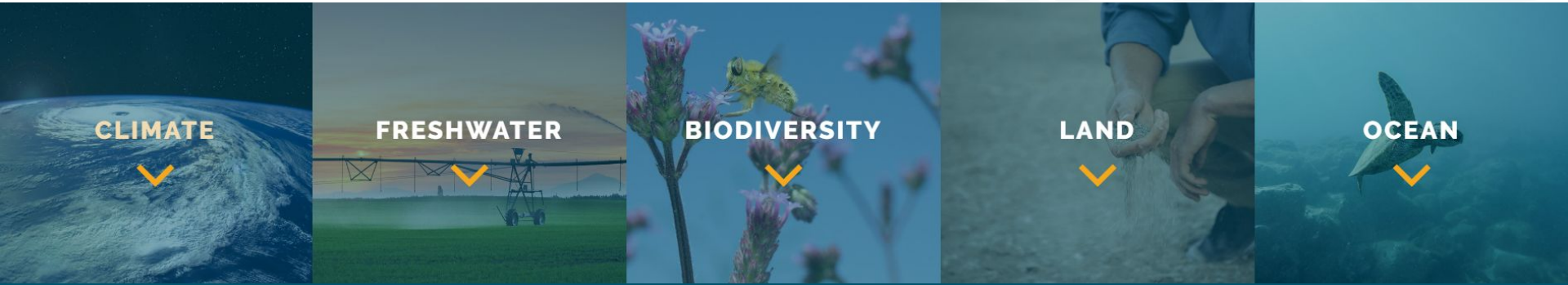
SCIENCE BASED TARGETS NETWORK
GLOBAL COMMONS ALLIANCE

SBTN Corporate Engagement Program Learning Session

March 28, 2024



Agenda

1. 2024 development timeline
2. Self Assessment Tool
3. Train the Trainer
4. Pilot updates and insights
5. Knowledge management
6. Ursus case study
7. Q&A

Welcome!

- Rename yourself: Name - Org
- This session is being recorded.
- Please keep yourself on mute.
- Put your questions in the chat.
- We will be sharing the slides and recording after the call.

SBTN Development Timeline

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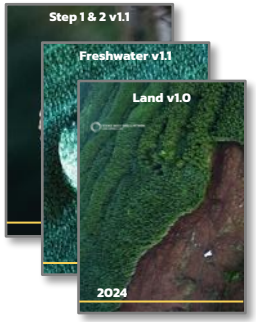
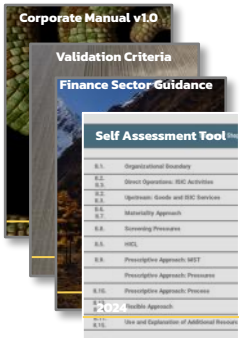
What can companies use today, and what updates can be expected?

	2023	2024	2025
Technical methods	 *Pilot of first release methods to identify required revisions*	 Updated first release methods rolled out for broad corporate use	 Expansions to existing methods; first release of Ocean methods; additional coverage of biodiversity *First companies outside of pilot group settings SBTs*
Additional Guidance and Tools			

Initial guidance on Step 4 (Act) & Step 5 (Track)

- Corporate Manual: "Entry point" to SBTN methods – providing information to convince senior leadership to set SBTs
- Validation Criteria: Outline of sequential steps a company must take across SBTN methods to set validated SBTs
- Finance Sector Guidance: Initial guidance on how FI's should interpret and leverage SBTN methods, incl. future roadmap
- Self Assessment Tool: Tool for companies to understand data requirements and activities required to complete Steps 1 & 2

What should companies be doing now?

Get ready to submit targets! Work on Steps 1 and 2, checking your work using the Self Assessment Tool.

- Because of the time it takes to gather data, we encourage companies to get going now, using the Self-Assessment Tool to check their work on Steps 1 and 2.
- We will open up the queue for a limited number of companies outside of the pilot group to submit targets in July 2024. Pre-conditions for companies in that group are: they have completed Steps 1 and 2, have strong human rights policy, have leadership buy-in, and have internal capacity and/or consultant help to progress effectively.
- Companies using the current methods for Steps 1, 2, and 3 Freshwater will be able to submit those for validation in July if they want. Or they can wait for V1.1 if preferred. There will be a 6 month grace period to use older method versions once new versions are published

Best practices: Preparing to set science-based targets for nature

Internal collaboration is critical

- Develop nature strategy with clear definition and ambition – integrate SBTs therein, align with climate strategy
- Gain support from leadership – use SBTN pitch deck
- Coordinate internally (e.g. procurement)

Dedicate a project manager

- Set dedicated budget
- Set realistic timeline for next steps
- Dedicate time to engage local stakeholders

Data and Tool Expertise (in-house or consultant help)

- Environmental pressure data and tools – build on previous materiality screenings, SBTi target setting, TNFD risk assessment, etc.
- State of Nature tools, datasets, and SBTN toolbox
- Big data management
- Upstream visibility and relationships with suppliers at material locations, start with HICL
- Expertise in life cycle assessment and footprinting
- Spatial analysis, GIS capability

Self Assessment Tool: Steps 1 and 2

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BSR®

Why This Tool?

Co-developed by SBTN and BSR, your company can use this tool to work through or check your existing work on Steps 1 & 2, as well as to prepare your submission to SBTN on Steps 1 & 2.

The tool is also helpful for internal coordination between corporate teams, business functions and external consultants.

Who Is It For?

For companies and supportive organizations looking to assess their level of readiness on Steps 1 & 2, and to check what is needed before moving onto Step 3.

This is an excel tool, accessible here: https://sciencebasedtargetsnetwork.org/step-1-2-self-assessment-tool-form-cep-member/

NOTE: This tool is not publicly available yet. By accessing it, you agree to maintain confidentiality of the tool and understand that it is still subject to change.

Tool features:

STEP 1a | STEP 1b | STEP 2a | STEP 2b | STEP 2c | STEP 2d

Step 1 & 2: A tab for each sub-step with self-assessment questions per requirement, including interpretation guidance and validation criteria which companies can follow to tailor their responses.

Readiness Status Check: A step which automatically calculates users' readiness to submit for validation

Prepare for Validation: A tab outlining next steps for users after confirming readiness for validation.

Train the Trainer

Aim

To build understanding of SBTN approach and methods so that users can confidently engage with companies on SBTs for nature.

Format

Modular webinars: live sessions and collateral materials that can be used to engage companies.

Comprehension tests: **required** for Referral Program members, **optional** for all other partners. These tests will be launched later in 2024.

Audience

Designed to train SBTN NGO partners and service providers in the Referral Program who work with companies on SBTs for nature.

CEP members will have access to training materials for visibility. Invites to upcoming trainings will be shared.

What does the program cover?

Initially, the program will be made up of five modules meant to be completed in sequential order:

Module 1	General Overview	• Introduction to the Train-the-Trainer program and curriculum • Overview of SBTN and SBTs for Nature, key concepts and the business case
Module 2	Step 1: Assess	• Detailed guidance on conducting a materiality screening and value chain assessment with companies
Module 3	Step 2: Interpret & Prioritize	• Detailed guidance on determining target boundaries, ranking locations, prioritizing and evaluating feasibility
Module 4	Step 3: Freshwater	• Detailed guidance on measuring & setting freshwater targets; target validation and disclosure
Module 5	Step 3: Land	• Detailed guidance on measuring & setting land targets; target validation and disclosure

Speakers Bureau

Speaker's Bureau

- SBTN is getting many requests to present (at high level) for corporate and other audiences.
- We are establishing a Speaker's Bureau to help meet this need.

Please consider signing up: SBTN Speaker's Bureau Signup

- Speakers can use Pitch Deck, which has detailed speaker notes
- By joining bureau, you agree to do at least one presentation, either from an opportunity we send out to the bureau list (first come, first served), or one of your own choosing.

Target Validation Pilot: Lessons Learned

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PROOF-POINTS FROM PILOT COMPANIES

Opportunities beyond risk mitigation

"These methods provide value in the form of risk mitigation – identifying risk along the supply chain – as well as improved reputation, and competitive advantage."

Measurable benefits

"Having credible nature targets leads to easier access to credit and financing."

"We are planning to save costs due to water use efficiency."

Raising ambition

"A no conversion commitment is far beyond our current no deforestation commitment and is a huge change that will come through SBTN."

Catalyst for change

"This approach is a first step towards a standardisation of how nature is integrated into companies' strategies. It's an enormous step forward."

Interoperability with other frameworks

"By doing SBTN you are paving the way for other frameworks - at least from a data perspective, the process is extremely rigorous and science-based."

QUESTIONS?

SBTN Knowledge Management

Off the Shelf Resources for You:

SBTN Website

- Technical Guidance
- Tools
- FAQs

Corporate Engagement Portal

(Password: SBTNProgram)

- Self – Assessment
- Train the Trainer
- Learning Sessions Recordings

Got feedback or a question ?

Contact us at: corporate-engagement@sciencebasedtargetsnetwork.org

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Ursus Case Study

What is it?

- A narrative of a company (Ursus Nourishment) progressing through Step 1 v1 of SBTN's methods including data collection and analysis with data based on a real company
- Broken up into Step 1a: Materiality Screening and Step 1b: Value Chain Assessment. Further refined by 9 "tasks" to progress through Step 1.
- Steps 2 and 3 of this case study planned to be released in July.

Who is it for?

- For companies and supportive organizations looking for an example of a logical flow of data collection and analysis through Step 1.
- Tool is accessible here: https://sciencebasedtargetsnetwork.org/wp-content/uploads/2024/03/Step-1-Ursus-illustrative-example-standalone-20240320.docx

NOTE: This tool is not publicly available yet. By accessing it, you agree to maintain confidentiality of the tool and understand that it is still subject to change.

ursus NOURISHMENT

Step 1a: Materiality Screening

Task 1: Define your organizational boundary

- The organizational boundary establishes the scope of activities, both direct operations and upstream activities, to include in the Step 1 materiality screening and value chain assessment. This step is key as it determines the broadest potential scope of activities included in target setting.
- In SBTN Step 1 v1, the organizational boundary can be defined via **Financial control, Operational control, or Equity control.**
- In the Ursus case study, we use the organizational boundary, based on all sites and activities over which it had full operational control

Task 2: Identify your direct operations and upstream activities

- The team decided to use the SBTN Materiality Screening Tool (MST). To use the tool, the team first needed to classify its business activities using the International Standard Industry Classification (ISIC).
- If using another industry classification, the MST has a "Crosswalk ISIC–NACE–GICS" tab.

Step 1a: Materiality Screening

Task 3: Identify high-impact commodities and threatened and trade-regulated species in your activities

Task 4: Screen for materiality

			Ecosystem use and use change				Resource Use		Pollution			
			Land use and land use change		Freshwater ecosystem use and use change		Water use		Water pollutants		Soil pollutants	
Associated commodity	ISIC Group	Production process	Indexed pressure score	Materiality rating	Indexed pressure score	Materiality rating	Indexed pressure score	Materiality rating	Indexed pressure score	Materiality rating	Indexed pressure score	Materiality rating
Cocoa, sugarcane, almonds	Growing of perennial crops	Small-scale irrigated arable crops	9.0	1	8.0	1	8.0	1	7.0	1	6.0	1
Corn, soybeans	Growing of non-perennial crops	Large-scale irrigated arable crops	9.0	1	9.0	1	9.0	1	8.0	1	7.0	1

Task 5: Refine the results to reflect your company's activities

Refining results could mean a variety of things, such as evidencing a production process linked in the upstream MST is not relevant for your specific company. For simplicity, the Ursus team does not do any such refinement.

Step 1b: Value Chain Assessment

Task 6: Select business units for target setting

- Companies with complex operations may focus on discrete parts of their business in the Step 1b assessment and the use of science-based target-setting methodologies in Step 3. These discrete parts, known as business units, correspond to geographic regions, industries, or brands.
- In the Ursus case study, we do not use the business unit approach.

Task 7: Identify volumes and locations in your operations

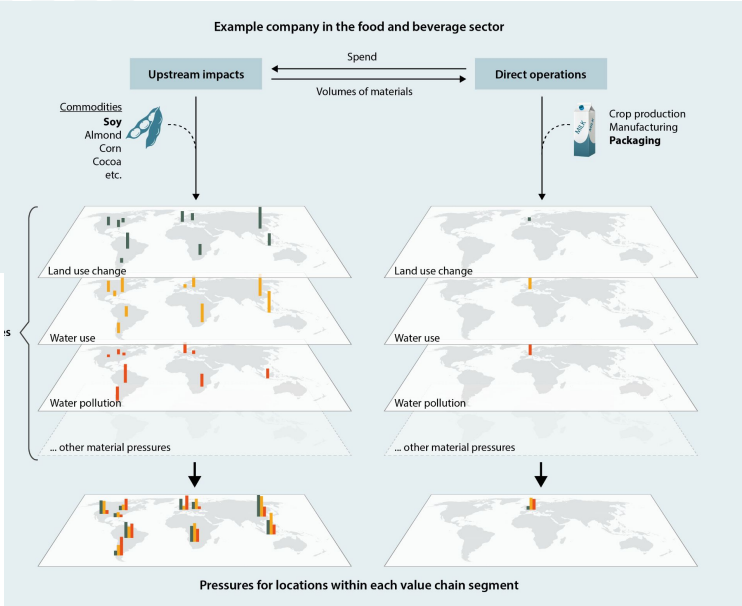
	Commodity	Quantity sourced (metric tons)	Sourcing location	Supply chain nodes to include in assessment	Certainty of activity location
Upstream	Cocoa	4,500	Côte d'Ivoire, Ecuador, Ghana	Raw production	Sourcing countries known and verified
	Corn/maize	30,000	United States	Raw production	Sourcing countries known and verified
	Soybeans	45,000	Argentina, Brazil, India	Raw production	Sourcing countries known and verified
	Sugarcane	10,000	Brazil, India	Raw production	Sourcing countries known and verified

Step 1b: Value Chain Assessment

Task 8: Quantify the environmental pressures of your activities

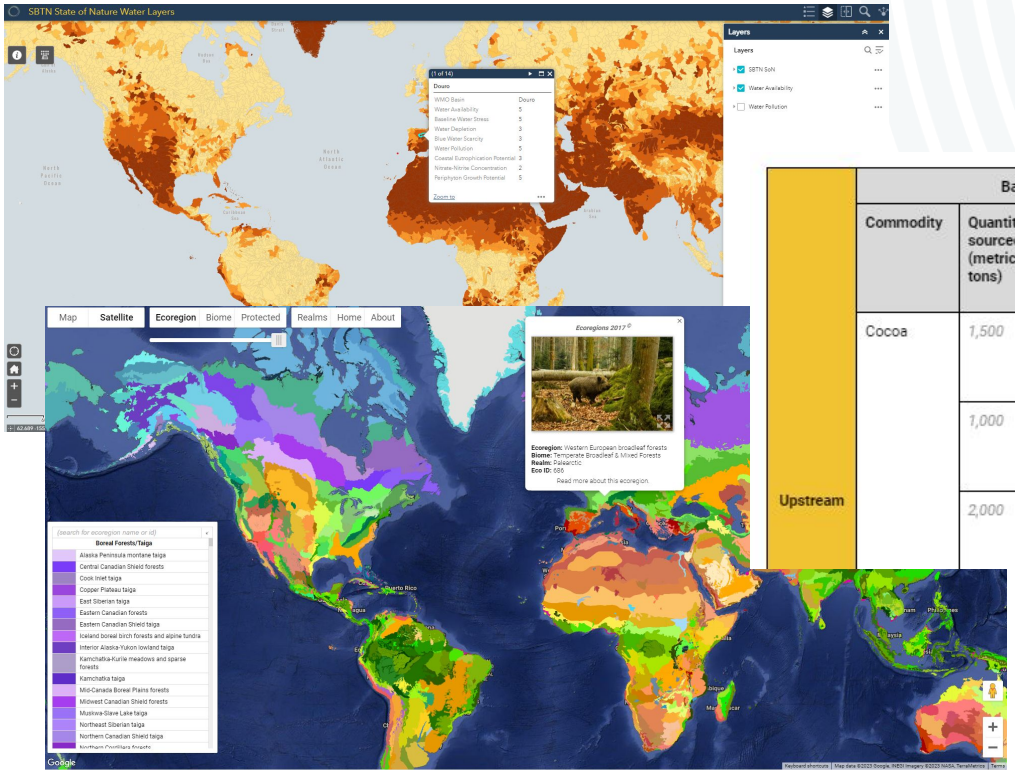
- We provide examples of how to structure the data to maintain links between unique operational sites, activities, and locations, and provide estimates for each material pressure.
- We also provide examples of data sources and tools to obtain necessary information for environmental pressures (SBTN toolbox is a good place to start).

	Commodity	Quantity sourced (metric tons)	Sourcing location	Land use (km^2)	Land use change (km^2)	Water use (m^3)	Climate change (tCO_2- eq) *All are from LULUC unless specified	Water pollution (kg P)
Upstream	Cocoa	*1,500*	Côte d'Ivoire	29	1	6,000	15,690	11,600
		1,000	Ecuador	18	0.24	4,000	5,560	7,200
		2,000	Ghana	35	0.38	8,000	20,290	14,000
	Corn/maize	*30,000*	United States	27	0.38	1,890,000	29,100	10,800
	Paperboard *(pressure estimates do not include timber production, which is recorded separately below)*	*17,500*	United States	4	0	154,000	23,931	299
	Soybeans	*10,000*	Argentina	36	4	50,000	18,400	14,400
		25,000	Brazil	73	5	25,000	46,000	29,200
		10,000	India	96	3	230,000	28,700	38,400



Step 1b: Value Chain Assessment

Task 9: Assess the state of nature in each geographic location



	Basic information			SoN_P				SoN_S
	Commodity	Quantity sourced (metric tons)	Sourcing location	Ecosystem integrity (SoN_P for land use)	Percentage of landscape not intact (2021) (SoN_P for land use change)	Water availability (SoN_P for water use)	Water pollution (SoN_P for water pollutants)	Species $STAR_T$
Upstream	Cocoa	*1,500*	Côte d'Ivoire *Africa, West Coast basin* *Ecoregion: Eastern Guinean forests (11)*	0.953	2.24	1	2.5	836.54
		1,000	Ecuador *Babahoyo basin* *Ecoregion: Western Ecuador moist forests (516)*	0.948	5.11	1.5	3	720.14
		2,000	Ghana *Africa, West Coast basin* *Ecoregion: Eastern Guinean forests (11)*	0.953	2.24	1.5	2.5	600.36

Q&A