

## SBTN Land Technical FAQs

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Date last updated: 24 May, 2023



#### 1. What is the business case for action?

People have transformed between a third to half of all habitable land into farms, crops and pastures, causing harm to vital ecosystems that are essential to our survival. Land degradation and soil degradation could result in a massive economic loss of up to USD 11.2 trillion in agricultural assets, putting the cornerstone of many companies' businesses in jeopardy. Aside from the moral imperative to act, companies who implement science-based land protection and restoration efforts will be frontrunners in managing the significant risks and opportunities related to their environmental impacts and dependencies including business resilience, brand value, access to capital and forthcoming policy and regulations.

# 2. Who has developed the beta land targets and what was the consultation process so far?

The SBTN Land Hub is responsible for developing the technical content of the land targets for inclusion as part of SBTN's multi-stakeholder, multi-year initiative to provide companies with comprehensive science-based targets for nature.

The SBTN Land Hub is a collaboration between World Wildlife Fund (WWF), Conservation International (CI), The Nature Conservancy (TNC), World Resources Institute (WRI), and Food and Land Use Coalition (FOLU). As a core partner of FOLU, the Land Hub engaged Systemiq as its primary consultant partner to collaborate and lead the development of this version.

The Land Hub also convened a number of experts from the following organizations in support of the technical development of these methods: The Accountability Framework Initiative, ISEAL, Tropical Forest Alliance, CDP, Rainforest Alliance and Proforest.

Throughout the development and consultation process, the Land Hub received active input from a broad range of stakeholders. These dedicated experts from industry, academia, and NGOs provided detailed input during the planning phase and on various drafts of the guidance and tools. An internal consultation took place in December 2022 and January 2023 followed by a public consultation in February and March 2023 to acquire a wider range of input on key methodological choices from all stakeholders.



#### 3. How was this work funded?

This guidance is primarily funded by the in-kind contributions of the core organizations that comprise the SBTN Land Hub and the organizations with which we collaborated on this work. In addition, Rockefeller Philanthropy Advisors (RPA) and SBTN provided funding to support the Food and Land Use Coalition/Systemiq. The development of Land targets is also funded in part by the Gordon and Betty Moore Foundation, Norway's International Climate and Forest Initiative, and Robert Bosch Stiftung.

#### 4. How is biodiversity integrated into the targets?

Critically, the Land targets address two of the major pressures on nature resulting in biodiversity loss and decline, namely the conversion of natural ecosystems and the expansion of agricultural land.

In addition, the Landscape Engagement target is designed to have a large-scale, multi-stakeholder, holistic approach to stimulate collective action to improve ecological and social conditions in landscape. Companies are incentivized to regenerate working lands, restore degraded lands, and transform productive systems to achieve their targets. These actions will likely have positive impacts on biodiversity.

The Land targets explicitly consider biodiversity (including through connections to SBTN Steps 1 and 2) and demonstrate alignment with goals and targets outlined in the Convention on Biological Diversity. However, SBTN recognizes that there may be opportunities to, for example, improve the coverage of species-level biodiversity (e.g., threats from overexploitation or invasive species) and a more purposeful consideration of nature's contributions to people in subsequent versions.

The Land targets are also aligned with the Global Biodiversity Framework in the following ways:

• No Conversion of Natural Ecosystems: Land Use Change (LUC) is one of the primary drivers of recent and historical biodiversity loss. This target limits further loss of biodiversity because of conversion of natural ecosystems attributed to company activities or sourcing. This corporate target supports global targets 1, 2, 3, 10, 11, 15, 16, 19, 20, 21 of the Kunming-Montreal Global Biodiversity Framework.

• Land Footprint Reduction: This target frees up agricultural land from production, relieving agricultural pressures on biodiversity. The implementation of this target asks companies to explore ecosystem restoration in agricultural areas taken out of production. This corporate target supports global targets 2, 3, 10, 15, 19, 20, 21 of the Kunming-Montreal Global Biodiversity Framework.



• Landscape Engagement: This target encompasses a variety of potential actions that companies can implement for achieving holistic environmental and social outcomes within collaborative landscape initiatives. Specifically, companies must substantially increase ecological integrity within priority landscapes for production and sourcing of high impact commodities (measured using the Ecological Integrity Index). In addition to the biophysical impacts of this target on GBF objectives, it promotes company engagement in the transformational processes necessary to realize landscape objectives. This corporate target supports targets 2, 3, 10, 11, 15, 16, 19, 20, 21, 22, 23 of the Kunming-Montreal Global Biodiversity Framework.

SBTN intends to develop a more complete set of biodiversity target-setting methods, including species and pressures on biodiversity that could not be included in the Step 3 methods for land and freshwater. Whereas the targets proposed in the Land Guidance document explicitly consider biodiversity (including through connections to SBTN Steps 1 and 2, the designation of natural land and core natural land, and the proposed landscape metrics) and demonstrate alignment with goals and targets outlined in the Convention on Biological Diversity, SBTN recognizes that there may be opportunities to improve the coverage of species-level biodiversity (e.g., threats from overexploitation or invasive species) and a more purposeful consideration of nature's contributions to people in subsequent versions.

Following the final revision of this beta version and the launch of the first version of Land targets, the SBTN Biodiversity Hub will develop an approach and roadmap to better understand and document the capacity of existing methods to adequately address additional drivers of biodiversity loss. It is anticipated that this assessment will be completed with a report delivered shortly after the first release of the SBTN targets in 2023. In addition to formalizing SBTN's forthcoming and more comprehensive biodiversity-specific target-setting methods, the report will also include additional guidance on how companies may optimize biodiversity outcomes when implementing the existing land and freshwater targets.

### 5. How do the targets cover land degradation?

Degradation is a localized and composite concept. Therefore, degradation is difficult to define holistically in a way that would apply universally. This is the primary reason why the United Nations Convention to Combat Desertification is cautious in defining "degradation". Within the SBTN Land Targets degradation is considered in the following ways, but is ultimately defined by local contexts.

• No Conversion of Natural Ecosystems target: the target is based on the classification of



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natural and non-natural lands using the SBTN Natural Lands Map (information on which is included in the methods). The SBTN Natural Lands Map defines "Core Natural Lands" which are prioritized in terms of halting conversion. If corporate land use practices or sourcing activities result in a change in land use or land cover, this is considered conversion by the natural/non-natural classification in the SBTN Natural Lands Map. Moreover, persistent degradation can be expected to result in permanent changes in land cover or land use.

The natural/non-natural classification is based on the Accountability Framework Initiative's definition of natural ecosystems, which can include partial degradation or managed natural lands in addition to "pristine" or regenerated natural ecosystems. The "natural" classification does not apply only to unmodified lands as there are significant areas worldwide managed for natural resources that maintain their ecological character and composition. There are also many areas in the world that some consider non-natural (e.g., Scandinavian forests, low density pasture or rangeland) yet are considered natural lands in the SBTN Natural Lands Map given their ecological value and thus the necessity to avoid their conversion.

• Landscape Engagement target: the target is intended to enable regenerative, restorative, and transformational actions in landscapes which are relevant to a company's operations and supply chains. Companies are required to engage in 1-2 landscape initiatives and commit to supporting a substantial increase in the area of natural ecosystems and improvement in ecological productivity at the landscape scale. This can be achieved only by avoiding and reducing impacts on land and by reversing degradation on working lands and natural lands.

Within this target the regeneration of working lands and the restoration of natural ecosystems are incentivized and recognized as a means to avoid and reduce some of the main drivers of degradation, and to commit to landscape scale improvements in ecological integrity.

There is still a need for further research to define the scientific basis of by how much ecological integrity and intactness should be increased, and which metrics are appropriate to represent and assess integrity, intactness, and degradation, as well as inform restoration, across geographies. The Land Hub acknowledges this limitation and will continue to work with the Earth Commission and other scientific institutions and experts to derive and otherwise define spatially-explicit thresholds. These thresholds will characterize the limits for key metrics representative of land system health or degradation at the place-based scale (regional and/or landscape), as well as define the required level of ambition needed to maintain ecosystem resilience and ensure nature's contribution to people.



For the first version of the targets, the level of ambition will be determined by the collective goals defined in landscape initiatives through multi-stakeholder processes that will have to take into consideration the needs of local communities and indigenous people.

#### 6. How do Land Targets incentivize the restoration of degraded lands?

The Landscape Engagement target is designed to enable regenerative, restorative, and transformational actions in landscapes which are relevant to a company's operations and supply chains. Companies are required to engage in 1-2 landscape initiatives for their initial target, covering an estimated 10% of their land footprint in the first 1-2 years. Here they commit to improving conditions that benefit nature and support livelihoods, expanding actions beyond but still material to their immediate production and sourcing sites to enable positive outcomes across the entire surrounding landscape. To make such improvements, it is likely that companies will have to engage with and undertake a variety of restorative actions both within the lands they manage or control and within the areas from which they source. These actions may span management improvements that build ecological productivity in working lands, to the restoration of degraded land to ecologically productive land uses, including the restoration of natural ecosystems.

The choice of actions required by companies setting a Landscape Engagement target directly contribute to efforts to avoid, and reduce impacts on land and to reverse degradation on working lands and natural lands.

### 7. How does the Global Map of Natural Land cover land degradation?

The purpose of the <u>SBTN Natural Lands Map</u> is to provide a reference for the target on No Conversion of Natural Ecosystems. How different land classes are classified as "natural" or not can be found within the technical documentation for this map. Additionally, Figure 1 below can help guide users in understanding what types of land cover are considered natural and which are not- though the technical documentation provides the clarity required to understand how these classes were considered.

Some are self-evident (e.g., urban areas, intensive annual row crops, large infrastructure) while others likely span different degrees of "degraded" that spatial data at a global scale cannot capture. Since this map is intended only to baseline corporate commitments on No Conversion to a date no later than 2020, the distinction around the level of degradation is less important than it will be when companies implement their targets. For this reason, SBTN has taken a precautionary approach and defines a slightly larger area of "natural" than is likely the case if a more comprehensive definition or assessment of degradation was included. Through a defined stakeholder engagement process to



contextualize spatially explicit and regionally defined thresholds for a set of key indicators frequently used to describe land system degradation, the second version of Land SBTs will provide a both a place-based and localized understanding of what nature needs while taking human needs and views of stakeholders into account in the target-setting process. It is envisioned that this second version will include targets on specific land indicators that cover frequent components of land degradation.







#### 8. How do Land Targets ensure the retention of natural areas in working lands?

All three Land Targets help to ensure the retention and restoration of natural areas in working lands as well as the improvement of ecological productivity within existing land uses. Within working lands, Target 1 prohibits the conversion of natural land, ensuring that natural land that already exists in working lands remains natural. Target 2 on Land Footprint Reduction applies only to large agricultural companies and addresses one of, if not the largest, contributor to land degradation globally through a reduction in agricultural footprint. Target 1 and Target 2 combined stop the conversion of natural land and decrease the conversion pressure on existing natural land. Target 3 on Landscape Engagement then goes further to encourage companies to take a landscape approach to improving conditions in natural and working ecosystems and ecological productivity in their operational and sourcing areas. The actions required in Target 3 focus not only on the direct sites and working lands that companies own, operate, or source from, but expand to the wider landscapes within which they exist and necessitate that companies engage with other stakeholders to contribute to ecological and equity improvements across the broader landscape. Thus, Target 3 promotes an additional layer of accountability and incentive for companies to maintain and advocate for the enduring health and stability of natural areas within and beyond their material sites.



#### 9. How do the targets relate to other corporate commitments?

Land science-based targets are designed to increase the clarity, ambition, and/or scope of existing initiatives that, despite intent, have not led to the transformational changes required to address climate change and nature loss. They link to and build upon existing and emerging initiatives and frameworks and are not intended to lead to parallel or asynchronous processes that confuse or undermine existing, quality work on corporate sustainability.

In this version, the land targets further quantify the specific contributions that companies can make to reduce their impacts on land and to contribute to a nature positive future by 2030. To achieve this, the targets reflect an integrated approach to target setting, accounting, and reporting. The Beta version of these land targets is built upon and written in collaboration with the experts and institutions that developed key existing data and environmental initiatives that cover land related impacts, namely:

- The Greenhouse Gas Protocol (GHGP) Land Sector and Removals Guidance
- Science Based Targets initiative's Forest, Land and Agriculture (FLAG) Guidance
- The Accountability Framework Initiative (AFi)

The development of the land targets in connection with the above listed initiatives helps ensure alignment, strengthens the target approaches, and reduces the burden for companies, who are already working or will work with these initiatives.

#### 10. Do the targets cover the whole value chain?

The first release of science-based targets for nature covers impacts occurring in direct operations and upstream value chains (one component of Scope 3), enabling companies to assess and set targets on environmental impacts occurring within these stages of value chains.

It does not address environmental impacts occurring in companies' downstream value chains. As we expand the scope of the guidance in subsequent releases, environmental impacts in companies' downstream value chains will be considered

#### 11. How do companies know which targets they need to set?

Based on the outputs of Steps 1 and 2, and at a high-level, companies should adopt each of the three land science-based targets depending on:

1. The materiality of specific pressures generated because of the company's activities

2. The sector of the company



- 3. The size of the company
- 4. The impact of the company in terms of emissions and/or the land occupation footprint.

The guidance includes decision trees for each of the targets to enable companies to establish whether targets are a) required, b) recommended, c) not required, d) not applicable.

Depending on these factors, companies in or sourcing from a range of sectors will be required or recommended to set land SBTs including (but not limited to): food, beverage and agriculture, forestry, fishing and aquaculture, bioenergy, mining, infrastructure, accommodation, construction etc.