



SCIENCE BASED TARGETS NETWORK  
GLOBAL COMMONS ALLIANCE

# **SBTN Public Consultations 2022–2023 Feedback Summary**

March 2024



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## Purpose of document

This summary of feedback received during the Science Based Targets Network (SBTN) 2022-2023 public consultations is a mechanism to show transparency and inclusivity in the method development process. The approach and format of this document are similar to those used by the Science Based Targets Initiative (SBTi).

## Audience

This document is written for a technical audience or a corporate audience familiar with our methods.

## Executive summary

- This document summarizes feedback received from public consultations held in 2022 and early 2023 on the draft methods for companies to set science-based targets for nature.
- These public consultations were critical in shaping our methodologies and directly informed the public release of the [first science-based targets for nature](#) in May 2023.
- The feedback documented here reflects the perspectives and concerns at that time and we are publishing this summary for transparency and historical reference. It represents a snapshot of the feedback at an earlier stage of the method development process.
- We are currently working with an initial cohort of companies who are setting the first science-based targets for nature - based on the methods released in May 2023 - to gain additional insights on the feasibility and rigor of our current methods. As part of this, these companies are piloting the “Step 3: Measure, Set & Disclose - Land” methods, which are currently in beta, and the target validation process.
- Some feedback raised during the public consultations is in the process of being addressed or further verified through the above initial cohort of companies and through subsequent method versions. We are committed to continuous improvement and scientific rigor, and the process of addressing feedback and refining methods is ongoing.
- Major areas of feedback in this document include: clarification of requirements and recommendations for end users, alignment with other initiatives, and the addition of further detail and support within the methods.
- Once the pilot concludes, we will share comprehensive learnings and a summary of feedback from the initial cohort of companies as well as resulting method revisions and validation requirements.
- We invite readers to get involved with our ongoing method development by engaging in our review processes and reading upcoming feedback and outcome reporting.





## Introduction

This document contains a thematic response to reviews received in the SBTN public consultations for the technical methods included in the first release of science-based targets for nature. These took place in September 2022 for the methods for “Step 1: Assess,” “Step 2: Interpret & Prioritize,” and “Step 3: Measure, Set & Disclose - Freshwater,” and in February 2023 for “Step 3: Measure, Set & Disclose - Land.”

While this document focuses on more critical feedback, throughout the method development process we received general recognition from reviewers for the thoroughness and robustness of the methods. Much of the feedback suggested that, if applied correctly, the methods would result in ambitious targets based on current best available science.

However, we also received constructive feedback focused on 1) clarity and readability of method documents and guidance, 2) prescriptiveness in the selection of data, models, and tools used for target setting, to avoid potential for unintended consequences, 3) end user feasibility, 4) additional method safeguards. As a result of these and other reviews within the SBTN method development process, key revisions were made to the first release of methods in May 2023. Some of the feedback will only be possible to address in future SBTN method releases.

### Method review and development process

In line with the approach used by SBTi, each target-setting methodology must undergo a public consultation as part of the development process prior to end users such as companies applying it in the real world. Public consultation is a mechanism designed to engage the broadest group of stakeholders for review and feedback, and is an opportunity for the organization facilitating the consultation to incorporate diverse perspectives in its development process.

The public consultation is one part of a multi-stage review and feedback process. The other review phases consist of feedback from the full SBTN method development community, partner nonprofits and companies and consultancies that are part of the SBTN corporate engagement program as well as an Expert Review Panel composed of external academic and nonprofit technical experts who were not involved in the drafting of the methods. The Expert Review Panel (n=14 reviewers across Steps 1-3 Freshwater and Land) is intended to mirror the academic peer review process and focuses on an evaluation of the alignment of the draft methodology with SBTN criteria for method development. *The Expert Review Panel across methods included members from six continents and included academics, NGO scientists, and industry coalition members (this review panel does not include any for-profit members).*





These review mechanisms focus primarily on nonprofit and academic experts to inform and assess the rigor of the methodology, with corporate feedback used to inform feasibility through review and pilot testing. These different inputs from stakeholders in the development process were woven together by the SBTN team to form the final version of the methods published in May 2023. To accompany this report, SBTN published a [blog post](#) that summarizes this method review process.

This document is intended to summarize the feedback received as part of the public consultations, by focusing on the dominant themes that informed the iteration of the methods to date, highlighting the revisions made to the methods and responses to feedback that will guide further method and tool development. Though the focus of this document is on one particular phase of the SBTN review process, the feedback received during the public consultations was largely consistent with other phases of review.

### **Participation in the public consultation process**

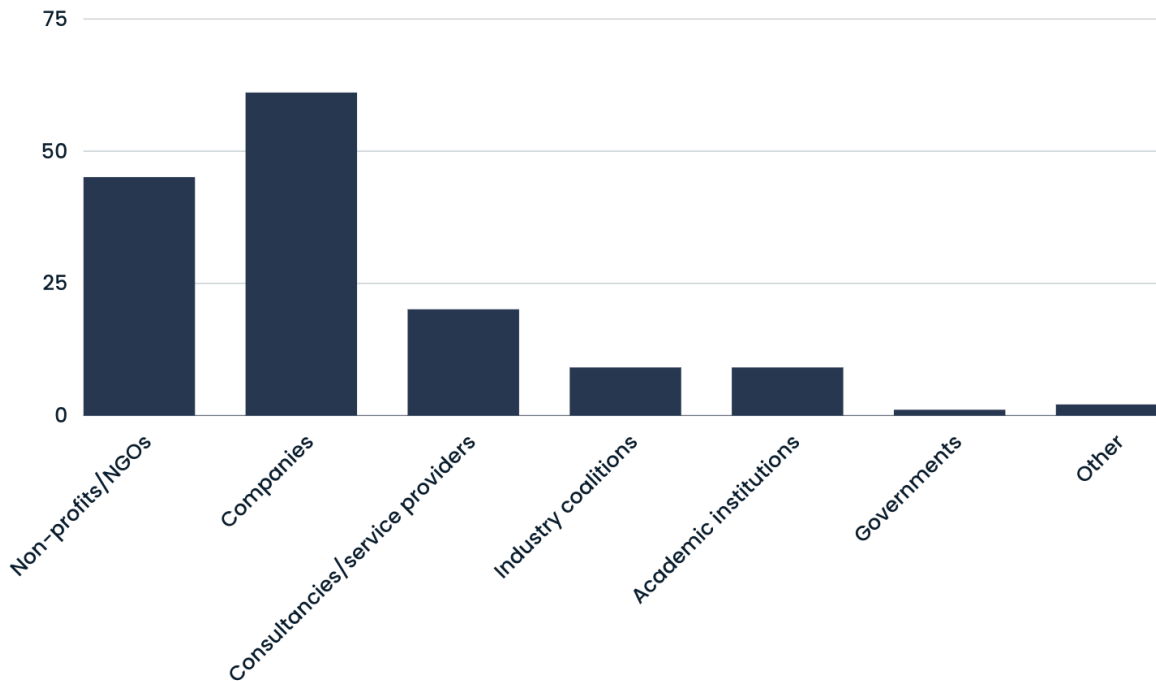
The September 2022 public consultation focused on Step 1: Assess, Step 2: Interpret & Prioritize, and Step 3: Measure, Set & Disclose - Freshwater targets. The February 2023 consultation focused on Step 3: Measure, Set & Disclose - Land targets. During these feedback periods, SBTN received over 1,500 individual comments, including questions, requests for clarification, and suggestions from 174 participants.

In contrast to the method development process, which is primarily driven by nonprofit, technical consultancy, and academic stakeholders with additional input and piloting from the SBTN corporate engagement program, the public consultations were a key opportunity for a wider group of participants. This included engagement from nonprofit and advocacy organizations that had not previously engaged in the method development process, as well as more voices from the end user community—further informing assessments of feasibility and scaling.



# PARTICIPANTS IN SBTN PUBLIC CONSULTATIONS

Numbers inclusive of Fall 2022 and Winter 2023 consultations



- Geographic breakdown of public consultation reviewers:
  - Reviewers came from five continents; of these, companies came from 16 different countries (Australia, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Japan, Netherlands, Norway, Portugal, Sweden, Switzerland, United Kingdom, United States).
- Nine sectors were represented:
  - Consulting, consumer staples, materials, consumer discretionary, utilities, health care, energy, information technology, and industrials.

Below we provide short summaries of public consultation feedback themes by method and the method developer responses. Responses contain detail on how questions and suggestions were addressed in our revisions to the methods, including instances in which these could not be addressed prior to the first method release.



## **The initial target validation pilot—trialing and improving the V1 SBTN methods and validation process**

Building on the feedback already received, SBTN is currently conducting a validation pilot with 17 companies across industries and geographies, which will inform the next revision cycle. This will address any red flags during corporate application of the methods and testing of the validation process prior to a broader rollout of target validation expected in 2024. In addition to issues raised through trialing, the pilot will also provide further information to method developers on specific learning objectives selected to increase both the rigor and feasibility of target setting. Insights collected through the initial target validation pilot will be captured alongside clarifications and options forward from our team (where possible), in a report at the end of the pilot period.

Note that this pilot is particularly significant for the Step 3: Land methods, which are at an earlier stage of development. Insights from the pilot will inform the revision of land methods from V0.3 to V1.0 for the broader rollout of target validation outside the initial pilot companies.

Final versions of the SBTN methods included in the 2023 release can be accessed here:

- [Step 1: Assess](#)
- [Step 2: Interpret & Prioritize](#)
- [Step 3: Measure, Set & Disclose - Freshwater](#)
- [Step 3: Measure, Set & Disclose - Land](#)

## General feedback on SBTN methods

### 1. Connection and alignment between SBTN and other frameworks.

Since its inception, SBTN has received many questions about how its work aligns with existing impact assessment, target setting, and disclosure frameworks. Over the past year or so, we've seen these cluster at an organizational level (i.e., how SBTN relates to another initiative) around the Taskforce on Nature-related Financial Disclosures (TNFD), the European Union's Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS), and SBTi. We have also had specific questions about how the new Forests, Land, and Agriculture (FLAG) guidance from SBTi and existing guidance from the Accountability Framework Initiative (AFi) align with our land methods, and have seen the same types of questions about the Alliance for Water Stewardship and Net Positive Water Impact for our water methods.

To provide more clarity for our target audiences about how we align with these organizations and other key elements of the broader sustainability architecture, we have released a blogpost called [Guiding Companies For a Nature Positive Future: SBTN's Interplay with Global Initiatives](#). Of particular interest to many end users are the relationship between science-based targets and other standards and certifications. More detail on this topic can be found within the [Frequently Asked Questions](#) section of our website titled "How do SBTs relate to sustainability certification standards such as RSPO, FSC, RTRS, MSC etc."

In addition, we have added clear references to other frameworks, within the Step 1 and 2 method documents, to give end users a more detailed understanding of the complementarity between our methods and other key frameworks and standards. Please look for this information in sections labeled "Connections to other frameworks" in Step 1 and 2, and through references in Step 3. These sections give a general view of how SBTN is aligning with other sustainability initiatives and how end users may leverage the data, analyses, and targets from

#### Connection to other frameworks — Screening approaches and definitions of materiality

##### CAPITALS COALITION

- Natural Capital Protocol (2016), Step 4— Determine impacts and/or dependencies (18)

##### CDP

- Climate Questionnaire (2023) (54)
- Forests Questionnaire (2023) (55)
- Water Security Questionnaire (2023) (56)

##### EUROPEAN UNION

- Directive 2014/95/EU [on Non-Financial Risk Disclosure/NFRD] (57)
- Regulation 2020/852 [on the establishment of a framework to facilitate sustainable investment/EU Taxonomy] (58)
- Directive 2022/2464 [on corporate sustainability reporting/CSRD] (52)<sup>16</sup>
- European Financial Reporting Advisory Group/European Sustainability Reporting Standards (59):
  - ESRS 1— General requirements
  - ESRS E2— Pollution
  - ESRS E3— Water and marine resources
  - ESRS E4— Biodiversity and ecosystems

##### GLOBAL REPORTING INITIATIVE:

- GRI 1: Foundation 2021 (32)
- GRI 3: Material Topics 2021 (33)

##### INTERNATIONAL FINANCIAL REPORTING STANDARDS/INTERNATIONAL SUSTAINABILITY STANDARDS BOARD:

- Exposure Draft ED/2022/S1 General Requirements for Disclosure of Sustainability-related Financial Information (60)

##### INTERNATIONAL STANDARDS ORGANIZATION

- ISO 14001:2015 Environmental management systems—Requirements with guidance for use (34)

##### NATURAL CAPITAL FINANCIAL ALLIANCE

- ENCORE tool (47)

##### OECD

- Due Diligence Guidance for Responsible Business Conduct (51)

##### WWF

- Risk Filter Suite: Biodiversity Risk Filter and Water Risk Filter (61)





SBTN to fulfill the recommendations and requirements of other voluntary and regulatory frameworks. See the example on the previous page.

To provide further context on the alignment of our methods (Steps 1–3) with the TNFD’s LEAP approach and disclosure recommendations, we have also co-authored [joint target-setting guidance with the TNFD](#). This guidance focuses on clarifying how companies can use the SBTN target-setting methods to address TNFD disclosure requirements.

The topic of interoperability and connections to voluntary and mandatory frameworks and standards is a topic that SBTN recognizes is critically important to adoption and scaling of the SBTN methods. In addition to incorporating this feedback into method revision, we are releasing a series of publications focused on this topic at the broader SBTN level and the more specific land and freshwater methodology level.

## 2. Clarifying validation requirements vs. recommendations within the methods.

In the public consultation, SBTN received feedback suggesting that the validation requirements—which capture what companies *must* do to use the methods correctly, validate, and make claims on their targets—were not clearly presented in the methods documents.

To address this feedback, the methods now use consistent language to distinguish between requirements and recommendations, as modeled by the International Organization for Standardization (ISO) and SBTi. To provide further clarity, the methods were restructured to create sections at the end of each sub-step in the target-setting process summarizing the validation criteria: composed of both method requirements and recommendations. This creates a clear separation between guidance and recommendations in the methods, providing more clarity that can enable companies and consultancies to interpret the methods appropriately. See the example on the right.

The methods also now include a writing convention of underlining and italicizing language guidance to visually distinguish the validation criteria from the broader method document. This language captures required actions for

REQUIREMENTS AND RECOMMENDATIONS  
—INTERPRETING MATERIALITY SCREENING RESULTS

- ◆ **Requirement 5. Pressures in scope for materiality screening.**  
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.
- ◆ **Requirement 6. Pressures to carry forward to value chain assessment.**  
For each value chain segment, companies *must* continue to assess all pressures, within the current SBTN methods scope for which they have any activities where values are either:
  - Greater than or equal to the given threshold for materiality in the Materiality Screening Tool using either the Production Process- or Group-level scoring thresholds (prescriptive approach), or
  - “Of concern,” based on the assessment of a relative estimate of materiality (provide score with the highest value or threshold calculated on the median value by pressure) or absolute estimate of materiality (a quantified value per pressure category based on primary or modeled data)<sup>10</sup> (flexible approach).
- ◆ **Requirement 7. Restrictions on use of ISIC Group level materiality threshold in prescriptive approach.**  
Though companies using the ISIC Group level materiality rules (calculated as the mean of all relevant production processes for each group in scope for the screening) to interpret the Materiality Screening Tool *can* submit scores only at the ISIC Group level, they *must* note which production processes exceed the materiality threshold at the ISIC Group level. This scenario may occur when the Group is eliminated from further screening (materiality score = 0), but one or more production processes within that group are determined to require further screening (materiality score = 1). Companies may only eliminate a required production process (materiality score = 1) from the value chain assessment if they can provide additional evidence that the production process is not relevant to the company.
- ◆ **Requirement 8. Submission of evidence for exclusion of pressures – prescriptive approach.**  
Companies using the prescriptive approach, but that have conducted a screening for GHG emissions or another pressure and determined it is not material, *must* submit evidence as specified by SBTN.
- ◆ **Requirement 9. Submission of evidence for inclusion and exclusion of activities – flexible approach.**  
Companies utilizing the flexible approach *must* provide appropriate justification for their identification of materiality for activities and pressures assessed (methods, tools, and data needed to support or reproduce the provided estimates).
- ◆ **Recommendation 7. Interpretation of “no data” values in the Materiality Screening Tool.**  
“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.



companies, described using the language of must/required, and recommendations, described using the language of should/recommended.

To make the validation criteria even more accessible to end users, the independent Validation Team created by SBTN is preparing a standalone validation criteria checklist for Steps 1 & 2, and Step 3. This will reflect any changes made in response to the current validation pilot, thereby correcting potential issues with guidance clarity and methodological feasibility.

Read more about our validation process [here](#).

### 3. Greater inclusion of dependencies in the first release of SBTN methods.

A number of reviewers suggested that the first SBTN methods increase coverage of company dependencies on nature. As noted in previous SBTN publications, dependencies are part of the core conceptual framework of corporate-environmental interactions and interventions (see [SBTN Initial Guidance for Business, 2020](#)).

Although dependencies have a conceptual appeal for companies—as these in many ways help companies to define value in the protection of ecosystems and remediation of impacts—these considerations are more relevant from a financial materiality perspective than the environmental and societal materiality perspectives central to the first SBTN methods. However, we recognize that the perspective of dependencies is critical to drive action on and investment in measures concerning nature impacts. For this reason, dependencies are included as part of the method for Step 2, in the section on additional considerations of financial materiality and strategy (Step 2D), after the company has completed a prioritization based on environmental materiality considerations.

The current approach in the Step 2 method allows data on dependencies as well as other considerations relevant from a financial materiality perspective to become part of companies' target-setting strategies, while still centering the results of an impact-based prioritization. This approach means that companies and other SBTN stakeholders can be clear how a dependencies perspective shapes the prioritization of target setting on locations with material impacts on nature.

Based on our current knowledge, target setting on company dependencies on nature would likely draw on some of the same data and analyses as impact-based targets. Through the SBTN prioritization process, companies may effectively be setting targets on their dependencies through setting targets and taking action on related impacts in a given location.



Finally, approaches for target setting on dependencies are very nascent and characterized by different schools of thought. As the science around these approaches develops, we expect to further incorporate dependencies into our target-setting methods.

For further explanation of SBTN's approach to dependencies, please see the FAQ in our [Frequently Asked Questions](#) section of our website: "What is SBTN's approach to companies' dependencies on nature?"

#### **4. Level of expertise required by companies and consultancies to complete the SBTN target-setting methods.**

Throughout the SBTN development process, including in the public consultations, a number of reviewers have called attention to the capacity gap between the expertise required in order to set science-based targets for an entire company, and the level of expertise currently held within companies' sustainability teams (in-house and on-demand, through consultancies).

The current validation pilot will inform our understanding of the level of expertise and resourcing needed to complete the methods. This information, collected through the validation process, will inform short-term method, tool, and training material development aimed at increasing the applicability and actionability of the current methods as well as informing mid- to long-term technical development.

One key area of feedback was about the need for other enablers of company and consultancy progress and capacity building beyond the technical materials (methods, guidance, and tools). To address this need several additional resources are anticipated to be released in 2024. The first is a Corporate Manual, which will serve as a starting point for understanding the process for setting science-based targets for nature. This will summarize the existing SBTN technical guidance, enough to give readers a sense of what is required at a high level to set targets, but it is not intended to be the sole tool that companies will use to set targets—companies should still refer to the technical guidance and validation content to do so. This manual will also point readers to further resources that will support them along the journey to set targets. SBTN will also be releasing a self-assessment tool for Steps 1 and 2 to allow companies and service providers to guide companies through the beginning of their SBTN journey, preceding the validation of Steps 1 and 2. We will also release a set of Train the Trainer materials aimed at empowering partners and consultancies with the information they need to successfully support companies in setting science-based targets for nature.

We also recognize that companies' and consultancies' internal expertise and resourcing in key topics and skills for SBTN methodologies (e.g., spatial analysis and life cycle assessment) are likely to grow over time, mirroring the capacity building that occurred following the broad adoption of climate targets and regulation.



## 5. Criteria and guidance for using tools.

SBTN received feedback on two primary aspects of tool and data usage within the SBTN methods: 1) clarity on the selection of recommended and required tools and data, and 2) additional guidance on the appropriate use of specific tools and datasets in the SBTN methods.

Additional clarifications are provided through standalone documents provided alongside the first methods: [SBTN Data and Tool Criteria \(V1\)](#) and the [Step 1 Toolbox](#). Additional guidance on the use of tools and datasets is provided through additional content incorporated into the methods, describing the appropriate use of data and tools, as well as supporting information accompanying the interface of any bespoke SBTN tools (e.g., the Materiality Screening Tool and High Impact Commodity List).

Additional training content on SBTN tools, and case studies exemplifying data use, is anticipated to be released in 2024.

Tool selection and use is a known area of future development. We expect this will be informed by empirical data from the validation pilot, input from consultancies working on the methods, and the SBTN technical development community. These insights can then be used to refine the recommendation of datasets for use in the SBTN methods based on our tool and data criteria as well as to provide further clarity on the use of these resources by end users.

## 6. Inclusion of human rights/stakeholder issues.

Many reviewers noted the need to further incorporate human rights and social considerations into the SBTN methods. SBTN recognizes that the successful adoption of science-based targets for nature requires the implementation of effective and *equitable* targets, so this feedback is currently being acted on in short- and long-term method revisions.

Following the public consultation, SBTN's method development team worked with consultancies with a specific focus on human rights and justice, equity, diversity, and inclusion in business practices to create the first draft of SBTN's Stakeholder Engagement Guidance. We also incorporated this guidance within the Step 2D methods as a recommendation. This recommendation will influence the prioritization and implementation of science-based targets for nature. In addition, some of the recommendations and guidance within the SBTN Stakeholder Engagement Guidance are likely to be embedded as part of the Step 4: Act guidance, which provides guidance on appropriate company actions for the achievement of science-based targets for nature. SBTN will explore approaches for appropriate validation of stakeholder engagement in the context of the current validation pilot.



Following the drafting of this guidance, publicly available on the [SBTN website](#), we conducted multiple reviews of the same. First, we conducted an internal review within the SBTN method development community, including experts in the topic of stakeholder engagement and target implementation, followed by a joint expert review panel with TNFD, who have drafted similar guidance.

This feedback centered around creating greater clarity in the method documentation, better incorporating complementarity with the TNFD guidance, and further practical implementation guidance to support companies in the implementation of the current guidance on best practices.

Updated (V1) Stakeholder Engagement Guidance is anticipated to be available in 2024.

#### **7. The need for case studies and illustrative examples to help readers understand how to apply the method.**

Many stakeholders commented on the usefulness of the detailed illustrative example of the fictional company, Ursus Nourishment, included in the public consultation. However, a number of these same stakeholders also shared that they found the style in which the example was integrated into the methods themselves to be disruptive.

To address these concerns about readability, while still retaining the illustrative example as a resource, the text and tables were removed from the Step 1 and 2 methods for ease of reading. These were initially intended to be released alongside the methods during the spring release but are being revised to integrate additional feedback on technical aspects of the example. The standalone case study is expected to be released for publication in 2024.

Additional fictionalized examples based on real companies from different sectors are expected to become available in 2024.

#### **8. Guidance on actions and measurement, reporting, and verification to achieve science-based targets for nature.**

Reviewers raised the importance of guidance on actions to meet science-based targets for nature. To address this feedback, an initial set of response options is provided at the end of the Step 3 Freshwater and Land methods. Pilot companies within SBTN's current validation pilot are also trialing the use of a "Corporate Action Plan". This will be a way to 1) ensure that companies have sufficient resourcing and planning in place to support the science-based target they set, and 2) help SBTN inform its development of Step 4: Act and Step 5: Track guidance using company data. Within the action plans, companies are being asked to share resourcing, key performance indicators for target achievement, and evidence of socialization with key stakeholders and company leadership. This is being evaluated for use





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in the broader rollout of validation services expected in 2024, in the absence of detailed Steps 4 and 5 methods.

Comprehensive guidance on Step 4: Act and Step 5:Track is expected in future releases, beginning in 2025, and will provide guidance on the implementation, measurement, reporting, and verification of science-based targets for nature.



## Feedback on Step 1: Assess



### 1. The scope of pressures covered in Step 1: reducing complexity while retaining a holistic assessment.









Step 1: Assess focuses on enabling companies to conduct a comprehensive and holistic assessment of their environmental impacts. The assessment approach has been designed to align with the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) framework to cover the major pressures driving biodiversity loss.

During the public consultation, some reviewers raised concerns about the number or breadth of pressures companies were required to cover in Step 1, stating that these would strain companies' current in-house expertise, and add time, budget, and other resource costs to the exercise that companies may not be prepared to shoulder today.

As a response to this feedback, the revision to Step 1 pared down the required pressures in the screening step (Step 1a) to only those for which there are science-based target methods currently available or anticipated in the next round of releases (for this reason there is still limited assessment of marine impact and the pressure of overexploitation, which are not yet included in targets). This results in 8 required pressures for screening, rather than 12. For the value chain assessment (Step 1b), companies are required to continue gathering data for only those pressures which are flagged as material in the screening step and then retained in the scope of the analysis after the refinement step ahead of Step 1b. See below for the final list of pressures required in the Step 1 assessment, taken from Table 2 in the Step 1 method. These are shown within the context of all pressures relevant for science-based target setting.

This narrowing of scope is intended to increase the feasibility of method application for companies, while still encouraging and enabling them (through tools and the basic

Pressures with star symbols  are those that are subject to target-setting methods in SBTN's V1 Step 3. Those with open circles  are required to be included in the Step 1a materiality screening based on their likely inclusion in the next releases of target-setting methods, but they may be excluded from the value chain assessment (Step 1b) and following steps. All other pressure categories not marked with a symbol are recommended but not required for assessment.

IPBES Pressure Category	SBTN Pressure Category	
	Land use and land use change (Terrestrial ecosystem)	
	Freshwater ecosystem use and change	
<b>Ecosystem use and use change</b>	Marine ecosystem use and change	
	Water use	
<b>Resource exploitation</b>	Other resource use (minerals, fish, other animals, etc.)	
<b>Climate change</b>	GHG emissions	
	Non-GHG air pollutants	
	Water pollutants	
	Soil pollutants	
<b>Pollution</b>	Solid waste	
	Disturbances	
<b>Invasives and other</b>	Biological alterations/interferences	

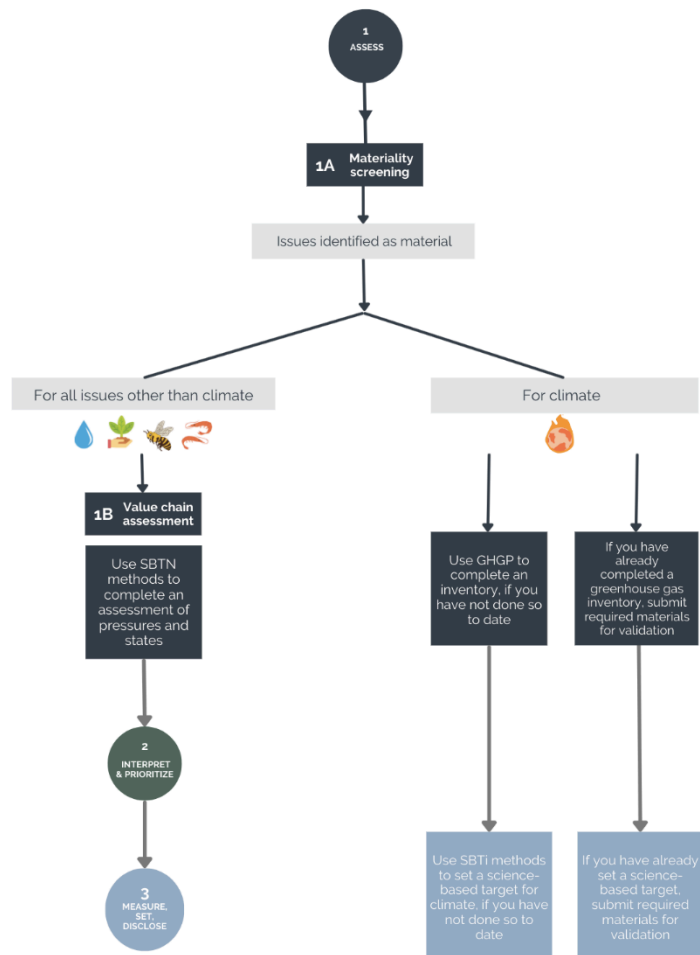


assessment approach) to form a thorough and holistic view of their impacts on nature and biodiversity.

**2. Clarifying how companies should assess and manage impacts on climate within the scope of the SBTN methods.**

A number of reviewers were unclear how climate was (in actuality) or should (as a recommendation) be covered in the Step 1 method.

Going back to the foundational vision of SBTN laid out in the Initial Guidance for Business (2020), the first step of the target-setting process must include at least a screening on a company’s impacts on climate change (through GHG emissions). This is necessary because climate change is a key driver of biodiversity loss. For any company to make claims about how their science-based targets for nature contribute toward environmental improvements, they therefore must understand and manage their contributions toward climate change, as well as the other key environmental issues managed through science-based targets for nature (V1): water use, water pollution, land use, and land use change.



In the Step 1 method, all companies are required to, *at a minimum*, screen GHG emissions/climate in Step 1a. All companies that have already completed a GHG inventory do not need to repeat this exercise in Step 1b. All companies that find climate to be material and have not completed a GHG inventory should do so using guidance from the Greenhouse Gas Protocol (GHGP) and SBTi in order to fulfill SBTN requirements. This visual provides an overview of how companies should proceed through the SBTN methods when climate is material.

Please see the FAQ in our [Frequently Asked Questions](#) section of our website: “Do companies setting SBTs for nature need to set SBTs for climate?”

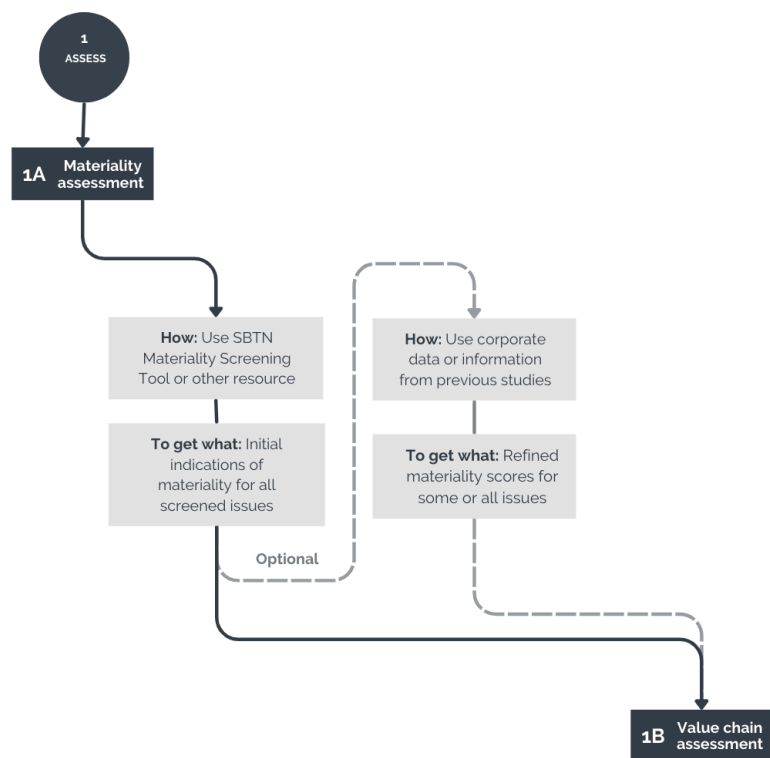


### 3. Providing an opportunity for companies to refine materiality screening results before collecting further data.

During the public consultation, there was a general consensus from reviewers familiar with early versions of the SBTN methods that a refinement step needed to be reintegrated into the methodology between Step 1a and Step 1b. This methodological step was included in previous versions of the method that were available to internal audiences working with SBTN to test and provide feedback on our technical development.

As written and incorporated into the final method for Step 1 (V1, 2023), this step allows

companies to challenge the results of the Materiality Screening Tool or another screening tool used in Step 1a, and introduce their own data and rationale for revising materiality scores attributed to their sector more broadly. This step is key for allowing companies to adjust scores that may be representative of their sector as a whole but not their particular company. The logic submitted to SBTN to justify these revisions will be reviewed by an independent team of validators.



If accepted, the evidence submitted in this step allows companies to refine the scope of the business covered in the value chain assessment (Step 1b), and further steps of the SBTN method. This is a critical addition to the method as there are limited options in the subsequent steps of the method for limiting the activities included in the target-setting exercise.

### 4. Developing the business unit approach to enable target setting without curtailing ambition.

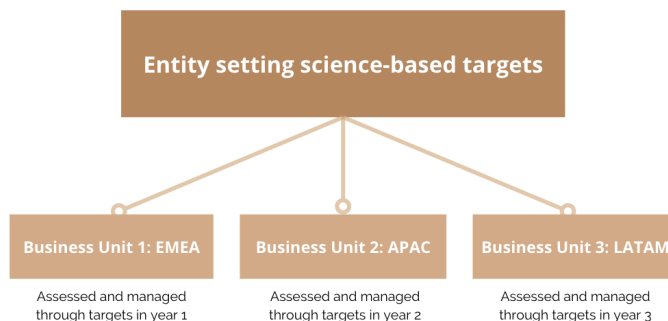
In the public consultation, the business unit approach was welcomed by businesses, consultants, and NGOs working on corporate target setting as a way to facilitate corporate entry into the science-based target-setting process. Questions about the business unit

approach from reviewers in this process were primarily focused on its relation to the overall ambition of companies encouraged by the SBTN target-setting process.

The business unit approach proposed by SBTN in the consultation version of the method was developed in order to solve two challenges: 1) getting started with science-based targets for complex businesses (that cannot do everything at once), and 2) getting started with science-based targets for companies that are at brand/unit level.

Respondents asked SBTN to consider how to incentivize full enterprise/company coverage over time, and how to ensure businesses do not pick the least impactful unit to begin with. To address these concerns, our teams have built safeguards against “cherry-picking” into the validation process and method sequence itself: the business unit approach can only be applied *after* companies have completed a materiality screening for the entirety of their business in Step 1a. Validators may ask for additional justification for the business unit selection if it appears to clearly avoid the most significant environmental impacts. To address concerns of ratcheting over time, we also include a requirement that companies complete a value chain assessment of all material business units (i.e., those expected with contributions toward key pressure categories) by 2028 at the latest. Further information on the business unit approach and the requirements for its application can be found in the supplementary material for the [Step 1 method](#).

To inform further development of this approach, our team will consider the experience of companies participating in the initial validation pilot, and other structured tests of the methods conducted by SBTN partners.



## 5. Upstream value chain assessment coverage.

The feedback from public consultation reviewers on the scope of upstream activities covered in the value chain assessment (i.e., the breadth of upstream activities, and the depth of analysis for each of these) followed the same pattern of divisions seen in SBTN consultations from previous years. Again, companies and consultancies argued for more



restricted scopes (i.e., fewer activities required for assessment at depth) than NGOs, civil society organizations, and academics (who argued for more activities included in the assessment at depth). The ability of companies to provide estimates of the impacts for this full scope of upstream activities is a key area our teams are looking to learn from in the initial validation pilot.

The SBTN methods reflect an effort to find a balance in our final methods by considering what is currently possible for companies/consultancies in their existing form, and providing recommendations that will help increase the level of ambition of action for nature.

Requirements are broadest at the outset, when data should be easiest to collect, and then become more focused as data becomes more specialized. In Step 1a, the initial materiality screening requires comprehensive coverage of upstream procurement at sector level, allowing the company and SBTN to have a full qualitative picture of upstream impacts. However, this scope is reduced as companies move through the methods and are required to collect quantitative and spatially explicit data in the Step 1b value chain assessment.

Our current requirement is for companies to assess through estimation techniques the impacts associated with at least 67% of the company's spend or volume, as well as all activities associated with high impact commodities. This percentage of coverage is aligned with SBTi and the GHGP, and is absolutely essential for companies to understand and manage their upstream value chains. Ambitious upstream assessment, including of high impact commodities, is being pushed by governments (see the latest EU regulation on deforestation), and is increasingly expected by investors (see TNFD, CDP).

For each activity included in the scope, companies are then asked to calculate the impacts of the most impactful stage of a given commodity/activity (e.g., extraction, production, harvesting) with accompanying location data in order to understand the importance of these activities for the environments in which they occur. Alternatively, where impact estimates are not available for just the most impactful stage, companies may use full cradle-to-gate estimates but still associate the data with the location of greatest impact. Both approaches ensure that targets are set where they address the majority impacts of upstream sourcing.

## **6. Exclusion of downstream from SBTN V1 methods.**

A number of reviewers in the public consultation and previous rounds of internal feedback to SBTN have pointed to the exclusion of the downstream segment of the value chain as a key gap in the SBTN methods. Addressing downstream activities is particularly significant for certain industries (e.g., oil and gas, consumer goods) as these include the activities happening after a company sells a good or service, to another company or a consumer, and until the good or service meets its end of life (e.g., in a landfill) or is reintegrated into productive economic value chains (e.g., through recycling, refurbishment, and resale).





Despite this feedback, and our teams' acknowledgment of the environmental importance of these impacts, downstream value chain coverage is still not included as a requirement in the first release of methods for setting science-based targets for nature. The reasons for this are multifold. First, reviewers and end users expressed concerns of feasibility in the existing scope of the methods, which does not include downstream coverage. Additionally, approaches available for estimating downstream impacts and conceptualizing corporate responsibility for these are nascent and relatively untested. As a result, our team chose to keep the required scope of the first release of methods to upstream and direct operations, though companies may go beyond the method requirements and conduct an optional assessment of their downstream impacts.

To inform future method development, SBTN is currently working on a discussion paper focused on understanding the feasibility of measurement and action on nature impacts in a company's downstream value chain, including a review of existing literature, and approaches utilized by companies and other sustainability frameworks.

#### **7. Adapting the methods to address known limits and challenges to collecting location data for upstream activities.**

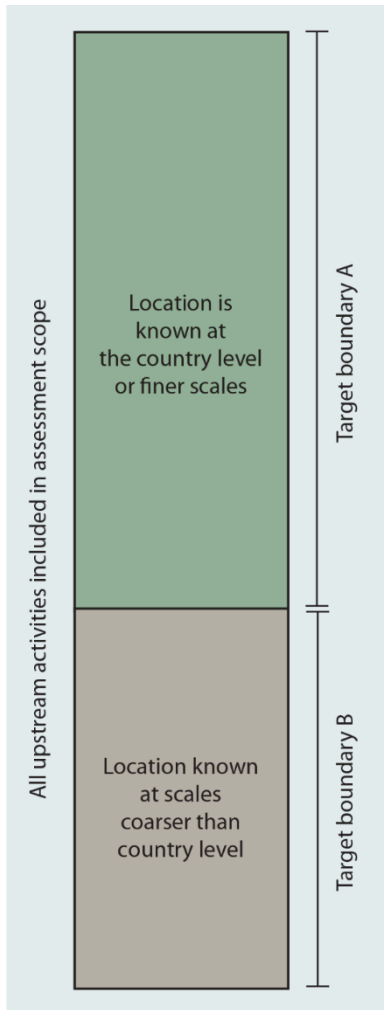
Another key challenge in the methods identified during the public consultation process was the collection of location data. Though this data is necessary for properly estimating and understanding companies' impacts on nature, many companies do not readily have this data on hand—particularly for their upstream activities. Reviewers provided feedback to share how in some instances, it is impossible and impractical for companies to collect this (e.g., in cases of consistently switching suppliers to follow prices, or buying on spot markets), and in other instances, it may be possible but only with sustained investment and strengthened collaboration with upstream partners.

Responding to this feedback, the Step 1 and Step 2 methods have been edited to create two pathways for companies to set science-based targets, based on their current access to location data for their upstream activities. Companies that are not able to confidently provide an estimated location for their upstream activities (i.e., are not able to identify at least the country of origin) in Step 1 are required to apply a different approach in Step 2, and invest in improving their upstream traceability before setting targets on these supply chains using SBTN's Step 3 methods. Depending on the type of data the companies have on





hand, they will use the approach for target boundary A (for country-level or subnational data) or target boundary B (for multinational or global data) in Step 2.



These revisions recognize that companies have varying levels of uncertainty for upstream data, which enables companies to get started setting targets and taking action on the parts of their upstream supply chains which have the greatest impact on nature and also currently have the best available data. Rather than requiring companies to have all data ready at the point of submission in 2024, the methods require companies to increase traceability over time to comprehensively address upstream environmental impacts. Specifically, this means that companies may progress with setting upstream targets for activities and locations that are in their target boundary A for upstream in Step 3. This new guidance enables companies to get started with target setting for their upstream activities where they have the best-available data at present, while providing credible pathways for action for them to improve traceability and impact management in the other parts of their upstream supply chains before completing the full target-setting requirements.

The validation pilot, currently being conducted by 17 companies, will give us more insights into the reality of upstream traceability and the feasibility of current method requirements that will be reflected in further method revision prior to the broader rollout of target setting to companies beyond the pilot group.

## 8. Guidance on how to use multiple tools to assess the state of nature in Step 1.

A number of participants in the public consultation voiced confusion about the portion of the Step 1 method that requires companies to use more than one dataset or tool to assess certain state indicators, e.g., water availability and water pollution. Reviewers were confused on how to extract, combine, and interpret values from multiple sources.

To help companies with this part of the method for the state of nature indicators for water availability and water pollution, two partner organizations in the SBTN Freshwater Hub—the World Wide Fund for Nature and the World Resources Institute—teamed together to develop a unified dataset to reduce the analysis burden for companies. This can be accessed [here](#). Using this dataset, companies need only extract values from the combined layers, rather than using multiple datasets to complete the analysis.





For the part of the method focused on state of nature tools for biodiversity, companies are required to use an additional biodiversity metric. Though SBTN does not currently have a specialized tool for combining datasets for this part of the method, additional language has been added to the methods in both Step 1 and Step 2 to help end users better understand how to use and combine different datasets to complete their analysis. See section 3.6 in Step 1 and section 2.1.4 in Step 2. In future releases, this section will be further expanded to provide clarity on the suggested calculation approach (using both text and data analysis templates).

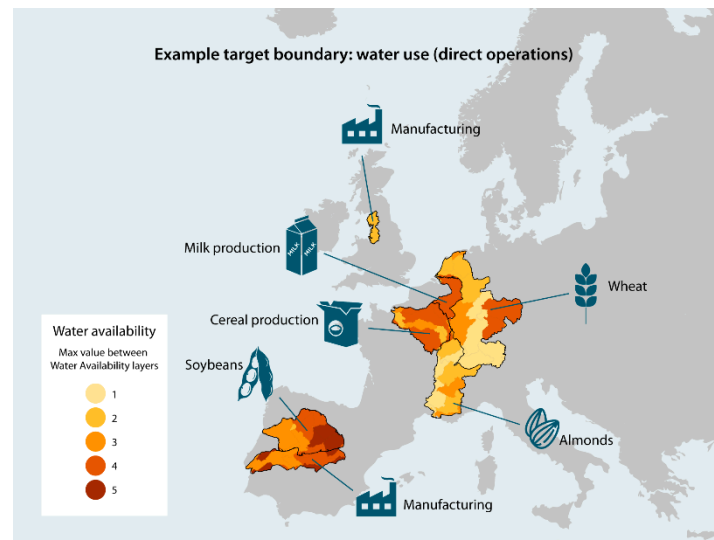


## Feedback on Step 2: Interpret & Prioritize

### 1. Defining the concept of target boundary.

The public consultation revealed confusion about the concept of target boundary. It was for many reviewers a new term, and for those familiar with science-based targets for climate, they were unsure how this term differed from its application for climate targets.

To address these questions, further definition of target boundaries was added to the Step 2 method, as well as written and visual examples, found in section 2.1 of the method. As defined in the method document, target boundaries “are the *spatial extent* of companies’ pressure footprints managed through science-based targets. The target boundaries must be defined for each pressure and value chain component as well



as the activities and goods that will be addressed by science-based targets over time.”

Because science-based targets for nature are place-based, target boundaries can only be defined using location information. Target boundaries can be defined using the names of the locations where companies operate, and in terms of the hectares or spatial area affected by those operations. Science-based targets will be set within target boundaries but may not cover the entirety of a target boundary (particularly when the boundary is defined using country-scale location information).

For further clarification of the target boundary definition process, SBTN will release illustrative examples within the next version of method updates and in case studies, expected in 2024.

### 2. Clarifying the process for ranking sites within target boundaries.

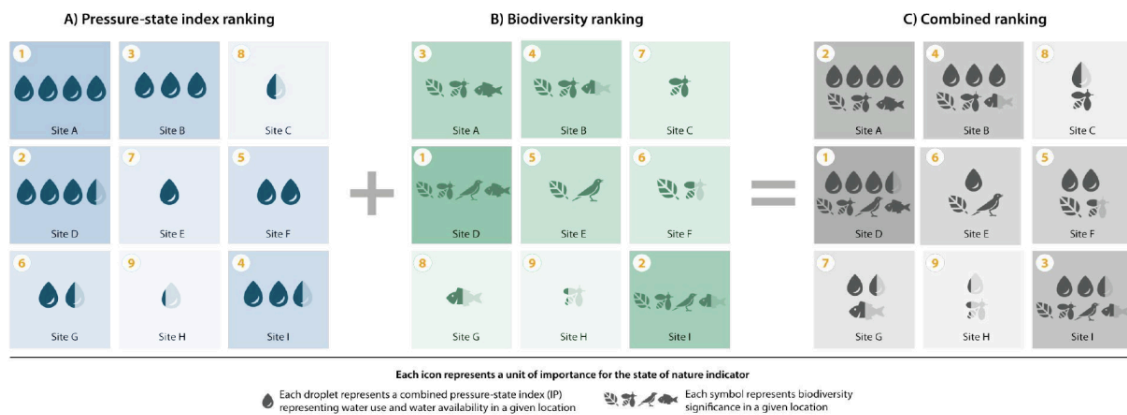
For Step 2, the majority of questions and requests for clarification were on the process of ranking sites within each target boundary, as outlined in Step 2b. This part of the method provides companies a prescriptive way of evaluating the significance of different sites within a given target boundary, using the data on pressures and states of nature collected in Step 1. Stakeholders participating in the consultation were unsure of how to combine



pressure (P) and state of nature (SoN<sub>p</sub>) data into the recommended indexed pressure metric (IP), and also unsure how to evaluate this data on pressures in comparison with their data on biodiversity (SoN<sub>b</sub>) to derive “combined” priority rankings.

To resolve these questions and increase clarity in the final method released, further detail is provided on how to calculate the indexed pressure variable (IP)(see section 3.1.1 of the Step 2 method) and on the process for evaluating these values relative to the state of nature for biodiversity (see section 3.1.3 of that method). Further explanation of the logic for creating equivalence between the pressure and biodiversity variables in the Step 2 ranking is provided in Box 3 of the method.

Figure 5—Combining location rankings using pressure-specific values and biodiversity values. The three figures show the calculation and introduction of new information, moving from the pressure ranking to the biodiversity ranking, and then to the combined ranking. Each of the nine boxes within each figure are meant to represent a different site. Each site is associated with both a value for that variable (the icons) and the ranking (the yellow number). Each icon is meant to indicate importance for that variable, with four icons being highest importance and no icons being least importance.



### 3. Alignment of prioritization process with the Step 3: Measure, Set & Disclose targets.

As both freshwater and land methods were undergoing development and revision at the same time as the Step 1 and 2 methods, some reviewers noted that parts of the Steps 1 and 2 methods did not align with the Step 3 method requirements.

To address this, revisions were made to the prioritization process to 1) match the model selection process associated with top-priority freshwater basins, and 2) match target coverage requirements in the land methods. This included adding specific prioritization information aimed at identifying top-priority basins from an environmental materiality and dependencies/financial materiality lens. Companies will now leave the Step 2 method understanding which basins need additional stakeholder consultation to identify and select local hydrologic models. For the land methods, the revisions also clarified that prioritization cutoffs are only applicable to the identification of landscapes in which to set the Landscape Engagement targets and not to the No Conversion and Land Footprint Reduction targets designed to address the companies’ full target boundaries.





#### 4. Re-establishing the importance of stakeholder needs in the target-setting process.

Reviewers noted the absence of recommendations to engage and include local stakeholders in the target-setting process that had been part of the SBTN Initial Guidance released in 2020. In contrast, the public consultation version of the Step 2 method focused solely on the process of collecting and evaluating environmental indicators in the preparation for target setting.

During and following public consultation, SBTN began working on the Stakeholder Engagement Guidance to accompany the full target-setting process. [This beta guidance](#), published alongside the first release of methods in May 2023, aligns with best practice and requirements across voluntary and mandatory frameworks including the United Nations Guiding Principles on Business and Human Rights, the Organisation for Economic Co-operation and Development (OECD), the International Union for Conservation of Nature (IUCN), the International Finance Corporation (IFC), AFI, the Global Reporting Initiative (GRI) and others.

We also added a strong recommendation in the Step 2 method to begin stakeholder engagement early in the target-setting process. This recommendation focuses on identifying local stakeholders' needs, rights, and capacities—including those of Indigenous People.

#### 5. Inclusion of financial materiality and strategic priorities.

During the public consultation, reviewers submitted questions on how to combine information introduced in Step 2d, on stakeholder needs, feasibility, corporate interest, and financial significance, with the values generated in the ranking process in Step 2b, which indicate the importance of action in different sites based on environmental factors. Guidance was requested on how to reconcile with the mandatory ranking process, particularly given that these may be the central/dominant factors that companies use when making decisions about priorities in house.

To address these questions, further text was added to clarify that companies may use these factors—which align with those included in guidance from the TNFD, CSRD, ISO, GRI, and Capitals Coalition—to justify addressing lower-priority areas (ranked in Step 2b, using environmental factors) earlier in their target-setting journey. However, companies *cannot use these factors to justify excluding high-priority areas* (evaluated using environmental factors) from their target boundaries entirely, and therefore, they cannot exclude these from the set of sites for which they are required to set targets.

#### 6. Inclusion of biodiversity metrics within the Step 2 prioritization.

Reviews within the public consultation highlighted the need for further clarification and emphasis on the use of biodiversity data within the Step 1 and 2 methods, with many



## SCIENCE BASED TARGETS NETWORK

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comments focused specifically on the Step 2 prioritization process. Following the consultation we added additional guidance on the selection of biodiversity metrics in Step 1 and built out a prioritization approach that emphasized action in areas of high biodiversity or risk of biodiversity loss.





## Feedback on Step 3: Measure, Set & Disclose - Freshwater

### 1. Improving accessibility of the methods with visual aids and changes to the language and structure of the document.

Reviewers provided a range of comments asking for the Step 3 Freshwater guidance to be made clearer (e.g., simplifying the document, improving readability, adding more visual aids). Enhancements to the document included adding several key graphics, modifying the model selection decision tree graphic, providing worked examples of the Step 3 process, using more accessible language, clarifying key concepts, and modifying the document structure. In addition to the Step 3 Freshwater document changes, a [Resources](#) webpage was developed as part of the launch. Freshwater-related documents include:

- [SBTN Guide for Readers](#)
- [Stakeholder Engagement Guidance](#)
- [SBTN Glossary](#)
- [Data needs table](#)
- [Overview of Step 3: Measure, Set & Disclose](#)
- [Technical Freshwater FAQs](#)
- [Target validation guidance](#)

Sector-specific guidance was not included in this version of the guidance and will be considered in future development.

### 2. Expanding the scope of the freshwater quality indicators (currently nitrogen and phosphorus).

The choice of nitrogen and phosphorus as the only freshwater quality stressors covered by the methods was the main point of feedback received related to the scope of issues addressed by target setting. The loading of nitrogen and phosphorus to water bodies was selected as the initial focus for water quality targets following a prioritization by the Freshwater Hub including several potential indicators (heavy metals, organic matter, synthetic organics, pathogenic bacteria, total dissolved solids, heat, pharmaceuticals, microfibers, plastics and microplastics, and other novel entities). Among those pollutants considered of higher environmental priority, nitrogen and phosphorus were selected because these pollutants are challenges across the globe for many sectors and because data for them was more readily available than for other pollutants, making these nutrients more amenable to science-based target setting.





Nitrogen and phosphorus already have quantified thresholds as biogeochemical flows in the original work on the planetary boundaries and the ongoing work by the Earth Commission to define a safe and just operating space. Furthermore, given their association with agriculture and the food system—one of the main sectors driving biodiversity loss—they have significant, if not comprehensive, application across many sectors (farming, livestock raising, food and beverage manufacturing, other processing associated with organic materials, and services including food retail and hospitality).

SBTN acknowledges the importance of covering other water quality parameters and intends to expand the coverage of freshwater quality indicators in future versions of the freshwater methods. Future work by the Earth Commission as well as national and international regulatory frameworks (such as the EU list of hazardous chemicals) will be considered in selecting which new indicators will be incorporated first into the methods.

Some respondents noted the difficulty in measuring nutrient pollutant loading, especially in cases where it comes from non-point sources, diffuse contamination that does not originate from a single discrete source. This was noted as a particular issue for companies' upstream value chains and was seen as limiting the applicability of these indicators to target setting. See the next response for further comment on this point.

### **3. Allowing more flexibility in the baselining requirements to account for data availability and different company contexts.**

Multiple respondents suggested increasing the flexibility of baselining requirements to account for different technical and organizational concerns, including lack of and uncertainty in the data, tool availability and the coverage of different indicators in these tools, temporal variability in the environmental pressures in any given site, and, in the case of water quality specifically, the challenges of baselining nutrient loading from non-point sources.

SBTN recognizes that non-point source data availability is likely absent in some areas, and in the absence of primary data we point to the use of grey water footprint. In addition to these challenges, some stakeholders noted that the target-setting approach, which relies on the baseline, would penalize companies that have already been implementing sustainability actions. Recognition of prior actions that advanced progress toward targets will potentially be considered in Step 4: Act guidance.

Two key changes were introduced in the method to enable target setting in these cases:

1. Baselines should be defined taking into account the last five years of data—excluding atypical years—to mitigate the effects of temporal variability. If data from the last five full years of operation is not available, a duration of less than five years can be used. This measure allows companies that have already invested in



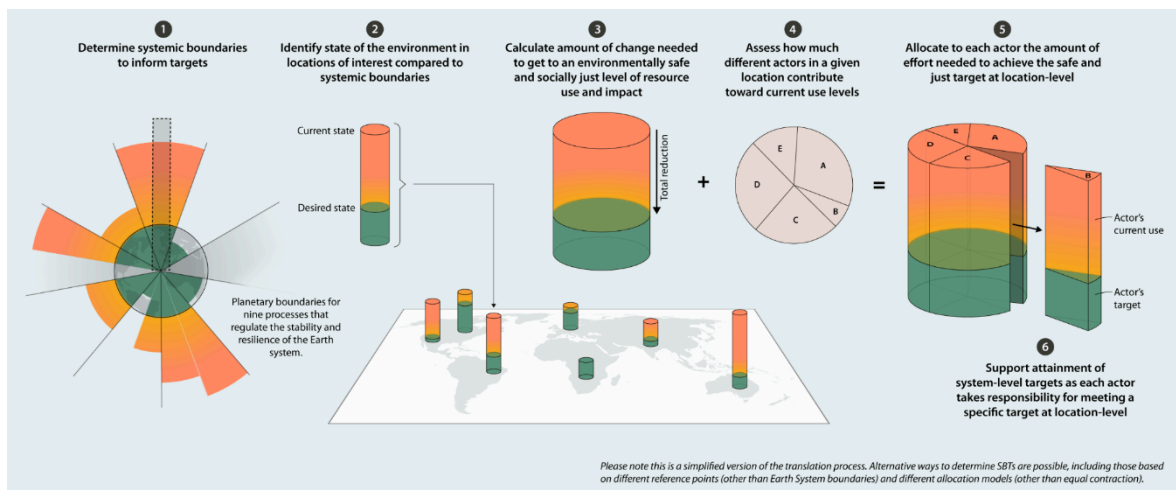


measures that reduce their pressures on water to capture some of the gains from those actions. It also allows companies to remove data points associated with atypical years—for example when environmental conditions changed, such as drought years, or where operations changed significantly, as could be during the recent pandemic.

2. Limitations have been placed on the aggregation for water quantity and quality data when baselining. Primary (direct measurement) and secondary (model estimates) data must be separated for baselining and target setting.

#### 4. Developing other allocation approaches that overcome the shortcomings of the equal contraction approach.

During the public consultation, reviewers expressed several concerns with the current approach to allocation taken in the V1 freshwater methods. This approach is known as the “equal contraction of efforts” approach (see conceptual diagram below), and all actors within a given basin contract or reduce their pressures (e.g., water use and water pollution) at the same rate over the same period.



The most common observations of reviewers were that this approach ignores the need to take collective action and penalizes early adopters (as the company’s baseline is the primary input in calculating the target reduction levels). Reviewers also noted that this approach results in unfair allocation of resources as it ignores future water demands and ethical considerations regarding access to water or water services.

Due to technical limitations and data gaps, this remains the only approach that is implementable at this moment. Implementing alternative approaches to allocation would require a clear understanding of existing water allocations in the basin, including who uses water, for what purposes, with what (historical and current) effects, and with what possibilities to change their current use patterns. SBTN is exploring options to test the



feasibility of gathering this data and implementing it consistently across disparate circumstances as part of a next version of our methods.

Despite being generally agreed upon to be scientifically strong, SBTN is aware of the potential shortcomings of the current allocation approach—in particular, the potential for perverse incentives, entrenching economic inequalities that may arise from it, and not recognizing efforts already made by some companies in a basin.

For example, some stakeholders in the SBTN development process to date have argued that certain water users bear a proportionately higher responsibility to reduce pressures than others. This argument draws on expertise beyond hydrologic science to incorporate social, economic, and political considerations. For this reason, companies are welcome and encouraged to set their ambitions beyond science-based targets, whether as part of a collective action program or individually, using the threshold identified through the SBTN process as a reference.

In the meantime, the methods make use of the allocation approach that is readily available as a way of facilitating science-based target setting. While this approach may be improved in the future, equal contraction is a valid and generally used approach in target setting outside SBTN, and its use can help early adopters set initial targets that can be revised if necessary over time. We expect that as newer versions of the SBTN methods are published in the future and companies renew their targets, the immediate shortcomings of equal contraction will be overcome.

Finally, to note: setting individual targets through the SBTN process does not preclude collective action. The upcoming methods for Step 4: Act and Step 5: Track will include guidance on how to implement collective action to meet water targets and how to track progress in these cases. With regard to the issue of penalizing early adopters, *the development of the Step 4 guidance may consider the recognition of prior actions that advance progress toward targets.*

##### **5. Balancing the tradeoffs between global and local models. Simplifying or limiting the scope of the stakeholder engagement process.**

In the version of the freshwater methods released for public consultation, both global and local hydrological models were considered as part of the methods, with a requirement to use local models first whenever possible. A consultation with local stakeholders to identify the existence of appropriate local models was the main process defined to find hydrological models.

The feedback from the public consultation revealed a mixed reaction to this requirement. Respondents representing the views of companies, service providers, and other implementing parties expressed that this requirement would make scalability unfeasible



and detract from action due to the burden of finding appropriate models for every basin but also to the higher efforts required to calibrate and implement these models.

These parties suggested instead that we use global models as a default option, provide a (third) intermediate option, or facilitate the process by providing a pre-selection of (local or global) models to use.

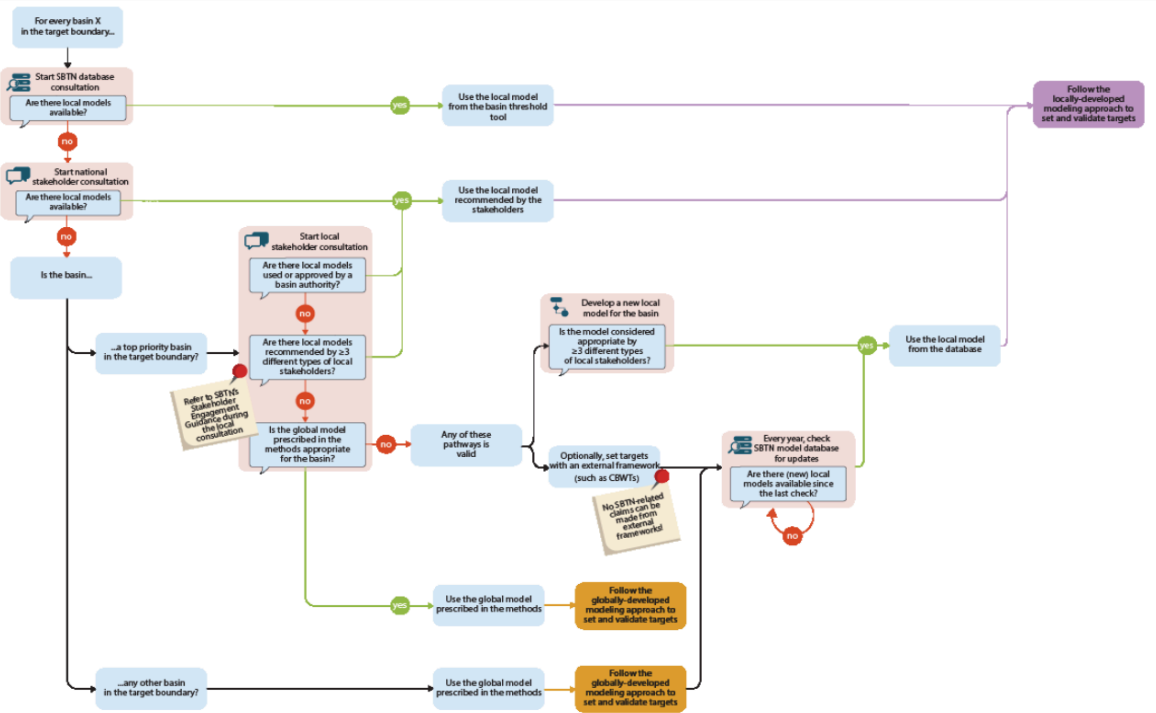
On the other hand, parties representing civil society and academic organizations indicated that global models are not fit to use in every basin and expressed concerns that, in some cases, they remain too inaccurate to use in science-based target setting. These parties suggested using global models only as an interim solution or abandoning their use altogether.

With regard to the stakeholder consultation process itself, the feedback of most consultation participants indicated that the originally conceived process would be too resource-intensive and dependent on stakeholder willingness to cooperate. At the same time, a smaller number of reviewers recommended increasing and standardizing the number and types of stakeholder groups that should be consulted, as well as facilitating the consultation process by coordinating efforts and providing a database of models and thresholds.

In response to this feedback, the methods now include a decision tree that directs companies to prioritize local models in all priority basins, whenever feasible, while also enabling the use of global models where local models are not available, or where the basin is of (relatively) lower priority for the company. This decision-making process includes a two-step stakeholder consultation for model selection, distinct from the broader [SBTN Stakeholder Engagement Guidance \(V0.1\)](#). Companies go first to national-level stakeholders and only go to local stakeholders when that first step does not lead to models and where the basin in question is considered of top priority.

In this context, top-priority basins refer to the company's top sites based on their pressures on nature (those with the highest withdrawals or nutrient loading), the sites where the state of nature is most at risk (sites with high levels of water scarcity or poor levels of water quality), or where biodiversity is most at risk. This prioritization is informed directly by the implementation of the Step 2 method.

The decision tree (pictured below) also introduces some options that allow companies to develop (or support the development of) local models or to use external initiatives to support their target-setting process in certain circumstances, although this last option has certain implications for the claims that can be made via SBTN.



The development of an SBTN hydrological model database has been anticipated in the methods and is an immediate next step for SBTN to further support the use of local models. This database will help companies quickly find all local models known to have been used for target setting and is the first tool to expedite the process.

SBTN anticipates that as more companies set targets in priority basins, it will become easier and less resource intensive over time for other companies to follow suit. For a given basin, once one company identifies an appropriate model to set a basin target, other companies can then use that same basin threshold to identify their own individual target, avoiding duplication of efforts. Additionally, as already mentioned, SBTN anticipates that a database of models will be built as companies and implementers continue to identify them over time.

## 6. Strengthening the alignment with policy frameworks and directives and with water sustainability initiatives and platforms.

The public consultation revealed the interest of most stakeholders to increase the alignment of SBTN with policy frameworks and with water stewardship initiatives. In particular, the public consultation reviewers suggested that the methods increase their alignment with policy frameworks to support indicator selection, to define the “ideal state of nature” for particular jurisdictions, and to define reporting requirements. At the same time, aligning with water stewardship initiatives was recommended to support the indicator selection and best practice recommendations, such as for collective action and for practices related to water, sanitation, and hygiene.





In the first version of freshwater methods for target setting, companies are encouraged to review existing governmental policy frameworks that set locally specific water quantity and/or quality targets when they are determining the adequate ambition level to reflect in their science-based targets for nature. When considering existing policy frameworks, companies should follow these best practices:

- use the more stringent of pre-existing targets and calculated science-based targets (e.g., if multiple options exist);
- use pre-existing targets only if they can be demonstrated to have explicitly considered protection of nature in their development.

The SBTN Freshwater Hub has, from its beginnings, built on the work and collaborated with existing initiatives, including the context-based water targets initiative and the Alliance for Water Stewardship (AWS). In addition, as noted above, SBTN has more broadly collaborated with and aligned with other mandatory and voluntary frameworks in developing science-based targets for nature.

Following the public consultation, SBTN has increased its alignment efforts with AWS in particular. Targets and standards are applied at the same scales: within operational sites and in the catchments where these reside. The AWS standard helps operations gather site and catchment data to develop water stewardship plans, which can and should include target setting. Within the SBTN methods, and as mentioned above, the use of external guidance for target setting is now recommended in cases where hydrological models are not available or adequate to support (science-based) target setting. The freshwater methods now include specific criteria for companies to determine when this is the case.

As a result of this increased collaboration, in January 2024 the Freshwater Hub published [Corporate water stewardship and science-based targets for freshwater](#) in collaboration with AWS. This paper explores how freshwater science-based targets connect to related corporate water stewardship initiatives. Following the publication, the Freshwater Hub continues to explore complementarity with AWS and other corporate water stewardship initiatives.





## Feedback on Step 3: Measure, Set & Disclose - Land

Several key changes were made to the beta land methods based on the public consultation held in February 2023. The changes aim to provide further clarity, simplifying certain aspects of the targets and incorporating public consultation feedback whenever possible, without compromising SBTN Land objectives and while keeping alignment with the most recent development of other SBTN methods.

### General changes

#### 1. Clarification of the target-setting process.

Almost half of respondents required further clarification of the target-setting process and improvement in the readability of the document.

Within the methods, the SBTN Land Hub has added an executive summary, reorganized the document to summarize who needs to set each target in the introductory section, moved supporting text and information into annexes and supplementary materials, streamlined tables and decision trees, and made edits throughout to improve readability.

#### 2. Alignment of Step 3: Measure, Set & Disclose - Land with Step 1: Assess and Step 2: Prioritize.

SBTN has worked consistently to ensure alignment between methods across the different steps including between Land and Freshwater. Nevertheless, the Step 1 & 2 methods (V1) were updated in parallel to the development of the beta land methods and after going through an analogous public consultation process. Thus, further alignment with the most recent changes and their implications will be reflected in the V1 land methods expected to be published in 2024.

#### 3. Inclusion of recognition of social risks and safeguards.

Reviewers pointed out that social risks were not adequately acknowledged in the document and safeguards to limit unintended consequences had to be strengthened. Hence, social, human, and land rights have been acknowledged throughout the document where relevant within the context of voluntary corporate target setting. Various places in the land guidance



now point to more specific guidance for companies on how to recognize and respond to social risks and safeguards. In addition, target validation requirements related to social criteria will be tested with the first companies adopting the targets. Based on those outcomes, the Land Hub will assess the best way to ensure they are properly and appropriately included within V1.

#### **4. Change to definitions of direct and indirect sourcing.**

Two categories of sourcing were included in the public consultation version of the beta land methods: direct and indirect sourcing. Direct sourcing was defined as sourcing from producers and from the “first point of aggregation,” and indirect sourcing was defined as all purchases from stages of the value chain further downstream. However, such use of “direct” and “indirect” sourcing created confusion as it is standard practice to call direct sourcing what is purchased from tier 1 suppliers.

The reference to direct and indirect sourcing has now been removed, but the same target requirements apply. Now, the categories are identified by a more specific explanation:

- Direct: sourcing from producers and from first point of aggregation; and
- Indirect: sourcing from stages of the value chain that are further downstream from the first point of aggregation.

### **Feedback concerning Target 1 – No Conversion of Natural Ecosystems**

#### **1. Option included in the public consultation version: to address components of supply chains that are extremely difficult to trace through a proposed compensation mechanism for embedded and highly transformed commodities.**

Several stakeholders expressed criticism of this option, stating that the approach would undermine efforts to enhance traceability and lead to a considerable risk of greenwashing. Additionally, there were highly contrasting opinions on how to define compensatory payments. Many stakeholders underlined the difficulty of establishing links between payment and outcomes. From a company perspective there were also concerns about how payments to suppliers to compensate for commodity volumes that were not yet traceable may run afoul of policies and procedures to limit corruption. Due to these reasons, the compensation mechanism has been removed. To achieve their targets, companies will need to engage and work with their supply chain to enhance traceability and increase the percentage of volumes in compliance with conversion-free requirements in line with target dates.



## 2. Removal of distinction between sourcing of raw and processed commodities and embedded commodities.

The removal of the compensation mechanism resulted in a simpler approach where the distinction between raw or processed commodities and embedded and highly transformed commodities was no longer necessary. In fact, the distinction between the form of sourced commodities had been introduced to differentiate target requirements and regulate the potential use of the compensation mechanism. Companies will now have to meet the same target requirements independently of the type of the commodity sourced.

## 3. Adherence to IFC PS6 as part of a No Conversion of Natural Ecosystems target.

Certain sectors (Figure 1 List C, Step 3: Land) must set a No Conversion target aligned with the requirement of no conversion of areas identified through the PS6 or environmental assessment process as “Critical Habitat” or “High Conservation Value” areas. Following public comments, the requirements have been clarified.

Companies producing these commodities must achieve zero conversion in these areas by 2025 and remediate all post-cutoff date(s) conversion (see section 1.3 of Step 3: Land). In addition, these sectors must clearly demonstrate that in areas identified as “natural land” there are no viable alternatives before conversion—as defined by the SBTN Natural Lands Map.

Companies sourcing commodities extracted and produced by these sectors must comply with the following requirements:

- sourcing from producers/extractors must ensure no conversion of critical habitat and high conservation value areas by 2025;
- sourcing from further downstream must ensure compliance by 2027.

The target dates listed above follow an analogous approach to those defined in section 1.2.2 of Step 3: Land for core natural lands.

## 4. Limited response regarding the “first point of aggregation” of conversion-driving commodities.

To make SBTN Land targets actionable for companies, commodities were previously divided into two groups: direct sourcing and indirect sourcing. The former are commodities purchased from producers or first point of aggregation, and the latter are commodities downstream of first point of aggregation. The first point of aggregation is typically where the commodity is moved from a small-scale producer to a larger-scale entity.

As a key criterion to be defined, the Land Hub requested feedback through the public consultation on where the first point of aggregation for commodities should be.



Nevertheless, no feedback was received. As a result, this will be tested during the pilot of V0.3 of SBTN Land according to the following:

Global conversion-driving commodities	First point of aggregation
Cattle pasture (beef/dairy/leather)	Meat packing and processing facilities, milk and dairy processing facilities
Cocoa	Refineries and grinders
Coffee	Processing (drying to grinding beans)
Maize	Wet and dry milling
Oil palm	Palm oil mill and collection port
Rice	Rice mill (cleaning and husking)
Rubber	Rubber dealer/first processing
Sorghum	Milling
Soybeans	Crushing facilities
Sugarcane	Sugar mills
Timber/wood fiber	Timber mill/pulp production facility
Wheat	Milling facilities
Biofuels (ethanol, solid biomass, etc.)	Depending on feedstock, align with first point of aggregation above by commodity





Feed for animal protein—cattle, pork, chicken, aquaculture, etc.

Feed mixing and pellet processing facility

## 5. No Conversion of Natural Ecosystems target dates.

During public consultation, different respondents raised the issue that the dates by which companies must achieve their No Conversion of Natural Ecosystems targets were both too ambitious and not ambitious enough. For those expressing that the No Conversion target dates were too ambitious, the availability of data and traceability were not well-developed enough to support such ambitious dates. The respondents who indicated that the target dates were not ambitious enough countered with an argument that, while all deforestation and the majority of conversion of core natural lands will be addressed by 2025, any additional conversion of natural land that is permitted to remain in supply chains in a voluntary framework, until 2030 in some cases, lacks the ambition required to address the climate and nature impacts of land conversion.

Question 5a of the public consultation asked respondents to evaluate and score this statement: *“Implementing the guidance is an opportunity for companies to align with adequate ambition levels that would result in positive environmental and societal outcomes.”* This was one of the few questions answered by every respondent who then scored the statement from 1–10, where 1 indicated that the guidance was not ambitious and 10 indicated that it was. The average score across all respondents was 6.3 (n=95).



The following table shows the average scores by respondent type:

Type of organization	Ambition
Company	7.40
Member of SBTN Corporate Engagement Program – Company	6.70
Industry association	4.00
Consultancy	6.22
Prospective service provider	9.00
Member of SBTN Corporate Engagement Program – Service Provider	6.45
NGO	5.44
SBTN partner	6.08
Scientific research group	7.67
None of the above	8.00

Considering the global nature of SBTN Land and the wide range of hard and soft commodities that these targets cover, the Land Hub decided to maintain the target dates proposed in the public consultation version while inserting the following language to accommodate for earlier target dates for commodities that have accelerated traceability and corporate engagement (e.g., deforestation-free commitments and geographic and commodity-specific initiatives):

“Companies can and should define target dates that are more ambitious than those required, should they be able to meet the requirements in less time or should a regional or place-based initiative have a more ambitious target date.”

The Land Hub will evaluate the target dates for the No Conversion target as part of the pilot process ahead of V1 and make adjustments based on the learning outcomes of the pilot and



the developing science on No Conversion target dates for forest and non-forest natural land.

## **Feedback concerning Target 2—Land Footprint Reduction**

### **1. 500 Mha from IPCC SSP1 selected as global Land Footprint Reduction goal.**

During the consultation, the Land Hub requested feedback on the global Land Footprint Reduction target underpinning the corporate-level targets. The choices were 500 million hectares (Mha), aligned with the SSP1 scenario from the IPCC Special Report on Global Warming of 1.5°C and which achieves the Sustainable Development Goals, or 690 Mha, as calculated by Leclère et al. (2020) to specifically reverse the decline in terrestrial biodiversity caused by habitat conversion.

Almost half of the respondents did not provide an answer to this question. From the ones who responded, a slight majority preferred 690 Mha. Despite that, the Land Hub selected 500 Mha as this figure balances food security and other human needs as well as those of nature and the climate, and is aligned with a 1.5°C pathway, making it easier for companies to engage with both SBTi FLAG and SBTN Land. The IPCC source has also undergone a more extensive peer review process and is sufficiently ambitious.

### **2. Intensity vs absolute land footprint reduction approach.**

During the public consultation, the Land Hub included options for companies to set absolute or intensity Land Footprint Reduction targets and discussed the benefits and risks associated with each. For example, absolute targets are more likely to result in global absolute agricultural footprint reductions at the scale required but they can limit smaller companies that produce or purchase land-efficient products gaining market share by constricting their ability to grow. Intensity targets, on the other hand, do not guarantee that total agricultural land use will decline even if companies hit the targets, but they can incentivize agricultural producers to deliver sustainable productivity gains at the necessary level of ambition, and can also be appropriate for the smaller companies mentioned above.

A number of respondents further highlighted these risks, noting that both target methods could incentivize unsustainable types of agricultural intensification or incentivize consumer companies to shift away from lower-yielding smallholder farmers if not appropriately balanced with social and environmental safeguards.

Given the benefits and challenges of both approaches, for this version of Land targets, SBTN has left open the option for companies to set either type of target. However, SBTN recommends that large consumer companies such as retailers set absolute targets given that they have greater ability to reduce land footprint through demand-side measures such as shifting their portfolios to less-land-intensive products. This approach is aligned with





the SBTi FLAG guidance, which recommends that certain sectors follow a “sector approach” (absolute emissions reduction) or “commodity approach” (emissions intensity reduction) (see FLAG Guidance Table 3). As such, companies required to set an SBTN Land Footprint Reduction target are advised to consult Table 3 of SBTi FLAG, with those recommended by SBTi to follow the sector approach (usually large consumer companies such as retailers) advised to set absolute Land Footprint Reduction targets, and those sectors recommended by SBTi to follow the commodity approach (usually producers) advised to choose either absolute or intensity Land Footprint Reduction targets.

SBTN has provided detailed guidance on the risks and benefits associated with each approach, guidance to support companies in choosing which method (absolute or intensity) to use, and recommendations on how response option planning can manage environmental and social risks. The inclusion of the intensity approach also sets the foundation for future versions of the guidance to differentiate intensity targets by commodity and geography based on potential for sustainable intensification.

## **Feedback concerning Target 3—Landscape Engagement**

### **1. Several metrics are now listed in addition to the Ecosystem Integrity Index (EII).**

The volume of feedback surrounding the use of EII as a metric to assess this target was substantial. Many respondents pointed out that the EII metric has not been published nor gone through a peer-review process and is not yet publicly accessible. Numerous reviewers have also pointed to other metrics that could be used to measure ecological condition. Key in this feedback was the functionality of the EII metric in tracking progress of landscape integrity and the frequency with which these data would be updated.

Thus, the EII is now recommended as an index that can be used for assessing the baseline of ecological condition in landscapes. The use of the EII will be tested with the Initial Target Validation Group that will set Land and Freshwater targets.

For measuring ecological and social conditions, multiple potential metrics are presented in SBTN Land V0.3 (Table 15 of the guidance document). The list has been drafted considering several common landscape assessment frameworks, such as LandScale, Restoration Opportunities Assessment Methodology (ROAM), Landscape Reporting Framework from Consumer Goods Forum (CGF), as well as metrics included as part of the Global Biodiversity Framework monitoring guidance of the Convention on Biological Diversity (CBD).

## **Additional issues and updates raised in public consultation for Step 3: Measures, Set & Disclose - Land**

### **Target definitions, indicators, and coverage**



## **1. Biodiversity inclusion in Land targets.**

Several stakeholders questioned the extent to which biodiversity and species were included in the Land targets. SBTN is committed to improving outcomes for biodiversity through the use of our target-setting methods, this includes more comprehensively addressing pressures on biodiversity not currently included in the Step 3 methods for land and freshwater.

The Land targets explicitly consider biodiversity, including through connections to SBTN Steps 1 and 2, and demonstrate alignment with goals and targets outlined in the CBD and the United Nations Convention to Combat Desertification (UNCCD)(see supplementary information). SBTN recognizes that there may be opportunities to improve the coverage of species-level biodiversity (e.g., threats from overexploitation or invasive species) and a more purposeful consideration of nature's contributions to people in subsequent versions.

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

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

The Landscape Engagement target encourages companies to improve their landscape assessment through the inclusion of a Species Threat Abatement and Restoration (STAR) score at the landscape scale, doing a biodiversity risk assessment using WWF's Biodiversity Risk Filter, and assessment of critical natural assets. Further, Table 16 outlines future frameworks and indexes that can be used to complement the guidelines, such as the Landscape Assessment Framework, Landscape Reporting Framework from the Forest Positive Coalition, and SourceUp.

To complement Land targets, the SBTN Biodiversity Hub is developing an approach to increase the integration of biodiversity in the SBTN methods. It is anticipated that work on the detailed biodiversity coverage analysis will commence after final approval of all methods included in the first release. This work will be released and open to the public following either peer review or an equivalent external review. The components of the paper will include: 1) opportunities to improve biodiversity coverage within pressure-based target-setting methods through realm-based approaches, 2) opportunities for the development of targets with biodiversity indicators linked to the state of biodiversity, and 3)



complementary actions companies can take, alongside science-based targets for nature, to better address the pressures on biodiversity (e.g., interim targets).

## **2. Species inclusion.**

Species are indirectly included through biodiversity metrics addressed in the Landscape Engagement target, through a reduction in pressure on species from a reduction in agricultural land footprint, and through the elimination of natural land conversion in Target 1. Despite this, considering the varied contexts of species and landscapes, a target that more directly incorporates species-level biodiversity in the calculation of target thresholds was outside the scope of these Land targets and may be further developed by the Land Hub in collaboration with the Biodiversity Hub in the future.

## **3. Coverage of different degrees of land degradation.**

Many reviewers highlighted the role that land degradation can play in landscapes and in the definition of what is “natural” or not.

The Land Hub acknowledges the need to cover all degrees of degradation on both natural lands and working lands and the need to incentivize the adoption of regenerative and restorative practices. The Land Hub is working on future iterations of land science-based targets that will be based on spatially explicit ecological thresholds that will identify to what extent impacts should be reduced, and how much regeneration and restoration is required to maintain and increase the resilience or stability of natural land, while maintaining a sufficient level of nature’s contributions to people.

The Land Hub also recognizes the role that land degradation can play in distinguishing between what is considered natural land and what is not. It also recognizes that the classification of land as either “natural” or “non-natural” is a distinction that requires more context than can be provided in a global data product such as the Natural Lands Map or a generalized SBTN target on No Conversion of Natural Ecosystems. The Land Hub notes that the UNCCD goes to great lengths in its Scientific Conceptual Framework for Land Degradation Neutrality (2017) to *not* provide a definition of “land degradation.” Here this document notes that there are many types of land degradation and presents land degradation as a context-dependent compound of many interacting social and environmental components and drivers of degradation. These include not only biophysical metrics such as net primary productivity, extent of natural ecosystems, and soil organic carbon, but also the resilience of land to such degradation and the social and economic systems within which degradation occurs. SBTN cannot hope to capture the nuance of a global discussion on land degradation in its corporate targets. It can, however, design targets in a way that helps companies understand the types of actions that drive or respond to land degradation and how companies can take actions within their science-based targets.

## General accessibility of the document

### 1. Company expertise and resources required.

A small portion of comments focused on the potential lack of expertise and resources within companies to engage in SBTN Land, and that external support, via consultants or other organizations, will be needed. While the Land Hub agrees that this might be the case for some, it is not uncommon that companies utilize the support of consultants. For example, companies often hire external support to calculate their GHG inventory and to set climate science-based targets. At the same time, there are an increasing number of companies with internal expertise on sustainability and which will likely look to upskill their internal teams in line with the SBTN guidance.

Additionally, the accessibility and ability of companies to implement these targets will be tested during the beta piloting phase of V0.3 with companies from different economic sectors, with the next version responding to necessary adjustments. A strong training and webinar campaign will be delivered with the first public version (V1) of SBTN Land.

### 2. Renaming of commodities, ecosystems groups, and supply change stages.

To better align with the recently published Step 1 & 2 guidance, as well as provide more descriptive names based on the feedback received, the following terms have been updated:

Old term	Updated term
Group A commodities	Global conversion-driving commodities
Group B commodities	Regional conversion-driving commodities
Group 1 ecosystems	Core natural lands
Direct sourcing	Sourcing from producers or first aggregators
Indirect sourcing	Sourcing downstream from first aggregators

### 3. Sector coverage and applicability.



Feedback on improving clarity on the applicability of each target to different sectors was one of the top comments. As stated in the section on general changes, the document has been thoroughly edited to improve readability, with a section at the beginning of the document that clearly states which companies from different sectors need to set targets and the data that will be required.

Table 3 of the guidance describes which sectors might need to set each target and now includes direct operations and upstream impacts of companies. Flow charts guiding companies through additional requirements to set each target have been refined to fully align with Table 3.

## **Data requirements, data collection, baselining**

### **1. Data collection requirements for target setting.**

The large amount of data that companies might need to collect from their own operations and supply chain, along with difficulties in obtaining it in light of different confidentiality barriers, was a concern for a majority of stakeholders.

The Land Hub understands that this might be a heavy burden for many, and it has included differentiated requirements and target dates for direct operations, sourcing of commodities from producers or the first point of aggregation, and sourcing of commodities downstream of the first point of aggregation, with less immediate target dates where data from suppliers will take more time to acquire. Regarding traceability, at the outset of target setting, not all commodities need to be fully traceable from the start. Companies can set plans to engage with suppliers to solve this data gap in line with target dates. In addition, a mixture of statistical and spatial data can often be used, with a view to improving the accuracy and precision of data collection over time, without delaying companies' ability to already calculate base year estimates and set targets.

Many companies will already have taken steps to collect relevant data for SBTN Land target setting, as similar data requirements exist to calculate their corporate GHG inventory, as well as set SBTi climate targets. In many cases, data collected for these purposes can be reused for SBTN Land or used as a foundation. Analogously, confidentiality concerns are usually already addressed in contracts with existing suppliers and, if needed, can be covered with additional non-disclosure agreements.

### **2. Data collection and baselining.**

A few stakeholders expressed concern regarding potential lack of data for pre-COVID years to set the required baselines. For the No Conversion of Natural Ecosystems target, the Natural Lands Map helps companies understand if any conversion happens after 2020 by providing a standard baseline that they can compare against.



Regarding upstream supply chain data needed for Targets 1 and 2, companies usually keep track of all their purchases, which is often used as a starting point in calculating scope 3 (upstream) corporate GHG footprint before transitioning into activity-based data, which should be a similar approach for SBTN. Further, it is not uncommon to use extrapolations, based on purchases or sales, from the most recent years if better data is available to back-calculate baseline figures. Finally, as mentioned in the previous point, most companies that have already set SBTi climate targets will already have collected this kind of information or will already need to collect it to track progress against their climate commitments.

### **3. Target boundary.**

Concern was raised about Targets 1 and 2 being applied to the full target boundary as defined following Step 1 and 2 guidance. Since then, multiple changes have been made throughout Steps 1, 2, and 3.

Most notably, Step 2 now includes a target boundary A (for direct operations and volumes of commodities traceable at least to national level) and a target boundary B (for all commodities for which only very coarse global data or no data at all is available). Companies will be able to set targets on locations, activities, and commodities included in target boundary A, while they will commit to enhance traceability ahead of target dates to ensure a full coverage of material activities and commodities in target boundary A before the end of the target period.

This means that companies will start following Land target requirements for target boundary A, but, in parallel, will continue working to improve traceability and ensure the availability of data as required by target requirements.

In addition, companies will be able to apply different prioritization approaches, such as those identified in Step 2 guidance and that offered by the Natural Lands Map. For operations in and volumes sourced from core natural lands, different target dates will apply.

For Target 1—No Conversion of Natural Ecosystems, different target dates have been defined according to the stage of the value chain of the company and the origin of the commodities, with the earliest being 2025 and the latest being 2030.

## **Implementation of target requirements: actions and tradeoffs**

### **1. Guidance on implementation of actions to meet target requirements.**

Reviewers pointed to the need for guidance on actions that companies will implement for meeting their targets. In SBTN's 5-step target-setting journey, the Step 3: Land guidance is



expected to cover the target-setting methods themselves, while comprehensive guidance on Step 4: Act is expected in future releases and will provide guidance on implementation.

However, Step 3: Land and Step 3: Freshwater guidance includes a preliminary assessment of “response options,” which are actions that companies can implement for meeting their land, freshwater, and climate targets. Additionally, Land methods include acknowledgments of risks posed by tradeoffs and unintended consequences that may arise from implementation. During the pilot phase of the methods, target validation requirements related to addressing social, human, and land rights will be explored and strengthened to align with implementation plans and SBTN’s stakeholder guidance.

## **2. Land Footprint Reduction implementation and tradeoffs.**

Several stakeholders raised concerns over unintended consequences that the implementation of the Land Footprint Reduction target could have, mainly around unsustainable forms of agricultural intensification, which can lead to increased GHG emissions, soil and water pollution, and undesirable effects on local communities’ livelihoods. SBTN and the Land Hub recognize and share the sentiment behind these comments, while also recognizing that the area devoted to agricultural production globally must be reduced.

Environmental risks are addressed in several ways. The inclusion of setting SBTi FLAG targets as a requirement for this target reduces the risk of increases in GHG emissions from overuse of fertilizers and pesticides. Furthermore, food and agriculture companies setting Land Footprint Reduction targets will in most, if not all, cases need to also set SBTN Freshwater targets, adding an additional check. Moreover, the Landscape Engagement target has been designed with a landscape approach that will encompass not only land but also water and other environmental pressures.

The updated version of the guidance also requires companies to provide the SBTN Target Validation Team with a narrative description of their strategy and potential response options for achieving their Land Footprint Reduction target, including the proposed approach to addressing potential risks associated with unsustainable intensification (e.g., focusing on areas with opportunities to sustainably improve agricultural productivity, reducing food loss and waste, shifting toward less-land-intensive agricultural products). Companies that submit both Land Footprint Reduction targets and Landscape Engagement targets are also required to submit information on whether and how locations and/or commodities prioritized for Land Footprint Reduction overlap with landscapes selected for the Landscape Engagement target.

Regarding unintended social consequences, the Landscape Engagement target requires companies to engage in a multi-stakeholder approach, incorporating local communities that might be affected to mitigate potential issues. At the same time, small companies with



fewer than 10,000 employees or an agricultural land footprint of fewer than 50,000 ha of land will not be required to set this target. Social safeguards have also been incorporated throughout the text for V0.3 of SBTN Land and will be further tested during the Validation Pilot Testing. For example, for the Land Footprint Reduction target, companies must provide the SBTN Target Validation Team with a narrative description of their strategy and potential response options for managing unintended social consequences.

Finally, reviewers questioned why there was no requirement for companies to restore lands liberated under the Land Footprint Reduction target into natural ecosystems. The Land Hub does not explicitly recommend or require restoration of land taken out of agricultural production because data and traceability constraints will often make it difficult or impossible to identify the exact lands used in consuming companies' upstream land footprints. That said, restoring lands taken out of production to nature would be a worthy goal in many contexts, and so we added more links between the Land Footprint Reduction target and the Landscape Engagement target, specifying that companies should prioritize landscapes that make up a significant part of their land footprint for engagement with local or regional landscape initiatives. This can help companies and other stakeholders link goals to sustainably boost productivity with goals to protect and/or restore natural ecosystems in critical landscapes.