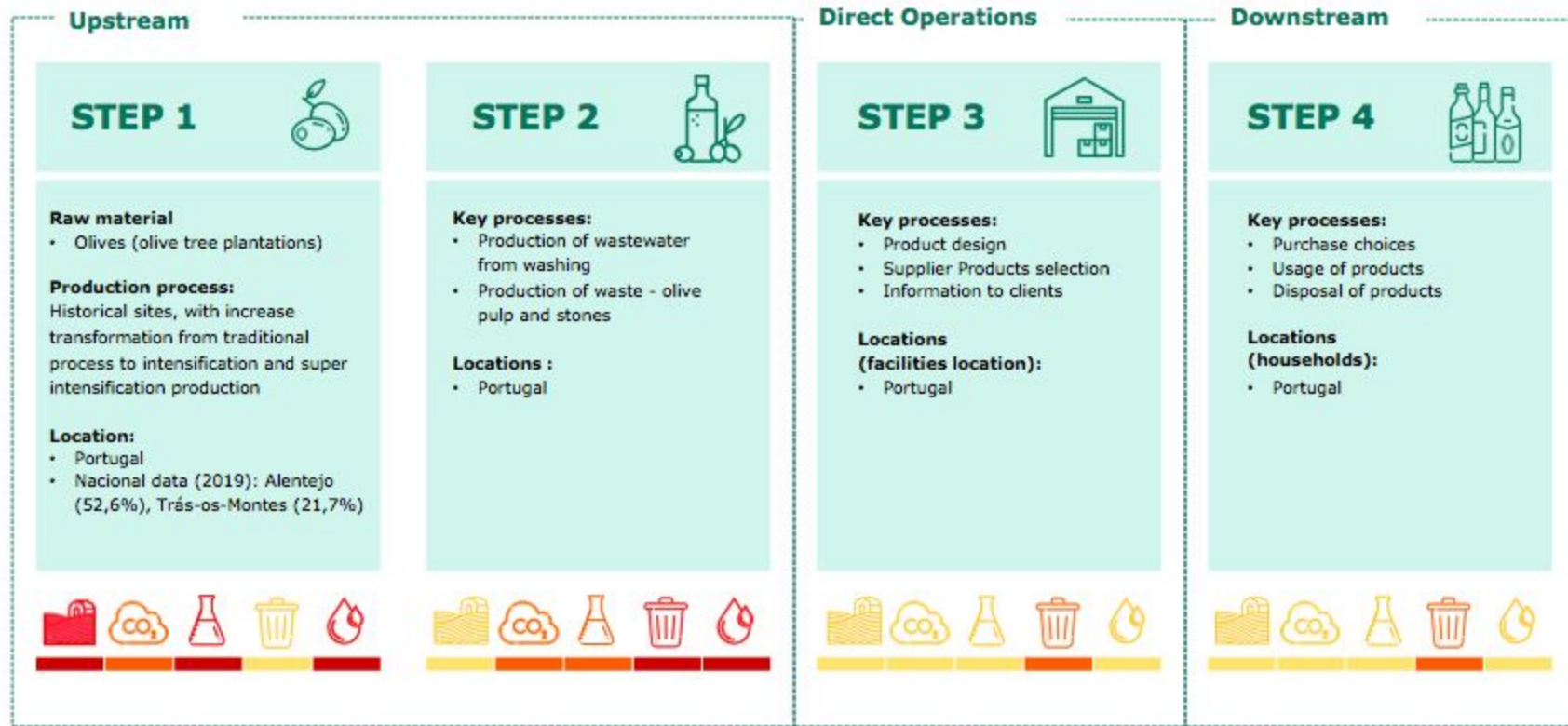
Carbon Footprint

Chemical Footprint

Waste Footprint

Water Footprint

Note: Preliminary gross estimate of product footprint



WEIGHT Low Mod High

IMPACT Land Footprint

Carbon Footprint

Chemical Footprint

Waste Footprint

Water Footprint

Note: Preliminary gross estimate of product footprint

Natural Yogurt



WEIGHT Low Mod High

IMPACT Land Footprint

Carbon Footprint

Chemical Footprint

Waste Footprint

Water Footprint

Note: Preliminary gross estimate of product footprint

Fresh bream (farmed fish)



WEIGHT Low Mod High

IMPACT  Marine Footprint

 Carbon Footprint

 Chemical Footprint

 Waste Footprint

 Water Footprint

Note: Preliminary gross estimate of product footprint

Canned Sardines



Note: Preliminary gross estimate of product footprint

Wood panel

Upstream

STEP 1



Raw material

Timber: logs, Sawn timber, veneer, chips

Production process:

Forests for timber production.
Pinus and Spruce

Location

(supplier location):

- Several sources – country level



Direct Operations

STEP 2



Key processes:

- Cutting and trimming
- Pressing and chemical treatment

Locations:

SONAE ARAUCO:

- 11 recycling centres (PT & ES)
- 1 industrial unit for production of synthetic formaldehyde resins
- 10 industrial units (PT, ES, SA & ALE)

SONAE Industry:

- 2 industrial units (PT & Canada)



STEP 3



Key processes:

- Product design
- Information to clients

Locations

(facilities location):

- Global



Downstream

STEP 4



Key processes:

- Purchase choices
- Usage of products
- Disposal of products

Locations

(households/industrial clients):

- Portugal and global



WEIGHT Low Mod High

IMPACT Land Footprint

Carbon Footprint

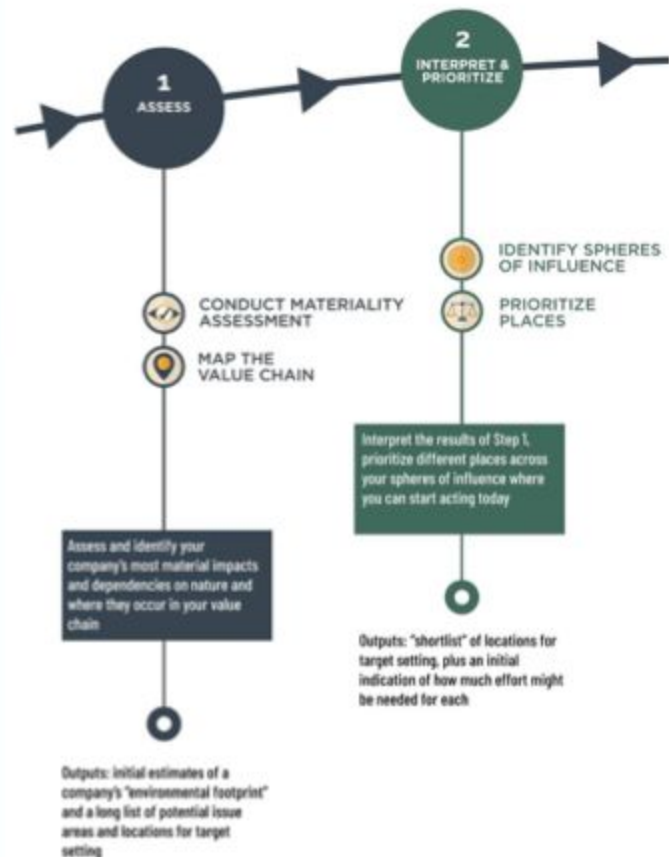
Chemical Footprint

Waste Footprint

Water Footprint

Note: Preliminary gross estimate of product footprint

SBTN Process thus far:



ACHIEVEMENTS

- ✓ Value chain map for case-study products
- ✓ Understanding of key impact areas within value-chain
- ✓ Gross estimate of environmental footprint
- ✓ Locations
- ✓ Spheres of influence
- ✓ Initial insight of potential targets setting and action plans

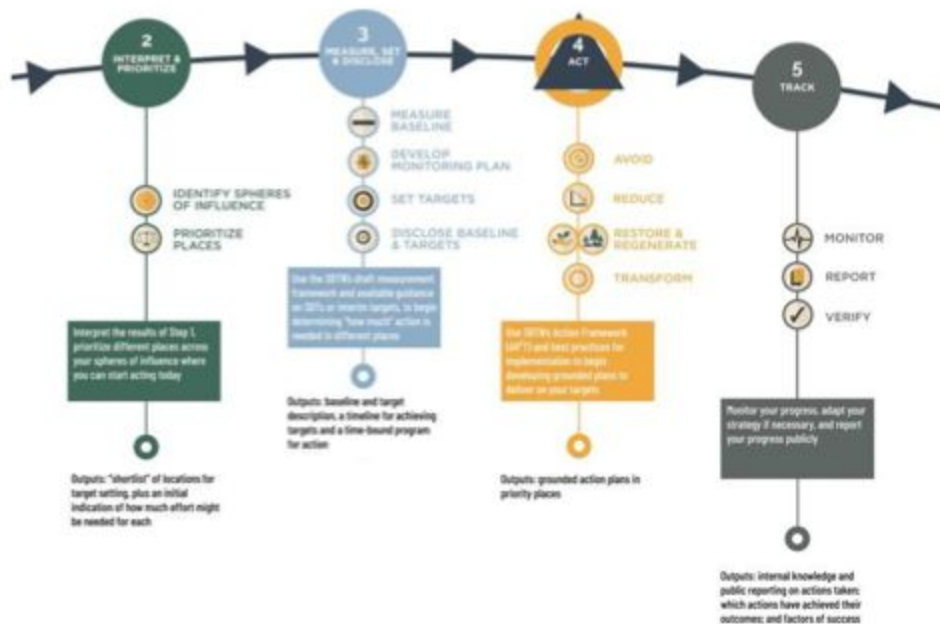
OVERARCHING CONCLUSIONS

- ✓ Circular process
- ✓ Key impacts are located upstream at the production stage
- ✓ Need to expand to other products and detailed information
- ✓ Long and distant value chain may constraint the potential solutions
- ✓ Consider Inclusions & exclusions and on-goin work

NEXT STEPS:

- ✓ Launch massive data request
 - Spheres of influence
 - Priorities
- ✓ Expand assessment to other priority products
- ✓ Expand assessment to obtain 20/80 footprint assessment
- ✓ Undertake land-based assessment

INTERACTIVE CIRCULAR PROCESS





Thank you

Questions?

Contact:

Joana Capela

PMO Corporate Biodiversity

jcapela@parceiro.sonae.pt

SONAE

IMPROVING LIFE

Confidential: any use of this material without specific permission of Sonae is strictly prohibited.

Results and feedback overview for BL évolution

From our first test with different companies, here are the main feedbacks :



The sectorial assessment (if the sub-industries are relevant) is a great tool for a first approach. It is easier to adjust data if needed than to create it.



Setting SBT for nature enables to get a new perspective on environmental issues, not focusing only on GHG or other isolated aspects but **identifying priorities on a larger scale.**



Perimeter setting is key : defining activities to consider for companies covering many sub-industries and identifying which upstream activities to consider for any big group relying on a lot of services (raw materials VS employees' restauration & equipment production)



Data collection is an intricate step : for many issues it is easy to collect data, for others it requires further work. We can anticipate that the **main challenge is on the interpretation of a high number of data and on geographic location.**

Thanks again to the 3 companies who accepted to share their results in this session.

Contacts :

Sylvain Boucherand : sylvain@bl-evolution.com

Fanny Bancourt : fanny@bl-evolution.com

A photograph of a herd of cows of various breeds (white, brown, black) standing in a green grassy field. The sky is blue with scattered white clouds. The sun is visible in the upper left, creating a lens flare effect. The image is partially obscured by a red diagonal shape in the bottom left corner.

Bel Group Materiality Assessment

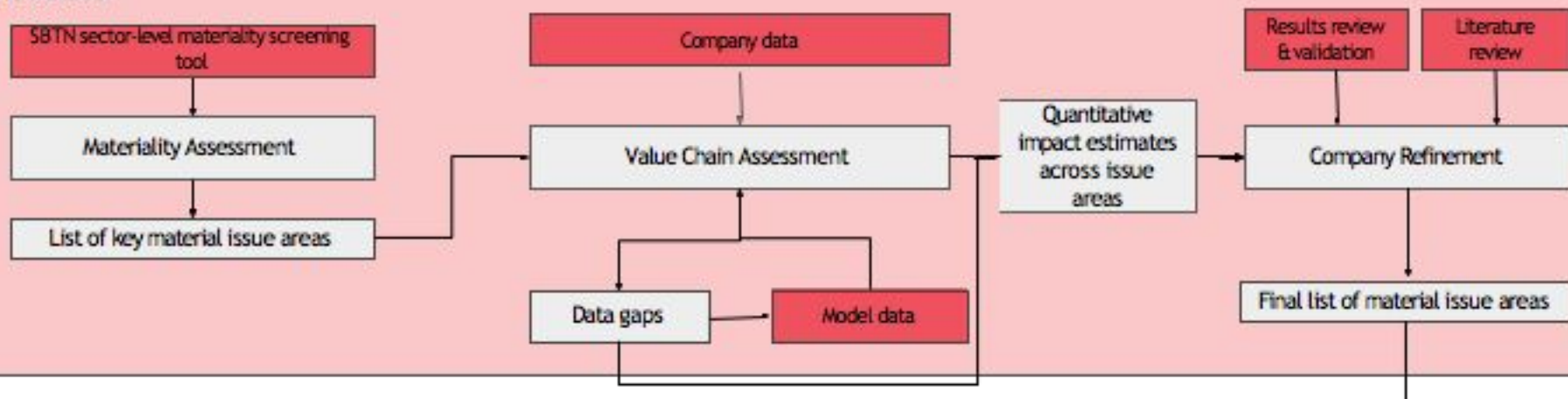
Science-based Targets for Nature: Step 1

Brian Shaw
May 18, 2021

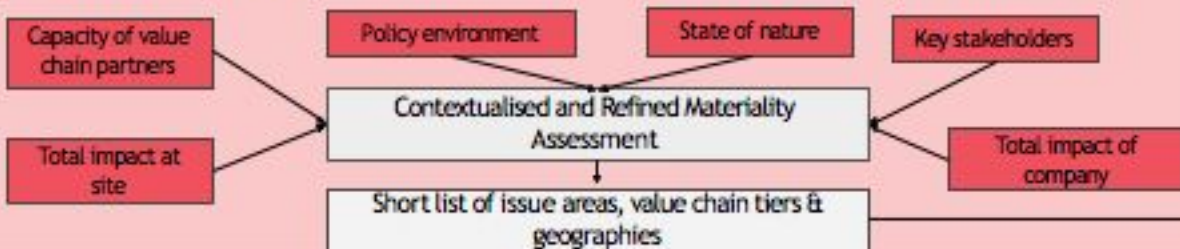
brian@metabolic.nl

SBTN Materiality Assessment & Prioritise: Workflow

1. Assess



2. Interpret and Prioritize



3: Target Setting

SBTN 1.a: Sector-level materiality assessment

Following the SBTN materiality screening tool, Bel Group fall under "Agricultural Products" industry sector. The materiality scores are:

Sector	Sub-Industry	Land/Sea Use Change			Resource Exploitation	Climate Change	Pollution				Invasives and Other
		Terrestrial ecosystem use	Freshwater ecosystem use	Marine ecosystem use	Water use	GHGs emissions	Non-GHG air pollutants	Water pollutants	Soil pollutants	Solid waste	Disturbance
Consumer Staples	Agricultural Products	4 < >	3 < >	3 < >	3 < >	5 < >	2 < >	3 < 1 >	2 < >	3 < >	1 < >

* Scores: (upstream) + (Operations) + (downstream)

High Materiality (5 - 4)

- Greenhouse gas emissions
- Terrestrial land Use change

Other material issues areas to assess in 1.b (2 - 3)

- Water ecosystem use
- Water pollutants
- Marine ecosystem use
- Solid waste
- Water use
- Soil Pollutants (2)
- Non-GHG air pollutants (2)

Bel Group Primary Data

Environmental Data

1. Carbon footprint 2019 - *Excel wb*

- Steps in value chain and life cycle carbon assessment for Bel (2017, 2018, 2019)

2. Other dairy ingredients sourcing 2019 - *Excel wb*

- Other dairy ingredients sourcing from country origin (-26) to Bel facility (-20)
- Ingredient Items (e.g. cheddar) in quantity of milk equivalent (t)

3. Farm Diagnosis 2019 - *Excel wb*

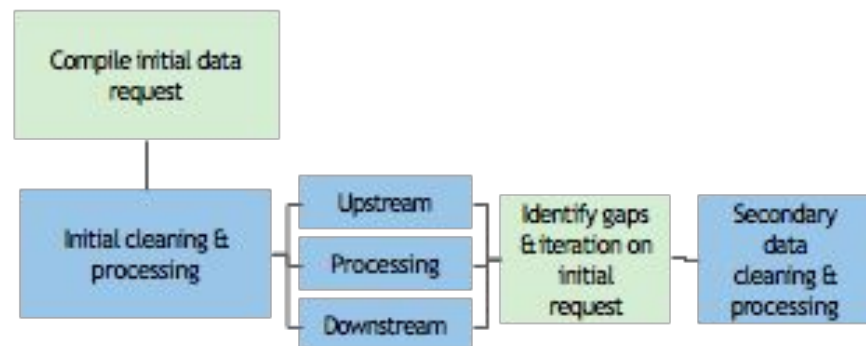
- Results from an environmental assessment conducted on selected farms in 10 countries
- Data on inputs to farms (t)
- Upstream and direct GHG emissions per farm

4. Other ingredients sourcing 2019 - *Excel wb*

- Raw ingredients (e.g. sugar, starch) imported to Bel facilities
- Quantity (t) sourced in 2019, reference quantity values from 2018

5. Packaging sourcing 2019 - *Excel wb*

- Raw materials in packaging of Bel products for 2017, 2018, 2019
- CO₂e impact of raw packaging materials in Bel products

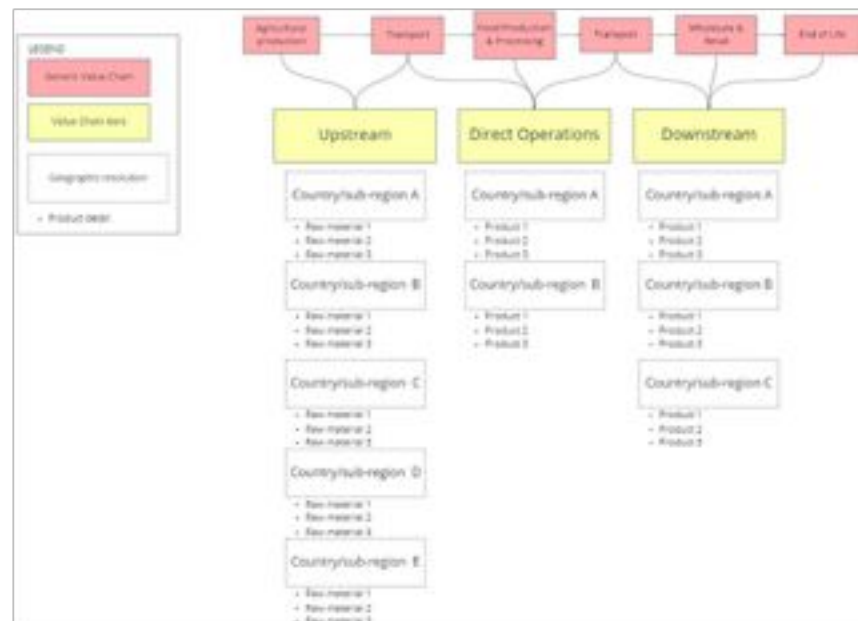
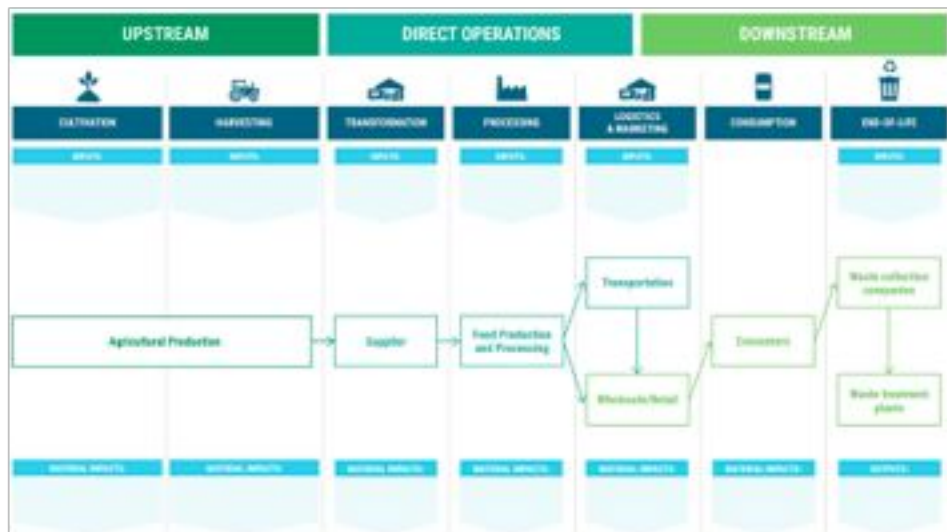


SBTN 1.b: Value chain and Geographic Coverage of Primary Data

Estimated impacts should be value chain-specific and spatially-explicit. Identified data gaps should be addressed with supplementary primary data from company as well as secondary data (model data) from tools and open-source platforms.

Data Mapping	Land/Water/Marine Use Change	GHG	Water Use	Water Pollutants	Solid Waste	Soil Pollutants
Value Chain Coverage?	Data: Other dairy ingredients sourcing Resolution: Upstream Data: Other ingredients sourcing 2019 Resolution: Upstream	Data: 2019 Bel Carbon footprint Resolution: Upstream, Direct Operations, Downstream	Proxy	Proxy	Data: Bel Carbon footprint Resolution: Unknown	Proxy
Regional Coverage?	Data: Farm diagnosis 2019 resolution: Country Data: Other dairy ingredients sourcing Resolution: Country Data: Other dairy ingredients sourcing Resolution: Country	Data: Farm diagnosis Resolution: country	Proxy	Proxy	Proxy	Proxy

SBTN 1.b: Value chain structuring of primary data

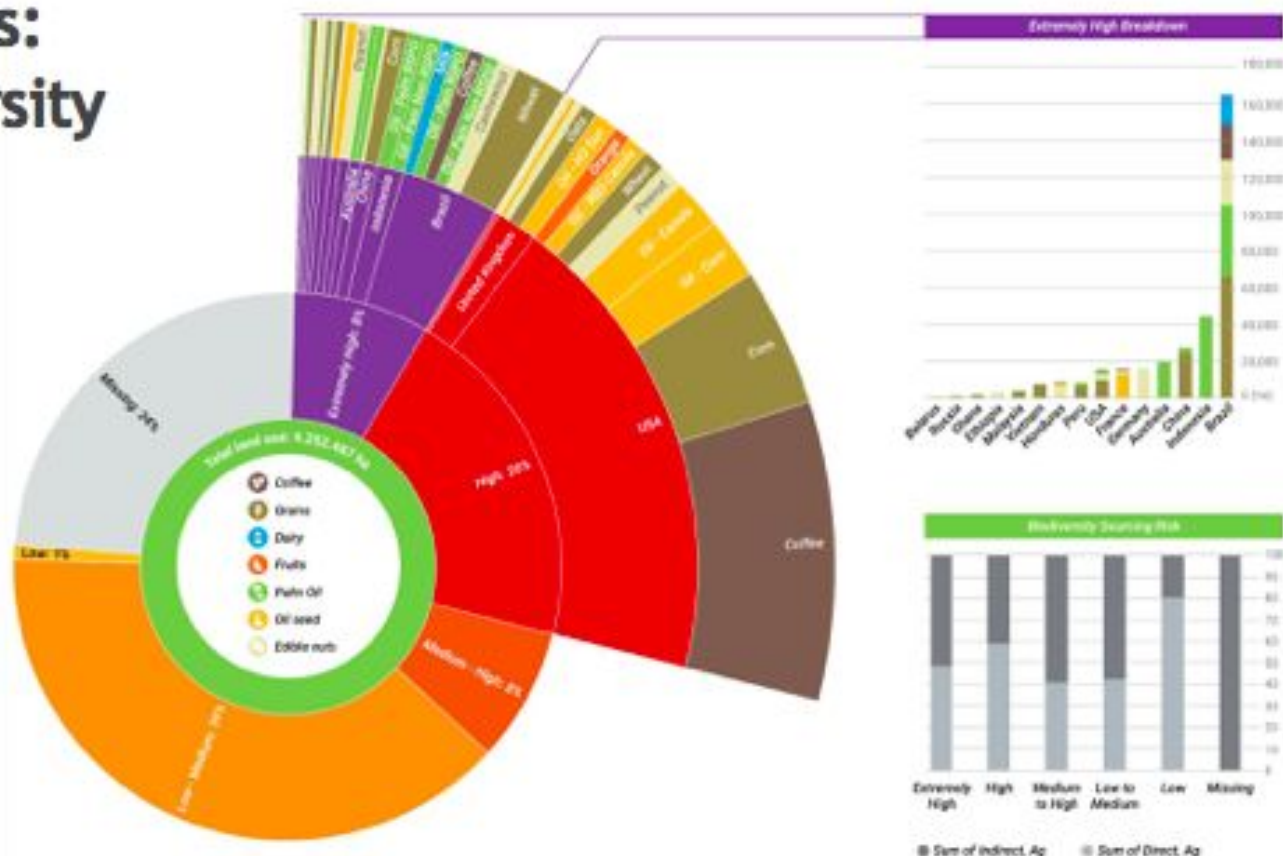


Identify general material impacts for the sector

	Land/Sea Use Change			Resource Exploitation	Climate Change	Pollution				Invasives and Other
	Terrestrial ecosystem use	Freshwater ecosystem use	Marine ecosystem use	Water use	GHGs emissions	Non-GHG air pollutants	Water pollutants	Soil pollutants	Solid waste	Disturbance
Upstream	GFW, BIM, GSN, WEGE trends.earth	Water Risk Filter (WWF), Aqueduct, LCC Data	LCC Data	Water Risk Filter (WWF), Aqueduct	LCA, EXIOBASE					BESPOKE
Direct				Water risk filter (WWF), Aqueduct	LCA, EXIOBASE					BESPOKE
Downstream	BESPOKE									

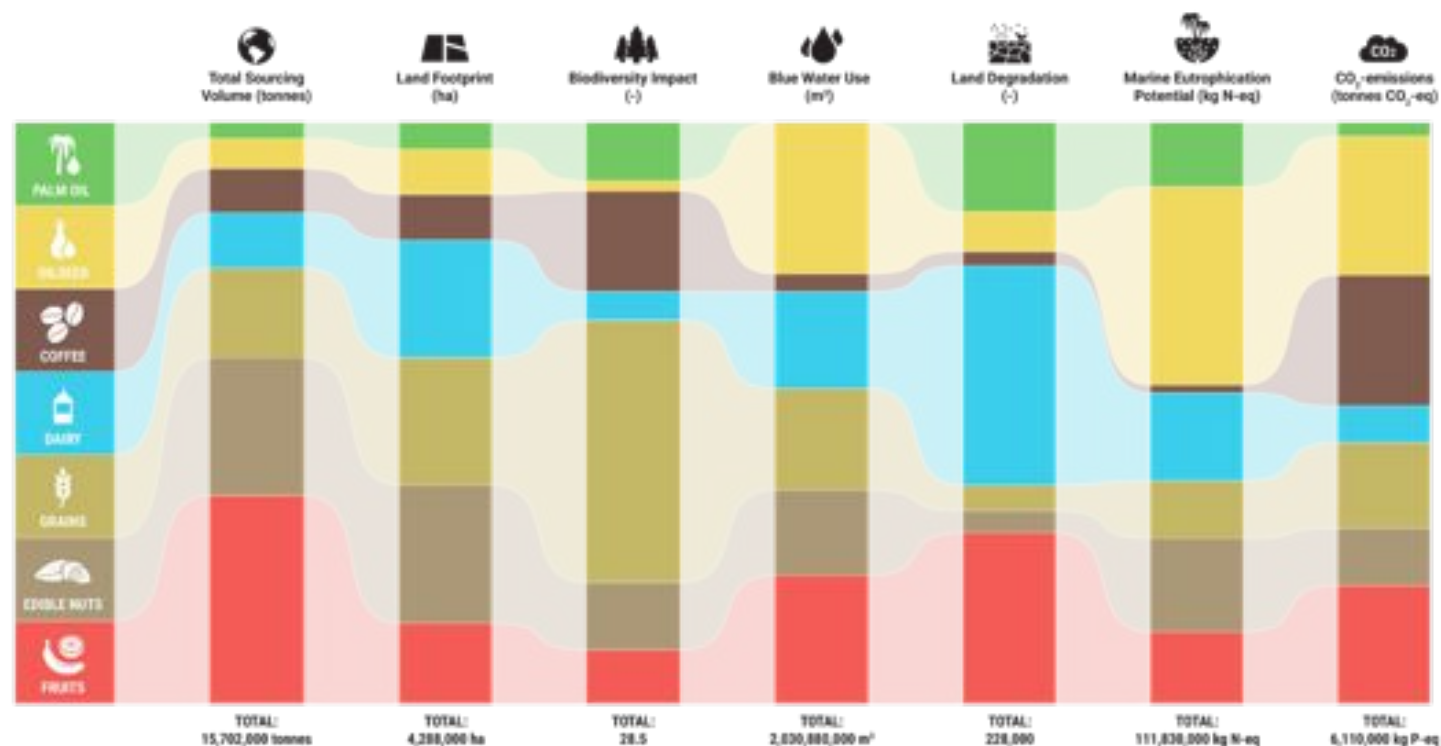
Example outcomes: upstream biodiversity footprint

Can be by spatial
operations, by
product line, or
otherwise



Example outcomes: upstream footprint

Can be by spatial operations, by product line, or otherwise



Refine & contextualize material impacts for Bel Group

- **Company refinement**
 - Identify how the hotspots and impact areas identified in step 1.B translate specifically to Bel's context:
 - What locations/supply chains/processing points/brands/materials have multiple impacts?
 - Tailoring of the assessment to capture unique aspects of Bel's activities in a sectoral context
 - **Gap assessment**
 - Determine if there's anything missing from the assessment and iterate on these aspects
 - Are there any additional issues that should be addressed?



METABOLIC

www.metabolic.nl

info@metabolic.nl

+31 (0) 20 369 09 77

Klimopweg 150
1032 HX Amsterdam
The Netherlands