Step 1 and 2 Submission Form

**January 2024**

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| **IMPORTANT NOTE**  **This submission form has been tested by a group of piloting companies in 2023 (as part of SBTN’s validation pilot), and it already incorporates adjustments based on learnings. It is aligned to the validation requirements of Step 1 and 2 methods Version 1.0, and it is aligned to SBTN’s Self-assessment tool.**  **The SBTN team is reviewing the data templates tested during the validation pilot and creating new ones. You may use the data templates referenced throughout the submission, which incorporate some improvements after having them tested in the pilot.**  **This form must be used by companies submitting their Step 1 and 2 for validation using the new validation service starting in July 2024, if aligned to Version 1.0 requirements. More information about the new validation services will be published in May.** |

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# Instructions

Before filling out this form, please review Step 1: Assess and Step 2: Interpret & Prioritize Technical Guidance available on the Science Based Targets Network Resources page, [here](https://sciencebasedtargetsnetwork.org/resources/). At the beginning of each section in this form, you’ll find the reference to specific chapters in the methods.

Please fill out this form as clearly, comprehensively, and accurately as possible. Missing, unclear, or erroneous information will result in the evaluation process being delayed. Please indicate “N/A” (not applicable) for table cells where information does not apply.

# Veracity of the information

Companies must enter only true and accurate information and complete the form to the best of their knowledge. The person giving sign off should just enter his/her name in the space provided.

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| *Please confirm that the information entered below is true and complete to the best of your knowledge:*  *I, \_\_\_\_\_\_\_\_\_\_\_hereby certify that I have reviewed the relevant guidance documents and that the information provided below is true and complete to the best of my knowledge.*  *Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*  *Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_* |

# I. General information

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| **Question or information request** | **Answer** | **Submission guidance** |
| I.1. Company name |  | Please indicate correct spelling, capitalization and punctuation to be used in public communications. |
| I.2. Company type | * Publicly listed company * State-owned enterprise * Joint-venture * Conglomerate * Cooperative * Subsidiary * Business unit * Other (please specify) | SBTN methods currently are tailored for companies - not cities, non-profit organizations or financial institutions.  Please consult the following [FAQ](https://sciencebasedtargetsnetwork.org/resources/frequently-asked-questions/) for more information on SBTN’s approach for investors: *How can investors use or contribute toward the effectiveness of SBTs?;* and consult guidance for cities, [here](https://sciencebasedtargetsnetwork.org/take-action-now/take-action-as-a-city/). |
| I.3. Total number of full-time equivalent employees | Please enter the total number of full-time equivalent employees: |  |
| I.4. Headquarters’ location (city and country) | City:  Country: | Please indicate the city and country where your headquarters are located. |
| I.5. Which sector(s) best describes your business. Select all that apply. | Sector(s): | Please list the main sector(s) your company operates in using the ISIC classification system. If your company is involved in multiple sectors, please estimate the percentage of activity in each sector. |
| I.6. Is your company involved in any financial institutions related activities? If so, please provide more detail |  | The SBTi defines a financial institution as an organization whose business involves the arrangement and execution of financial and monetary transactions, including deposits, loans, investments, and currency exchange. More specifically, the SBTi deems an organization a financial institution if 5 percent or more of its revenue or assets comes from the activities described above. |
| I.7. Please provide a general description of your company’s structure and activities including a description of your value chain. | Description: | Please briefly describe the main operations and structure of your company. This includes a brief explanation of the types of products/ services your company engages in and a clear overview of the different business segments of your company. Particularly, if you are completing this form as a subsidiary or business unit, indicate where it fits within the company’s organizational structure. |
| I.8. Company’s website | Company’s website URL (English):  Company’s website URL (original language version): | Please include your company’s website address. |
| I.9. Sustainability data reporting |  | Please provide a short description of your data collection and reporting practices, including where you report (e.g. Sustainability Report, Annual Report, CDP) and the frequency of reporting (e.g. yearly, covering calendar year January - December) |
| I.10. Technical contacts for questions that may arise from this review | Primary contact name:  Title:  Email:  Secondary contact name:  Title:  Email: | Please provide the name, job title and email of the person(s) who’ll be responsible to respond to query logs during the review of the information submitted in this form. |
| I.11. Name and contact of consultancy hired (if applicable) | Consultancy name:  Supporting organization name:  Contact name:  Title:  Email: | If you hired a consultancy or are receiving support from any other organization for your application, please provide contact details. |
| I.12. Was third party assurance performed for any data included in this form? | * Yes * Underway * No   If you marked “Yes” or “Underway”, please indicate the following information:   * scope of data assured * the name of the assurance provider(s) * the relevant competencies of the assurance provider(s) * type of assurance: limited assurance, moderate assurance, reasonable assurance, high assurance. You may reference CDP guidance to determine which level of assurance was performed by your provider * the opinion issued by the assurance provider(s) * frequency of verification cycle: annual, biennial, or triennial process * additional information about assurance and verification, if relevant | If you have verified any of the data provided in this form by a third-party, please provide details on the verification organization, the scope, and the results. |

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# II. Step 1a: Materiality screening

Determine the material pressures most likely to require target-setting based on sector-level information. Sections in the method covered:

* 2.2. Define scope for materiality screening
* 2.3. Prepare data for screening
* 2.4. Select an approach to screen for material pressures
* 2.5. Screen for materiality
* 2.6. Define sector-level estimates
* 2.7. Interpret materiality screening outputs

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| **Question or information request** | **Answer** | **Submission guidance** |
| II.1. Please indicate which approach your company used for determining the **organizational scope** for this assessment (equity share, financial control, operational control).  Please outline the rationale for selecting this approach and detail how it aligns to the organizational scopes used in other assessments (financial reporting, CDP, SBTi, etc.)? | * Equity share * Financial control * Operational control   Which year did you use for determining the organizational boundary?  Briefly explain why it was chosen and if this selection aligns with other assessments: | The broadest scope of the company’s direct operations to be covered in the assessment can be referred to as the organizational boundary. This boundary **must** be defined by companies before they begin applying the method for Step 1. Once defined, the organizational boundary will dictate which parts of the organization must be considered in scope for the pressure screening step of the target-setting process (Step 1a). Companies are **recommended** to use either the financial or operational control approach. For more information on these three approaches please consult the GHG Protocol Corporate Accounting and Reporting Standard, available [here](https://ghgprotocol.org/corporate-standard).  To ensure that the application of the SBTN methods can build from existing efforts with other relevant initiatives, companies are **strongly recommended** to use the same organizational or business scope in their SBTN assessment as used in previous work. |
| II.2. Please provide a list of all economic activities involved in the company’s direct operations, aligned with the International Standard Industrial Classification of All Economic Activities (ISIC).  Please confirm how this list was generated and any notable exclusions (can be expressed in %).  Note: please use the data templates provided to share this information. | Direct operations activities (or file name):  If any exclusions, please list them and explain: | Information on economic activities is commonly used to assess materiality, to manage data on impacts, and to convey information on impacts to users of those resources. This information (basic data on activities) will also be used by SBTN to verify comprehensive coverage of a company’s activities with the greatest environmental impact in the short term.  To complete the Step 1a: Materiality Screening, companies **must** classify all their direct operations (see SBTN data requirements in Table 4 of the Step 1 method) activities (e.g., products and services) into categories found in the fourth International Standard Industrial Classification of All Economic Activities scheme (ISIC). Economic activities classified using other common schemes such as the Global Industry Classification Standard (GICS) must be translated to ISIC classifications using the provided crosswalk tables within the Materiality Screening Tool. |
| II.3. Please provide a list of all goods and services procured from upstream suppliers (Tier 1). Services must be aligned with ISIC Group or equivalent sector classification.  Please confirm how this list was generated and exclusions (including justification and % spend or purchased volume excluded).  Note: please use the data templates provided to share this information. | Goods and services procured from upstream suppliers (or file name):  If any exclusions, please list them and explain:  % spend or procurement volume excluded: | Companies **must** assess all value chain activities included in the SBTN data requirements outlined in Table 4 of the Step 1 method. For more information on how SBTN defines the different value chain segments, see section 0.2 in the Method Scope.  To identify upstream activities, companies **can** use the Materiality Screening Tool, which uses companies’ input data on direct operations activities to automatically generate a list of economic activities expected to be in their upstream (based on direct and indirect spend data). The list of upstream sectors generated by the Materiality Screening Tool will be expressed using the “group” level from ISIC. Companies can then sense-check this by referencing their procurement data and any previous analyses. |
| II.4. (Optional) Have you considered how you will assess, track and manage your downstream impacts? | * Yes. Please explain: * No | For some sectors, downstream environmental and societal impacts may be a substantial proportion of total value chain impacts. These sectors include, but are not limited to, oil and gas, chemicals, and retail. However, because many of the companies in these sectors will also have impacts in their direct operations and upstream, it is critical that they apply SBTN methods for these portions of their value chain.  Companies are encouraged to seek solutions for assessing, tracking, and managing their downstream impacts in the absence of methods  and guidance from SBTN. Guidance on how to assess a company’s downstream impacts will be provided in future SBTN methods, beginning with a scoping study projected for release in 2024. |
| II.5. Please identify the relevant High Impact Commodities included in your value chain (direct operations and upstream activities).  Please map your High Impact Commodities to either your direct operations activities or T1 purchased goods and services, depending on where they occur in the value chain.  Note: please use the data templates provided to share this information. | Value chain high impact commodities and mapping: | List the high-impact commodities (HICs) linked to the company’s direct operations and upstream  activities.  The SBTN High Impact Commodity List (HICL) must be used by companies purchasing commodities, as well as those involved directly in the growing, processing, or other life cycle steps of commodity production to assess their importance. |
| II.6. Please indicate which approach to materiality you used for this screening step?  If you select “Flexible”, please identify the tool you have used. | * Prescriptive * Flexible (materiality tool used): | SBTN methods emphasize environmental and societal materiality, or the importance of pressures stemming from economic activities, due to their impacts on the environment and their impacts on human health experienced directly or through degradation of the environment.  There are two options for assessing materiality provided in the SBTN methodology:  **Prescriptive approach:** Use the Materiality Screening Tool and the High Impact Commodity List developed by SBTN to conduct a quick screening of the pressures linked to a company’s core activities and identify those that are most likely to be material for target- setting.  **Flexible approach:** Use available tools or models to determine which of the company’s core economic activities are societally material. For this approach, companies can use resources included within the Step 1a Toolbox, or alternative tools that meet SBTN’s data and tool quality criteria. |
| II.7. If applicable, please provide an explanation for why you have selected a flexible approach and the tools used. |  |  |
| II.8. Please confirm the pressures assessed in your materiality screening (Step 1a).  Please indicate if you have skipped the GHG emissions screening if you have set science-based targets with the Science Based Targets initiative and indicate the company name as it appears in the SBTi Target Dashboard. | * Land use and land use change (terrestrial ecosystem use) * Freshwater ecosystem use and change * Marine ecosystem use and change * Water use * Other resource use (minerals, fish, other animals, etc.) * GHG emissions * Non-GHG air pollutants * Water pollutants * Soil pollutants * Solid waste * Disturbances * Biological alterations / interferences | At the minimum, companies must currently screen terrestrial ecosystem use, freshwater ecosystem use, marine ecosystem use, water use, other resource use, climate change, soil pollution, and freshwater pollution in Step 1a. For the value chain assessment in Step 1b, only five pressures–terrestrial ecosystem use, water use, climate change, soil pollution, and freshwater pollution–are required to be included, pending the results of the materiality screening. Please consult Table 2 - Pressures managed with science-based targets for nature - in the Step 1 Assess - Technical Guidance.    Note that climate change (GHG emissions) may be excluded from the later steps if you have a science-based target approved by SBTi that is still active. |
| **Please proceed ONLY if using the Prescriptive Approach** | | |
| II.9. Please provide your inputs and outputs from the MST.  Note: please use the data templates provided to share this information. | Inputs:  Outputs:  (or file name) | Companies must record the outcome of the assessment of impacts material to the business for direct operation and upstream activities separately.  Please attach proof of data inputs and tool outputs from direct operations and upstream activities separately. |
| II.10 Please provide a description of the approach used to evaluate the scores as described in the tab “Interpretation Guidance” of the SBTN Materiality Screening Tool (MST) - Group-process Pair or ISIC Group Level. | Approach used to evaluate scores: | If using the ISIC Group level, specific pressures might not seem material at the Group level, yet some production processes might have exceeded their materiality threshold (i.e. been deemed material). In this case, companies must continue the screening process for these production processes and carry them forward to the Step 1b value chain assessment. Any company not including a material production process for a given pressure in Step 1b will be required to provide evidence to support their exclusion from further screening. |
| II.11. Please provide a justification for any of activities and / or pressures that you’re including in step 1b that are not stated as material in the MST, or activities and / or pressures that you’re excluding in step 1b that are stated as material in the MST.  Please provide evidence to support your justification. | Inclusions:  Exclusions: | The scores in the Materiality Screening Tool reflect a high-level understanding of impacts at a “global” or non-spatially explicit level and are expressed as a “sectoral average” or typical impact profile of a company in the given sector. This approach has some methodological limitations including sample size (impacting representativeness of sector), lack of availability or accuracy of studies, and geographic bias. Therefore, companies using the Materiality Screening Tool may find that their activities and impacts are not well represented in the current tool. In those cases, companies must provide data justifying the inclusion or exclusion of activities and/or pressures, as well as the rationale and justification including relevant methodologies. |
| II.12. (Optional) Did you encounter any “No data” values in the MST, and if so, did you consider additional aspects of materiality in your assessment? | * Yes, we encountered “No data” values   Inclusion and additional materiality evidence of “No data” values in the assessment:   * No, we didn’t encounter “No data” values | “No data” values are an indication of the current evidence level for a given sector and pressure category in the tool and not an indication of a lack of environmental impacts. For this reason, companies are strongly recommended to submit evidence supporting the inclusion or exclusion of relevant pressures with no data values in the Materiality Screening Tool.  Please indicate if the additional evidence used any of the following aspects of environmental impact:  Magnitude (e.g., number of people affected, species affected, or extent of area impacted  Irreversibility (i.e., difficulty of remediating impacts)  Frequency of impact (e.g., number of times the impact is expected to occur as a given economic activity occurs) – Note: this may be captured in a magnitude estimate when this accounts for the impacts of the activity as a whole rather than as singular processes Likelihood of impact (e.g., confidence that an impact will occur, based on what is known about the economic activity) Timing of impact (e.g., whether the impact will occur within 1 year, 1-10 years, or more than 10 years).  See Box 1 in Step 1 for more detail. |
| **Please proceed ONLY if using the Flexible Approach** | | |
| II.13. Please identify the materiality tool you have selected for this screening step. | Materiality tool:  Please provide a description for the following elements:   * alignment of materiality definition in tool and required by SBTN * maximum materiality values by pressure * approach used to interpret the results (qualitative assessment or threshold based on distribution of scores by pressure) | When setting science-based targets for nature, companies are required to use an environmental and societal lens in their assessment of materiality (Step 1), as well as throughout the decision-making processes guided by the methodologies. Where specified within the science-based target methodology, companies may also use a financial materiality lens (Step 2d). |
| II.14. Please provide your inputs, outputs and final results from your materiality screening.  Note: If you are attaching a file to this submission form, please indicate the name of the file. | Tool inputs:  Tool outputs (including scores per pressure and economic activity):  Final results: | Companies must record the outcome of the assessment of impacts material to the business for direct operation and upstream activities separately.  Please attach proof of data inputs and tool outputs from direct operations and upstream activities separately.  Please submit net estimates (calculated as the sum) of pressures for all geographic locations (consistent with Step 1b guidance) relevant for a given economic activity as well as a brief description of the methodology, tool, and data used to generate the estimate. |
| II.15. Please confirm if any additional resources, (tools, literature, or targeted studies) were used to further your materiality assessment? If so, please provide a methodological explanation as to how these were used and led to the inclusion or exclusion of activities and / or pressures from your materiality screening. | Further resources used:  Methodology:  Impact on decision making process (inclusions and exclusions): | Please indicate if the additional resources used any of the following aspects of environmental impact:  Magnitude (e.g., number of people affected, species affected, or extent of area impacted  Irreversibility (i.e., difficulty of remediating impacts)  Frequency of impact (e.g., number of times the impact is expected to occur as a given economic activity occurs) – Note: this may be captured in a magnitude estimate when this accounts for the impacts of the activity as a whole rather than as singular processes Likelihood of impact (e.g., confidence that an impact will occur, based on what is known about the economic activity) Timing of impact (e.g., whether the impact will occur within 1 year, 1-10 years, or more than 10 years).  See Box 1 in Step 1 for more detail. |

# III. Business Unit (if applicable) - before Step 1b - Value chain assessment

Companies with complex operations may focus on discrete parts of their business in the Step 1b assessment and use of science-based target-setting methodologies in Step 3. These discrete parts, known as business units, correspond to geographic regions, industries, or brands (see Supplementary Material in Step 1). The option for narrowing the assessment using business units, known as the Business Unit Approach (BUA), may only be applied after companies have completed the materiality screening for their full organizational boundary. Using the BUA will limit the claims a company can make about the application of science-based targets for nature.

Note 1: Companies using the BUA will still need to comply with all requirements for the value chain assessment.

Note 2: SBTN introduced this novel approach based on the extensive feedback received throughout various rounds of consultations during method development to respond to the need of implementation flexibility while maintaining method integrity and robustness. This is an ongoing learning objective; SBTN will develop further guidance as companies use this option.

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| **Question or information request** | **Answer** | **Submission guidance** |
| III.1 Have you decided to take a business unit approach to the remaining sections of the SBTN assessment? If yes, please explain the rationale and provide relevant supporting materials. | * Yes. * No. Please proceed to the next section IV.   If your answer was yes, please use these elements to formulate your rationale:   * description of business unit(s) selected (including location within company’s organigram) * feasibility of the target-setting process * time-bound plans to scale corporate impact coverage over time (if possible please add a note on corporate structure dynamics and how it influences decision-making) * proof that the BU(s) selected is a well-established part of the company’s organizational structure (e.g., different units already used for determining decentralized business strategies or reporting in annual reports) * how it connects to the results of your materiality screening * percentage coverage compared to parent-company (e.g. % sales, % production) * plans to address any potential challenges in implementing subsequent steps (e.g. separation of upstream activities in Step 1b if shared with non-selected business units) * expected benefits from starting with selected business units * how would you go about communicating the part of your business that has set science-based targets for land / freshwater (Step 3) | SBTN has created the Business Unit Approach (BUA) for two main scenarios: first to enable large, complex companies to get started with target-setting by focusing on the parts of their business where they have the most material impacts, most capacity, and traction; and second, to enable companies that are subsidiaries or are clearly in charge of certain operations (e.g., semi-independent brands or geographic business operations) within a larger business, and are able to act autonomously in the target-setting process, to begin target setting without requiring buy-in and action from the parent company. |

# IV. Step 1b: Value chain assessment

**Data Recency Attestation**

For both direct operations and upstream activities, companies should use the most up to date data possible to assess their material pressures, the State of Nature indicators for pressures, and the State of Nature data for identified biodiversity metrics. Additionally, companies should cite the rationale underlying the selection of tools and indicators to assess Pressure and Biodiversity State of Nature indicators (SoN)p and (SoN)b respectively. Companies should enter only true and accurate information and complete the form to the best of their knowledge. Before completing this section in detail, please indicate below the time periods covered by the data provided and attest that the data provided was the best available at the time the calculations were completed.

**Pressure data:** Companies must use the most recent data representative of typical present business, societal, and environmental conditions. Data collected by the company (primary data) must be collected no earlier than five years before the date of the method application unless evidence is submitted showing the last five years to be non-representative.

**State of Nature data:** The nominal year associated with the models and data used in the assessment may vary but is recommended to align with the choice of representative year as closely as possible.

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| **Dataset** | **Time period represented (MM/YYYY-MM/YYYY)** | **Rationale for Selection** |
| Direct Operations | Companies must use the most recent data representative of typical present business, societal, and environmental conditions. |  |
| Upstream Activities | Companies must use the most recent data representative of typical present business, societal, and environmental conditions. |  |
| Upstream Commodities | Companies must use the most recent data representative of typical present business, societal, and environmental conditions. |  |
| State of Nature, Pressures (SoN)p | The nominal year associated with the models and data used in the assessment may vary but is recommended to align with the choice of representative year as closely as possible. |  |
| State of Nature, Biodiversity (SoN)b | The nominal year associated with the models and data used in the assessment may vary but is recommended to align with the choice of representative year as closely as possible. |  |

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| **Question or information request** | **Answer** | **Submission guidance** |
| **Scope for the value chain assessment (Method Section 3.2.)** | | |
| IV.1. Please confirm that you have conducted the value chain assessment for 100% of your direct operations, output of Step 1a (for all material pressure categories). | * Yes, we have covered 100% of direct operations (output of Step 1a) for all material pressure categories * No, we didn’t cover 100% of direct operations (output of Step 1a) for all material pressure categories. Please explain: | For the SBTN validation process, companies must be able to demonstrate that they have estimated material pressures and economic activities, for all sites owned or operated by the corporation (i.e., their direct operations or Scope 1). The direct operations included here should correspond with the activities outlined in II.2. |
| IV.2. Please confirm that you have conducted the value chain assessment for all high impact commodities identified in Step 1a as per SBTN High Impact Commodity List (i.e., in your upstream/Scope 3) and the pressures associated with at least 67% of your upstream spend or volumes purchased (for all material pressure categories)  Please indicate if you intentionally excluded any high impact commodity from the list.  Please indicate if you used spend or volume in your coverage calculations.  Please list any highly transformed or embedded volumes of high impact commodities for which you assessed less than 100% of volume or spend. | * Yes, we have covered all high impact commodities and additional upstream activities to reach 67% coverage. * No, we did not cover all high impact commodities and additional upstream activities to reach 67% coverage. Please explain why not:   High impact commodity exclusions (if applicable):  Percentage (volume OR spend - *select one*) covered by high impact commodities:  Percentage (volume OR spend - *select one*) covered by other upstream activities:  Total percentage (volume OR spend - *select one*) covered:  List of highly transformed or embedded volumes of high impact commodities for which you assess less than 100% of volume or spend (indicate percentage covered): | For companies sourcing highly transformed or embedded volumes of high impact commodities, it may be difficult to ensure that 100% of the commodity volume/spend is assessed. In these cases, companies must assess at least 90% of sourced volume/spend but are recommended to address as close to 100% as possible using modeled estimates. |
| IV.3. If the scope of your value chain assessment is less than 100% for your organizational boundary and/or your related value chain, please describe how your organization plans to increase the assessment coverage to 100% volume or spend. | Plans to expand the scope of your Step 1b analysis over time: | Companies setting science-based targets for nature must eventually assess all material aspects of their organizational boundary (as determined in Step 1a) as well as the value chains associated with these when using the method for Step 1b: Value Chain Assessment. |
| *IV.4. Please confirm if you will include all pressures identified as material in Step 1a in your value chain assessment?* | * *Yes, we will include all pressures identified as material in Step 1a* * *No, we will exclude pressures identified as material. Rationale:* | *Companies must assess the contributions of their activities to all pressures flagged as material in Step 1a, that are within the current SBTN methods scope (V1).* |
| *IV.5. Please indicate whether you have assessed any additional pressures in Step 1b.* | * *Freshwater ecosystem use and change* * *Marine ecosystem use and change* * *Other resource use (minerals, fish, other animals, etc.)* * *Non-GHG air pollutants* * *Solid waste* * *Disturbances* * *Biological alterations / interferences* | *Companies may assess their contributions to additional pressures while collecting data  for Step 1b, but to fulfill the requirements of this method and be able to set science-based targets using Step 3 methods, additional pressure data collection is not required.*  *Companies setting science- based targets can set targets on these issues, but SBTN is not validating targets set for any pressure or environmental issue not covered by SBTN methods for Step 3. This also applies to the following pressure categories required in the Step 1a materiality screening: freshwater ecosystem use and conversion, marine ecosystem use and conversion, and other resource use.* |
| *IV.6. (Optional) GHG inventories.*  *Have you assessed at least 95% of your upstream activities (Categories 1-8 in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.* |  | *Companies with full GHG inventories prepared for climate science-based targets are recommended to assess impacts associated with at least 95% of their upstream activities.* |
| **Pressure Estimates: Direct Operations (Method Section 3.4.1)** | | |
| IV.7. Have you used observational data for all direct operations?  If not, please indicate why observational data was not available and describe alternative approaches you used to estimate pressures for certain activities or locations. | * Yes, we have used observational data for all direct operations locations. * No, **not** all direct operations locations were assessed using observational data.   If not, provide the list of sites / activities for which observational data was not used, explain why this was not used, and detail the alternative approach. | In some cases where these data are not available, you may need to estimate the pressures for direct operations sites. In those cases, you can employ alternative approaches to estimate pressures.  **Observational data:** Observations of the relevant pressure (e.g., stream gauge or sensor data or area estimation by a company based on maps of land holdings). These may be generated by the company themselves or, where appropriate, retrieved from publicly available data sources.   **Estimation through quantitative modeling:** Estimations of pressure metrics using quantitative modeling approaches, which take as inputs specific data from the relevant locations or sites. Estimations may also be generated using data on the activity, spend of the company, quantity of goods or services produced, and geographic location.  Companies may use quantitative models and tools for pressure estimation such as life cycle impact assessment approaches. SBTN recommends that, where possible, companies utilize models that produce estimates representative of the actual activities undertaken at each operational site and are consistent with SBTN tool and data criteria.  Relevant resources for companies include environmentally extended input-output (EEIO) models  and databases (e.g., EXIOBASE or Eora), life cycle impact assessment methods (e.g., IMPACT World+) and life cycle inventory databases (e.g., ecoinvent, the Federal LCA Commons (US), or those produced for the EU). While these are commonly used approaches for modeling pressures, there is no one solution and companies should combine these with other approaches like spatial modeling and remote sensing to address method needs. See additional tools available to support the Step 1b pressure assessment in the SBTN Step 1 Toolbox. |
| IV.8. Were there any locations for your direct operations where the precise location was unknown, and you had to assume location?  If so, please explain the limitation and provide an overview of the approach taken to assume the location. | * Yes. Explain the limitation and estimation approach: * No | Location information is necessary to estimate pressures (i.e., estimates on pressures are based on information with a geographic origin or link).  When companies are not able to provide this information directly, it will often be provided through default assumptions embedded in tools and methods. To get the most accurate results in the Step 1b Value Chain Assessment and have the best data possible to use for prioritization in Step 2 and target-setting in Step 3, it is recommended that companies specify the locations associated with their activities rather than rely on the assumptions of tools and methods used to complete the assessment.  Where location data are known and can be verified companies must use these. |
| IV.9. Is all your pressure data provided at a minimum of sub-national scale for direct operations? | * Yes * No. Please explain: | Please note that conducting Steps 1 and 2 at this scale will satisfy SBTN requirements but may mean a more difficult transition to Step 3 target-setting methods, which must be conducted at a finer spatial resolution. |
| **Pressure Estimates: Upstream (Method Section 3.4.2.)** | | |
| IV.10. Please indicate for each commodity and/or activity (in the upstream) assessed in Step 1b (for each pressure category) if you estimated pressures for the most impactful stage of the cradle-to-gate or if you estimated pressures for the complete cradle-to-gate.  Provide a justification for your decision (with references).    Note: If you are attaching a file to this submission form, please indicate the name of the file. | Pressure - Commodity / Upstream activity – Most impactful stage of cradle-to-gate OR complete cradle-to-gate – justification | Companies must conduct the upstream value chain assessment for the most impactful stages of the value chain for a given pressure, based on estimated environmental impacts for a given sector or from peer-reviewed studies.  In most cases, the most impactful stage in the upstream corporate value chain is the primary production, harvesting, or “cradle” stage. For some commodities, however, preprocessing or another stage may be more impactful; in these cases, companies may assess this more impactful stage, instead of the cradle stage.  Companies may choose to complete cradle-to-gate assessments for upstream value chains with high transparency and traceability and/or high environmental impacts. |
| IV.11. Have you used observational data for all upstream activities and/or commodities?  If not, please indicate where you used estimates, and provide a justification (as well as sources) | * Yes, we have used observational data for all upstream activities and/or commodities. * No, **not** all upstream operations locations were assessed using observational data. Please explain where estimates were used, justification and sources. | **Observations of pressures.** This may only be available to companies with strong supplier relationships in the upstream and may need additional validation  and verification by the purchasing company before submission to SBTN.  **Estimation of pressures using best-available data and models.** Based on the type of data companies have for a given commodity or activity, they may use: spend-based estimation or volume-based estimation  Companies may use quantitative models and tools for pressure estimation such as life cycle impact assessment approaches. SBTN recommends that, where possible, companies utilize models that produce estimates representative of the actual activities undertaken at each operational site and are consistent with SBTN tool and data criteria.  Relevant resources for companies include environmentally extended input-output (EEIO) models  and databases (e.g., EXIOBASE or Eora), life cycle impact assessment methods (e.g., IMPACT World+) and life cycle inventory databases (e.g., ecoinvent, the Federal LCA Commons (US), or those produced for the EU). While these are commonly used approaches for modeling pressures, there is no one solution and companies should combine these with other approaches like spatial modeling and remote sensing to address method needs. See additional tools available to support the Step 1b pressure assessment in the SBTN Step 1 Toolbox. |
| IV.12. Were there any locations for your upstream activities where the precise location (i.e. latitude and longitude coordinates AND city, province/state, country) was unknown and you had to estimate location?    If so, please explain the limitation and provide an overview of the models or tools used to estimate the location. | * Yes. Please provide a list of activities / commodities and the model or tool used, and explanation of limitations. * No | Location information is necessary to estimate pressures (i.e., estimates on pressures are based on information with a geographic origin or link).  When companies are not able to provide this information directly, it will often be provided through default assumptions embedded in tools and methods. To get the most accurate results in the Step 1b Value Chain Assessment and have the best data possible to use for prioritization in Step 2 and target-setting in Step 3, it is recommended that companies specify the locations associated with their activities rather than rely on the assumptions of tools and methods used to complete the assessment.  Where location data are known and can be verified companies must use these. |
| IV.13. Is all your pressure data provided at a minimum of country-level sourcing location for upstream activities / commodities?  Please indicate in your data submission file, the spatial scale used for all your activity/commodity-location pairs. | * Yes * No. Please explain. | Companies may only use data coarser than country level when sourcing locations cannot be refined past a geographic region or set of possible countries of origin (this may be the case when sourcing commodities through a wholesaler).  Please note that conducting Steps 1 and 2 at this scale will satisfy SBTN requirements but may mean a more difficult transition to Step 3 target-setting methods, which must be conducted at a finer spatial resolution. |
| **Pressure estimates: final checks** | | |
| IV.14. Do you source any International Union for Conservation of Nature (IUCN) threatened species (species that are classified as vulnerable: VU; endangered: EN; or critically endangered: CR) or listed species according to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)?  If so, please submit the species names, quantities, and sourcing location for those species. | * Yes, we source IUCN threatened species. Please submit the species names, quantities, and sourcing locations. * No, we do not source IUCN threatened species. * Yes, we source CITES listed species. Please submit the species names, quantities, and sourcing locations. * No, we do not source CITES listed species. | You may reference any existing list in your public communications / reports if they contain the required information.  **Important:** This is also applicable to companies directly exploiting species (and not only through procurement) |
| IV.15. Please indicate the pressures for which you were able to use the metrics and indicators specified by SBTN.  If deviating from the recommended metrics, companies must explain which indicators were used and provide a justification. | * Land use change - Area (km2 or ha) converted since 2020 (or earlier), \* by pre- and post-conversion ecosystem type and use * Land use - Area (km2 or ha) of land use, including known land management practices (e.g., crop rotation, tillage practices, or fire regimes) * Water use - m3 or km3, per source (surface water, groundwater, etc.). * Greenhouse gas emissions - t CO2e, per activity estimated separately for industrial activities and land-based emissions; tCO2/t (product, e.g., cement or steel) or gCO2/ spatial unit * Soil pollution - Applied nitrogen (N) and phosphorus (P) (kg ha-1) * Water pollution - Applied nitrogen (N) and phosphorus (P) (kg ha-1)   Explain any deviations. | Recommendation – Review Step 3 Land Method to better understand the units and approach you must take for baselining in Targets 1 and 2. It may differ from the approach you used in Steps 1 and 2. |
| **State of Nature Assessment: Pressure Sensitive Indicators (Method Section 3.5)** | | |
| IV.16. Please provide the SoNP indicators used, indicating if you used different ones for direct operations and upstream activities.  Please report if you used more than one SoNP indicator for each pressure category. | Land use:  Land use change:  Water use:  GHG emissions:  Soil pollution:  Water pollution: | Companies must use two types of spatial indicators for the state of nature in the value chain assessment:  • Pressure-sensitive state of nature indicators [SoNP]—indicators appropriate to summarize the features of the state of nature most directly connected to the pressure being assessed.  • Biodiversity state of nature indicators [SoNB]—indicators appropriate to estimate the state of nature in terms of biodiversity, along three key dimensions: the ecosystem, species, and genetic level.  To increase confidence that companies’ target strategies will prioritize the places where nature and society need it the most, it is recommended (not required) that companies consult more than one dataset for each SoN indicator, if available. This applies to indicators for both pressure-sensitive state of nature indicators and biodiversity state of nature indicators. |
| IV.17. Please confirm that you have used the following tools to perform the SoN assessment for water availability and water pollution.  Please indicate any deviations. | * Water availability: SBTN Unified Water Availability Dataset * Water pollution: SBTN Unified Water Pollution Dataset | WWF and WRI are planning to include these two datasets in their online tools (Water Risk Filter and Aqueduct). In the meantime, a free interactive online tool is temporarily available to enable users to extract the values of these two SoNP indicators for locations of interest. See [SBTN Step 1 Toolbox](https://sciencebasedtargetsnetwork.org/wp-content/uploads/2023/05/SBTN-Step-1-Toolbox-v1-2023.xlsx). |
| **State of Nature Assessment: Biodiversity Indicators (Method Section 3.5)** | | |
| IV.18. Please confirm that your company has used at least one biodiversity state of nature indicator in this analysis to accompany pressure and pressure-sensitive state of nature data.  Indicate the name(s) of the biodiversity state of nature indicator, provide the results and explanations of its use.  If your company used ecosystem condition/integrity indices such as the Ecosystem Integrity Index to represent pressure-sensitive state of nature, please provide a complementary species-level indicator of biodiversity.  Please provide the results and explanations of the use of the ecosystem condition / integrity indices and complementary species-level indicator. | * Yes, we have used one or more biodiversity state of nature indicators in this analysis. Please provide name(s) of the biodiversity state of nature indicator, and evidence and explanation of its use(s): * No, we did not use a biodiversity state of nature indicator. Please explain: * We used ecosystem condition/integrity indices. Please provide a complementary species-level indicator of biodiversity: | Two types of spatial indicators for the state of nature must be used in the value chain assessment:  • Pressure-sensitive state of nature indicators [SoNP]—indicators appropriate to summarize the features of the state of nature most directly connected to the pressure being assessed.  • Biodiversity state of nature indicators [SoNB]—indicators appropriate to estimate the state of nature in terms of biodiversity, along three key dimensions: the ecosystem, species, and genetic level.  SBTN requires companies to use pressure- sensitive indicators (SoNp) in Step 1 and Step 2 to capture the more direct impacts of a given pressure on the state of nature.  To complement the analysis possible using SoNp indicators, SBTN requires companies to use at least one biodiversity-specific indicator, SoNB.  SBTN Step 1 Toolbox includes suggested Biodiversity SoN tools. |
| **Linking pressure and state of nature data for the value chain assessment (Method Section 3.6)** | | |
| IV.19. Please confirm SoN information is recorded alongside your pressure data for each activity/commodity-location pair in your direct operation dataset and for each activity/commodity-location pair in your upstream dataset. | * Yes, we have recorded SoN information alongside pressure data for each activity/commodity-location pair (direct operations and upstream) * No, we haven’t recorded SoN alongside pressure data for each activity/commodity-location pair (direct operations and upstream) | You may provide this information in an Excel data file annexed to this submission.  This information will then be analyzed in Step 2 to determine which locations are highest priority for target-setting. |
| IV.20. Please confirm that you have reported the spatial resolution for each SoNP and SoNB used?  Please indicate the name of the file where you can find this information. |  | Before beginning Step 2, companies must understand the spatial resolution in their pressure data, their SoNP data and SoNB data.  Spatial harmonization of data must occur in Step 2b, after having determined target boundaries A and B (for upstream). |

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# V. Step 2a: Determine target boundaries

Determine where to act first for nature, based on information about pressures and the state of nature.

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| **Determine where to act first for nature, based on information about pressures and the state of nature** | | |
| **Question or information request** | **Answer** | **Submission guidance** |
| **Data requirements**  **Sections in the method covered:**   * **1.2. Data requirements** | | |
| V.1. Please provide pressure data and State of Nature (pressure-sensitive and biodiversity) data for all activities assessed during Step 1 for your **direct operations**.  Please indicate the number of sites covered. | * Complete data provided in attachment. * Complete data not provided. Please explain:   Number of sites covered for direct operations: | Companies must use the pressure and state of nature data collected in the Step 1b value chain assessment for direct operations, consistent with the requirements for **sub-national** spatial resolution, when defining the target boundary.  These data include pressures (e.g., for water use, water pollution, land use/occupation, and land use change/conversion) and the state variables that are most sensitive to those pressures (e.g., water availability, water quality, and components of ecosystem integrity), called pressure-specific state of nature variables (SoNP), as well as one or more biodiversity state of nature variables (SoNB).  Please provide data in an excel-based attachment. |
| V.2. Please provide pressure data, State of Nature (pressure-sensitive and biodiversity) data, and locations of highest impact commodities for all activities assessed during step 1 for your **upstream value chain**.  Please indicate the number of sites covered. | * Complete data provided in attachment. * Complete data not provided. Please explain:   Number of sites covered for upstream value chain: | The target boundaries for the upstream portions of companies’ value chains must adhere to the same guidelines on materiality as for direct operations. For all parts of companies’ upstream supply chains shown to be material in Step 1a, upstream target boundaries are required for each material pressure. There is no reduction in the scope of activities covered between the value chain assessment and the target boundary. The target boundary exercise will enable companies to define where they have precise-enough data for setting targets and focus there for target-setting in Step 3.  Companies are recommended to obtain data consistent with requirements for upstream target boundary A for at least 50% of their upstream activities/commodities before proceeding with the Step 2 method.  Please provide data in an excel-based attachment. |
| **Question or information request** | **Answer** | **Submission guidance** |
| Sections in the method covered:   * 2.1.2 Define direct operations target boundary * 2.1.3. Define upstream target boundaries * 2.1.4. Guidance on spatial scale of Step 2 | | |
| V.3. Please specify for which pressures you have defined target boundaries, and for which value chain segment. | * Land use and land use change (terrestrial ecosystem use) * Freshwater ecosystem use and change * Marine ecosystem use and change * Water use * Other resource use (minerals, fish, other animals, etc.) * GHG emissions * Non-GHG air pollutants * Water pollutants * Soil pollutants * Solid waste * Disturbances * Biological alterations / interferences | Target boundaries, as defined by SBTN, are the spatial extent of companies’ pressure footprints managed through (science-based) targets. To make claims about setting SBTs for nature, companies must define the target boundary for each pressure identified as environmentally material at the end of Step 1.  Please consult the guidance in question II.7. |
| V.4. (Optional) Have you identified that land use and/or land use change are material in Step 1?  How are you considering bridging minimum spatial resolution requirements in Step 1 and 2, and those of Step 3 for the first target submission\*?  \* Companies will need to show evidence of accelerating year on year progress on their coverage of target boundary A. Further clarity on the operationalization and evaluation of this requirement will be provided as we continue to do research on target boundary B. |  | Companies who have identified land use and land use changes as material in Step 1 and are setting No Conversion or Land Footprint Reduction targets should still conduct the ranking and prioritization, even if those two targets must be set for 100% of target boundaries. In the upstream, that includes target boundary A and B.  **Step 3 Land spatial requirements**  No Conversion target – At the time of the first submission, for volumes in target boundary A, the spatial resolution must be at the minimum production unit or sourcing area (it cannot be country level as allowed in Steps 1 and 2)  Land Footprint Reduction target – does not require a specific spatial resolution, but at the time of the first submission, companies should use at the minimum global estimates for commodity yields to calculate the land footprint in hectares, even for volumes in target boundary B. |
| V.5. Direct operations target boundary  Please confirm that you have not reduced the number of activities output of Step 1. | * Yes. * No. Please explain: | The direct operations target boundary for each pressure must include all material activities in the company’s direct operations at a spatial scale compatible with their pressure and state of nature. |
| V.6. Upstream target boundaries  Please confirm that you have used the output of Step 1b, as a start for defining target boundary A and target boundary B. | * Yes. * No. Please explain: | For all parts of companies’ upstream supply chains shown to be material in Step 1a, upstream target boundaries are required for each material pressure. There is no reduction in the scope of activities covered between the value chain assessment in Step 1b and the target boundary.  A notable difference between the target boundary definition process for direct operations and upstream activities is the need to consider differences in information availability and the range of uncertainty in upstream data. |
| V.7. Upstream target boundary A  Please indicate in your Excel based attachment, all locations that fall within target boundary A. | File name: | 'Target boundary A' must include all locations for which the company has sufficiently precise geographic information about the production units or sites of origin associated with specific commodity volumes or magnitude of upstream activity. Sufficient precision means that these data are refined to the subnational or national level. Locations that can be included within this boundary are those for which companies have the ability to get more precise and accurate data in the short term (e.g., within 1-2 years) to satisfy the requirements articulated in Step 3 of the target-setting methodologies and apply SBTN's Stakeholder Engagement Guidance where companies are able to. |
| V.8. Upstream target boundary B  Please indicate in your excel based attachment, all locations that fall within target boundary B, classify them using the examples in the guidance column.  Provide justification for inclusion of locations in target boundary B. You may submit documentation to support your justifications, for example from procurement practices, or of embedded and highly transformed volumes of commodities. | File name:  Justifications: | 'Target boundary B' must only include locations for which the company does not have sufficiently precise geographic information about the production units or sites of origin of specific commodity volumes or upstream activities, and where this location information cannot easily be refined to national nor subnational level. Companies must use target boundary B when they currently do not have the information needed to set place-based targets for their upstream activities and cannot readily obtain that information.    Examples:   * commodities can only be traced to a set of countries rather than a singular country * commodities associated with shifting sourcing locations * purchases from spot markets, collectives and aggregators (including those that are purchasing from smallholders, or those that practice wild harvesting) * purchasing highly transformed or embedded volumes |
| V.9. Has your company been able to include within target boundary A at least 50% of upstream activities?  Please indicate the percentage of activities covered in target boundary A. | * Yes. * No. Please explain:   % of upstream activities covered in target boundary A (compared to total upstream)  % of upstream activities covered in target boundary A (compared to upstream activities / commodities covered in the value-chain assessment – Step 1b) | Where possible, companies are recommended (not required) to obtain data consistent with requirements for upstream target boundary A, in order to enable application of all Step 3 methods. Companies should aim to include at least 50% of their upstream activities/commodities before proceeding with the Step 2 method. |
| V.10. Please confirm your understanding that you will be required to set targets for all target boundaries over time to make a claim on the completion of a given target.  Please provide information / plans on how you are planning to move activities / commodities - locations from target boundary B to target boundary A? |  | Companies using SBTN methods to set SBTs for nature will be required to address their impacts across pressure-specific target boundaries over time to make a claim on the completion of a given target (e.g. Freshwater Quantity for all material basins).  For cases in which companies have high uncertainty about their pressure data or location of sourcing, companies must follow guidance on improvements to transparency and traceability in their upstream operations, and work with suppliers to enable target-setting. This option is only available for upstream portions of a company’s value chain. |

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# VI. Step 2b: Interpret and rank

Establish significance values for each location within target boundaries.

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| **Question or information request** | **Answer** | **Submission guidance** |
| Sections in the method covered:   * 3.1.1 Calculate pressure-specific index values (IP) for direct operations and upstream target boundary A * 3.1.2 Prepare state of nature biodiversity values * 3.1.3 Combine rankings on pressure-specific index values and biodiversity state of nature values | | |
| VI.1. Please confirm that the datasets used to calculate the index values in this step are the same as those used in Step 1.  Provide evidence and explanations of the interpretation guidance from tools and datasets you used, and how you used it. | * Yes. * No. Please explain: | To calculate the index value, companies must use the datasets indicated in the Step 1 guidance for estimating SoNP and the units specified for pressure data (see Appendix 2 to this method for ease of reference). In cases where SBTN has not given prescriptive guidance (i.e., requirements) for SoNP estimation, companies must document their choice of datasets when reporting the results of their ranking, and ensure that the choice is consistent with the metrics suggested and SBTN’s tool and data criteria.  As a reminder, before calculating index values, companies are required to consider interpretation guidance from the tool and dataset developers for a given pressure and state of nature dataset. Use of an inappropriate indicator could impact the ranking and prioritization. |
| VI.2. Did you use multiple state of nature (SoNP) metrics for a given pressure category in the value chain assessment - Step 1b?  If so, please provide an explanation of how you harmonized and normalized these data. |  | Companies that used multiple state of nature (SoNP) metrics for a given pressure category in their value chain assessment (Step 1b) must harmonize the spatial scale between datasets and normalize the data (i.e., transform the data to fit within a consistent range). |
| VI.3. Harmonize and Normalize Step 1 Pressure Data before calculating the index  For any of the pressure categories, did you need to spatially harmonize pressure estimates to match the SoNP data spatial resolution? Describe these instances.  Did you normalize each individual pressure dataset? What was the approach used? Short description. | Description of spatial harmonization for pressure data:  Description of normalization approach for Pressure data: | When pressure data are only available at a finer resolution than the Pressure-linked State of Nature data (e.g., pressures at subnational or site level vs. state of nature at country level), the data for the pressure must be aggregated to the coarser level of the Pressure-linked state of Nature data (i.e. aggregate to the coarser data level). Here, the single aggregated pressure value would be associated with one state of nature value. For example, a company would calculate the sum of all water use (P) associated with different activities within a given country and associate this with the water availability or water stress (SoNP) known at the country scale. If appropriate, companies should compute an area-weighted or volume-weighted sum of the pressure(s).  Companies must also normalize (i.e., transform the data to fit within a consistent range) both the pressure and state of nature datasets before multiplying to ensure that both values are weighted equally within the index. Companies that used multiple SoNP metrics for a given pressure category in their value chain assessment (Step 1b) must harmonize the spatial scale between datasets and normalize the data before combining into a single state of nature dataset. |
| VI.4. Please confirm that the pressure index values have been calculated independently for each material pressure. | * Yes. * No. Please explain: | The index value must be calculated independently for each activity/commodity within the material pressure, for the segment of the value chain selected in previous steps. |
| VI.5. Please confirm that the index calculation method has been applied at least to your direct operations target boundaries and for upstream value chain activities within target boundary A. | * Yes. * No. Please explain: | The index calculation process must only be applied in the following cases:  Direct operations – To locations within any pressure target boundary, assuming the company has subnational data as required within the guidelines of the Step 1b: Value Chain Assessment.  Upstream – To locations within the precise target boundary/target boundary A, assuming the company has at least national data. For locations in companies’ upstream target boundary A, the ranking process is required. For locations in companies’ upstream target boundary B, the ranking process is optional. |
| VI.6. Please confirm that the index values are of compatible spatial scale. | * Yes. * No. Please explain: | Please attach relevant data in a data submission file.  Index values are required for each location. The index value must be calculated for each site, and as such, must use data for each variable associated with compatible spatial scales.  Step 2, Section 2.1.4 provides examples of approaches for scale harmonization. |
| VI.7. Please provide the results of pressure / SoNP ranking of locations for each given target boundary. | File name: | To create the index value (IP), companies combine pressure and state of nature data (from a single or composite metric as above) for each location relevant to that pressure (e.g., each direct operation activity known to have water pollution impacts) using the equation IP = P × SoNP. This means that the pressure-sensitive index is the product of the normalized pressure (P) multiplied by the relevant normalized pressure-sensitive state of nature value (SoNP).    For the pressure and the SoNP datasets used in the index, higher values are interpreted as requiring more urgent action (e.g., higher pressure is interpreted as indicating more damage potential from a given economic activity, and a higher state of nature value is interpreted as greater damage already felt by the ecosystem). Based on this interpretation rule, after calculating the pressure-specific index value (IP), companies can then rank sites connected to a given pressure from high to low, taking higher values to mean higher priority for action. |
| VI.8. Harmonize and Normalize Step 1 State of Nature Biodiversity Data Before Using for Step 2  Did you use more than one SoNB indicator? If so, what was the approach used by the company to harmonize the spatial scale (when applicable)? Short description.  Did you normalize each individual SoNB dataset? What was the approach used? Short description. | Description of spatial harmonization for SoNB data:  Description of Normalization approach for SoNB data: | Companies who used multiple metrics of biodiversity in their value chain assessment (Step 1b) must harmonize the spatial scale between datasets and normalize the data (i.e., transform the data to fit within a consistent range) before combining into a single state of nature dataset. |
| VI.9. Please provide the results of the biodiversity ranking of locations for each given target boundary. | Please attach proof of final biodiversity ranking by pressure and a description of the methodology used (including description of datasets and harmonization steps).  Please indicate:   * if you used a single or multiple metrics of biodiversity * how the choice of biodiversity data SoNB fits the pressure being evaluated * if you used the same biodiversity metric across different pressures | SBTN requires the use of at least one biodiversity variable to evaluate biodiversity (SoNB). In the case where an ecosystem-level indicator of biodiversity is included as a pressure-sensitive indicator of the state of nature (SoNP), a complementary indicator at the species-level (SoNB) is required. SBTN recommends the use of multiple datasets, focused on different dimensions of biodiversity, ideally at both the species and ecosystem level.  After companies have calculated biodiversity scores for all locations relevant for a given pressure (target boundary), they must rank locations based on these biodiversity scores within the target boundary. This location ranking is independent of the location ranking on pressure-specific index values (IP). |
| VI.10. Please provide the results of the combined ranking exercise for each target boundary.  Please make sure to label all locations based on their combined priority level. | Please attach proof of final ranking by target boundary. | Once companies have ranked locations within their target boundaries based on pressure- specific index values (composed of pressure and SoNP) and biodiversity (SoNB) values, the rankings must be combined into a final ranking to inform companies’ strategy for action and target setting within each pressure-specific target boundary. This ranking is required for all  companies before proceeding with the target- setting methods in Step 3: Measure, Set & Disclose.  Please note that there’s a specific way for combining SoNB and IP. It’s not a mathematical calculation, but rather an approach to ordering all sites.  As noted throughout this methodology, companies must maintain the separation between pressures, value chain segments, and categories of certainty for location data while carrying out their interpretation and ranking of information within their target boundaries. This ranking approach must only be applied in cases where the company has sufficient certainty of location data to inform place- based target-setting, such as in the direct operations and in their target boundary A for upstream. This ranking informs an impact-based prioritization of target-setting and action, consistent with an emphasis on nature and biodiversity needs.  Companies must follow the same process for all target boundaries for the direct operations portions of their value chain. However, in the upstream portion of their value chain, companies can use different processes, depending on the levels of uncertainty for location data (upstream target boundaries A and B). |

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# VII. Step 2c: Prioritize

Employ cutoffs for the location ranking to determine the first round of target-setting, consistent with Step 3 requirements.

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| **Question or information request** | **Answer** | **Submission guidance** |
| **Prioritization of locations within target boundary A (Method Section 4.1.1.)** | | |
| VII.1. Please confirm that regardless of ranking within the target boundary, your company will include all locations in its No Conversion and Land Footprint Reduction targets.  If you do not have activities which contribute toward issues managed in these targets, please select N/A | * Yes. * N/A. * No. Please explain. | The use of additional prioritization  methods (after completing the prescriptive ranking) must be consistent with the requirements of the Step 3 methods:  “Companies setting No Conversion of Natural Ecosystems or Land Footprint Reduction targets must include all locations in their target boundary for land use and land use change for both direct operations and upstream boundary A in their first round of target-setting. Therefore, they cannot exclude any locations by using a prioritization approach that allows for postponing target-setting until a later date.”  Recommendation:  “Companies using these methods should still use the outcome of the ranking above to prioritize action consistent with an emphasis on nature and biodiversity needs.  Companies setting Landscape Engagement, Freshwater Quantity, and Freshwater Quality targets may use a prioritization approach to inform the first round of target-setting for locations within direct operations and upstream target boundary A.” |
| VII.2. Is your company using additional prioritization factors (such as feasibility and strategic interest) to inform your first round of target-setting following the ranking in Step 2b? | * Yes. * No. | Following the prescriptive location ranking, companies may use additional prioritization approaches to inform their first round of target-setting (see Step 2c and Step 2d).   The use of both impact- and risk-based prioritization approaches should increase the likelihood of timely action for environmental and societal benefits while reducing barriers to entry for companies beginning their science-based target-setting journey. This approach is intended to not only facilitate companies’ success in setting and validating science-based targets for nature, but also to enable  consideration of critical local and company stakeholders who are both affected by target implementation, and are key partners in the target-setting process.  Note, these SBTN prioritization methods are based on an environmental and societal materiality perspective, intended to incentivize action on environmental impacts where it is needed most.  After applying these perspectives, companies are recommended to include additional social and human rights considerations as well as a financial materiality in their final  prioritization, intended to incentivize just and equitable action in places where companies are able to get started first. |
| VII.3. If your company intends to set targets for freshwater, please confirm that at least the highest ranked 10% of basins in Step 2b (or highest 10 if more than 100 basins in each target boundary) will be included in the first round of Freshwater Use and Freshwater Pollution target-setting. | * Yes. * No. Please explain.   Please provide a list of all basin locations for each target boundary and the basin locations short-listed for the first round of target-setting, including the ranks of each basin for freshwater quantity and quality (with at least the 10% highest ranked, or highest 10 if more than 100 per target boundary, short-listed). | For targets on freshwater use and freshwater pollution (addressed in Step 3: Freshwater), companies are recommended to select the highest 10% of basins, or 10 basins if there are more than 100 basins in each target boundary, as top-priority basins for the first round of  science-based targets. Companies should be aware that the ranking of basins may be different for water quantity than for water quality, depending on the company’s pressures and the state of nature at each site.  The target setting guidance for Step 3: Freshwater requires a higher level of resource investment for use of local hydrological models.  To allow companies to focus their resources in the most important basins, companies are recommended to use the cutoff described above.  Companies setting targets in basins that don’t fall within this top-priority category (in addition to the highest ranked) will be allowed to use pre-defined global hydrological models (greatly reducing resource investment for model selection).  However, companies that decide not to follow this prioritization approach will be required to treat all basins as if they were in the top-priority category and will be required to seek local hydrological models for each of these basins. |
| VII.4. If your company intends to set Landscape Engagement Targets for land, please confirm that at least the highest ranked 10% of areas in Step 2b for the (a) land use, (b) land use change, and (c) soil pollution target boundaries are included in the first round of Landscape Engagement target-setting. | * Yes. * No.   Please provide a list of  all areas for the (a) land use, (b) land use change, and (c) soil pollution target boundaries and the areas short-listed for the first round of target-setting, including the ranks of each area from Step 2b (with at least the highest ranked 10% of areas per target boundary short-listed). | For the Landscape Engagement target (Step 3: Land) companies are recommended to use the outcome of their land use target boundary  rankings (combined with biodiversity) as detailed in section 2.2 and address the top 10% of areas within the target boundaries for land use, land use change, and soil pollution.  In each of these sites, companies will be expected to engage in landscape initiatives, following the beta v0.3. Step 3: Land methods. When there are no existing landscape initiatives in priority areas, companies are required to use the further target boundary ranking to inform the next priority areas for coverage with this target. |
| VII.5. Have you used the optional co-benefits approach?  If so, please provide an explanation of this exercise and a list of sites skipped, and how they’ll be managed in future rounds of target-setting. | * Yes. Explain the rationale used, list of sites skipped, and future target-setting plan. * No. | Companies are recommended to apply a co-benefit perspective to the prioritization of target setting when possible. This perspective can allow companies to focus on the added benefits for nature that can be achieved when companies address multiple pressures in a single location simultaneously with science-based targets.  When this approach is applied, companies should identify locations that emerge as high priorities for multiple pressure categories to act first (e.g., companies may use this approach to prioritize within  the target boundaries for water use and water pollution).  Companies, skipping any high priority basins within a given target boundary to focus on these co-benefits must advance multiple science-based targets in these locations, in accordance with this co-benefits approach. |
| VII.6. Please provide the results of your impact-based (Step 2b) and risk-based (Step 2c) target boundary prioritizations side-by-side. | Please attach the Step 2c risk-based criteria and results alongside Step 2b results to demonstrate that impact-based prioritization overrides Step 2c prioritization results. | The priorities identified using these approaches will be informed first by the impact-based ranking (from Step 2b), and then may also incorporate factors beyond environmental and societal materiality, such as:   * feasibility * strategic interest * commodity dependency or financial materiality associated with a given commodity * stability of supplier relationship * existing engagement with sustainability certifications or standards * sourcing practices   Companies with greater dependency or greater income/revenue associated with a given commodity should prioritize transparency and traceability for that commodity for strategic value as well as for environmental impacts.  Prioritization must not change environmental significance ranking. The “priority” levels generated during this exercise must only be added to the data derived during the ranking exercise and not used to reorder or re-rank locations.  Companies should follow these steps in order to apply the prioritization approach:   1. Prepare data 2. Apply an impact-based perspective (Step 2b) 3. Risk and opportunity-based perspective (Step 2c) |
| VII.7. For the issues that allow prioritization (i.e., freshwater use and quality), please confirm you have created a time-bound plan for increasing target coverage of material activities within target boundaries. | * Yes. * No. Please explain.   Please provide a planned date for incorporating each material activity that is currently outside of your target boundaries because of additional prioritization in Step 2c. | In cases where a prioritization approach is applied, companies will be required to specify a time-bound plan for increasing coverage of the  material activities within the target boundaries. |
| VII.8. Please acknowledge you commit to setting targets in Step 3 for all locations within target boundaries identified in Step 2b and that the strictest interpretation of the target-setting guidance will be applied in validation (unless additional prioritization in Step 2c is pursued). | * Yes. * No. Please explain. | Companies that choose not to use a  prioritization approach, as prescribed by SBTN, to inform a cutoff following the location ranking in Step 2b for their targets will be required to address 100% of their target boundaries for those pressures, using the strictest interpretation of the target-setting guidance. |
| **Prioritization of upstream Target boundary B (Method Section 4.1.2.):**  Pleas | | |
| VII.9. Please confirm that transparency and traceability will be prioritized for upstream target boundary B locations.  Please describe your qualitative approach to prioritizing target boundary B locations for transparency and traceability, with sufficient justification to support the sequencing of the company’s actions. | * Yes. * N/A. * No. Please explain.   Qualitative approach to prioritizing target B boundary B locations for transparency and traceability: | Companies must prioritize actions on transparency and traceability for upstream commodities and activities within companies’ upstream (target boundary B).  Companies should aim to increase traceability to a degree that enables place-based target setting for at least 50% of their activities, and beyond this they should aim to cover the full 67% of the material upstream activities.  Please consult the guidance provided in Step 2, Section 4.1.2. |
| VII.10. Please acknowledge that you will be required to submit data that demonstrates you are supporting improvements to transparency and traceability on an annual basis.  Please provide a list of commodities/activities in upstream target boundaries A and B you’ll prioritize for the first year after having set your first round of science-based targets. | * Yes. * N/A. * No. Please explain.   List of prioritized commodities / activities in target boundary A and B for the first year: | Companies are encouraged to obtain data that is spatially resolved enough to enable science-based targets by 2028 in alignment with the need to understand and measure contributions toward global goals, such as those set out in the Kunming-Montreal Global Biodiversity Framework (GBF), with a target date of 2030 (e.g., the 23 targets for 2030 within the GBF).  However, the need for action on environmental impacts is urgent and companies are recommended to move forward with the best information they have available.  Companies setting a No Conversion of Natural Ecosystems target within the Step 3: Land methods must include all upstream activities/ commodities within the upstream target boundary ahead of the specified target date associated with their position in the supply chain. SBTN may provide additional thresholds and guidance applicable to embedded or highly transformed volumes in future releases. This will be required to enable science-based target-setting and, by target date, to provide evidence of deforestation  and conversion-free status of sourced commodities. For example, companies sourcing from producers or first point of aggregation must achieve their target by 2025 for many ecosystems, hence all sourced commodities must be in target boundary A ahead of that date.  Companies must submit data supporting improvements to transparency and traceability on an annual basis. When companies have transparency and traceability for commodities/goods at the country scale (consistent with the standard specified for upstream target boundary A), they must move to using the Step 3 target-setting methods to set and validate science-based targets.  In some cases, companies may not be able to attain adequate transparency and traceability levels because of current business or purchasing practices, as well as structural/system-wide  barriers to traceability. This may change over time, as companies transform their business models for achievement of sustainability goals.  However, in recognition that, in these cases, focusing companies’ resource expenditure on impact traceability and data transparency may  not be fruitful for addressing environmental impacts in the short term, SBTN recommends that  companies:   * Address impacts through changing sourcing to less impactful commodities/goods. * Improve efficiency of material use through changes to product design * Encourage suppliers to set their own science-based targets for material pressures and support their changes in practices on the ground. * Engage in addressing systemic impacts in focal landscapes where their sourcing practices may have the greatest impacts on nature and biodiversity through Landscape Initiatives that align with the Step 3: Land criteria for the Landscape Engagement Target. |

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# VIII. Step 2d: Evaluate feasibility & strategic interest

Complement the earlier prioritization using environmental criteria with additional societal considerations as well as feasibility and financial materiality.

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| **Question or information request** | **Answer** | **Submission guidance** |
| **Overview (Method Section 5.1.)** | | |
| VIII.1. Have you used the Step 2d - evaluation of feasibility and strategic interest?  If so, please confirm that you have documented feasibility criteria selected for assessment, data sources for each criteria, why the criteria and data sources were selected, and plans to address high-priority locations (from Step 2b) which are low feasibility). | * Yes. Please provide supporting information. * No. Please explain. | Before moving to target setting (applying SBTN Step 3 methods, and climate methods from SBTi), companies may evaluate the locations and commodities or activities within their target boundaries using additional factors that will influence their ability to take effective action.  Companies must record the evidence for feasibility as well as details on which factors were used, why these are most relevant for their company, which datasets or information sources were used, why these were selected, and how they plan to address  high-priority locations and value chains/activities that proved more difficult.  Feasibility criteria may include:   * Data availability and target-setting ‘readiness’ * Stakeholder needs and relationships (e.g. needs and capacity of value chain partners and/or subsidiaries, company-level stakeholders, etc.) * Potential risk (e.g. physical risk, regulatory risk, reputational risk, societal risk, etc.) * Strategic significance (e.g. mission and goals, financial materiality, company growth strategy, levers for change, opportunities for scaling and learning, etc.)   Companies that choose to apply this final evaluation approach must record the outputs alongside their initial output from Step 2b, or Step 2c if they applied that approach. They must also provide details on the factors used and the information they will submit to justify their final focus in Step 3. |
| VIII.2. If your answer to the previous question was yes, please confirm that you have used this information to contextualize your ranking and prioritization and not reordered them. | * Yes * No. Explain and provide a re-ordered list. | Companies can use information on feasibility to contextualize their ranking of locations and determination of priorities but are *recommended* not to reorder these. |
| VIII.3. Please confirm that if Step 2d prioritization is applied, it is only applied within each target boundary (and not across target boundaries, i.e. pressures). | * Yes. * No. Please explain. | As with the other phases of Step 2, this method must only be applied within each of the target boundaries, not across boundaries (i.e., associated with a given pressure). |
| **Application of Additional Social and Societal Considerations (Method Section 5.2.)** | | |
| VIII.4. Please confirm if the Stakeholder Engagement Guidance has been reviewed and if areas and basins within target boundaries have been examined to assess the rights/needs of Indigenous Peoples and other affected communities. | * Yes. * No. Please explain.   *Optional detail*  Please provide the list of areas and basins within target boundaries and assessment of the following criteria:   * rights/needs of Indigenous Peoples * rights/needs of other affected communities * relevant local stakeholders to consult while developing and implementing * targets * prior relationships that exist between   the company and its value chain partners  and local stakeholders   * desire and capacity of local stakeholders for engaging with the company on setting, implementing and tracking targets | Companies are strongly recommended to follow the guidelines in the Stakeholder Engagement Guidance which lay out the guidelines for stakeholder engagement in support of human rights and environmental due diligence.  Companies are recommended to engage in multi-stakeholder efforts at a landscape, watershed, or seascape level using jurisdictional or scape approaches.  While completing the Step 2 methods, companies are recommended to lay the foundations for collaboration by examining locations within their target boundaries to understand the following:  1. The specific rights of Indigenous Peoples and those of other affected communities within companies’ pressure-specific target  boundaries.  2. The relevant local stakeholders to consult while developing and implementing targets, with a specific focus on affected stakeholder communities.  3. The prior relationships that exist between the company and its value chain partners and local stakeholders.  4. The companies’ knowledge about local stakeholder needs and their desire and capacity for engaging with the company on setting, implementing and tracking  science-based targets for nature.  Companies may wish to prioritize resources in locations where they or their nonprofit partners are familiar with key local stakeholders and  able to work in partnership with them to develop corporate SBTs that will satisfy mutual needs, and engage these stakeholders in the development of strategies to meet and monitor these targets over time (e.g. local communities and governments may be key stakeholders to ensure the lasting success of restoration initiatives).  Where companies do not have existing relationships or knowledge of local stakeholders, they may work with local civil society organizations to build on existing partnerships and trust-based relationships between organizations and local communities.  Where possible existing relationships, capacity and competencies within civil sector  organizations and local governance bodies should be leveraged rather than relying on only internal company resourcing. |
| **Application of Financial Materiality or Risk-Based Perspective (Method Section 5.3.)** | | |
| VIII.5. Is your company using additional prioritization (such as financial materiality or risk-based perspectives) to inform your first round of target-setting? | * Yes. * No.   Please provide a summary of your final evaluation approach that records the outputs of Step 2d alongside initial output from Step 2b (and Step 2c if applied), including details on the factors used and the information that will be submitted to justify final focus in Step 3.  *Note, if yes, proceed to Questions VIII.6.; if no, end here and move to the Step 3 submission form.* | Companies that choose to apply this final evaluation approach must record the outputs alongside their initial output from Step 2b, or Step 2c if they applied that approach. They must also provide details on the factors used and the  information they will submit to justify their final focus in Step 3.  If companies are using a feasibility screening approach using criteria linked to financial materiality or strategic interest, they must provide additional information for validation before getting started with baselining and setting targets in Step 3 and should be ready to begin target setting in accordance with further target-setting methods. |
| **If your answer was “yes” to question VIII.5. above answer questions VIII.6. - VIII.7.** | | |
| VIII.6. Please confirm if any highly ranked locations from Step 2b prioritization are not included in the first round of target-setting based on Step 2d prioritization. | * Yes. * N/A.   Please indicate which locations are excluded, and explain why any highly ranked locations from Step 2b prioritization are not included in the first round of target-setting based on Step 2d prioritization. | Companies must submit additional information (e.g., barriers to implementation) to validators to explain why any highly ranked locations (according to the impact-based prioritization) are not being addressed in the first round of target setting. |
| VIII.7.Please confirm you have plans for increasing feasibility for setting targets for high priority locations. | * Yes. * No. Please explain.   Please provide a plan for increasing feasibility (e.g. data availability, stakeholder relationships) for all highly ranked locations from Step 2b prioritization that are not included in the first round of target-setting based on feasibility factors considered (i.e. Step 2d prioritization). | Companies must be able to show that they have plans in place for increasing data availability (or other factors influencing feasibility, e.g., stakeholder relationships) for high-priority, low-feasibility sites, so that they may include these within a future round of target setting.  If deprioritizing sites (i.e., the company skipped over those locations and proceeded to lower-ranked ones), the company must also create a plan for addressing the high-priority, low feasibility locations (e.g., through increasing data availability and improving stakeholder relationships).  Until targets have been set for these high-priority locations/activities, the company must continue to report progress against its articulated plan for reducing barriers to action. |