

Objectives of Bootcamp

Equip engagement teams with the knowledge and tools needed to confidently engage companies on SBTN at the right altitude

- Value-Add of SBTs for Nature and Overview of SBTN
- Identifying Target Companies & Readiness Indicators
- Pathways to Engagement
- Key Moments for Engaging Companies
- · How does SBTN relate to other key frameworks?
- · Practical Considerations in Target-Setting
- · Addressing common misconceptions about SBTN's requirements.
- Resources & Tools for Engagement

Share best practices for how to customize your engagement based on company context

- Understanding Company Archetypes
- Tailored Engagement Approaches
- · Best Practices for Lead Nurturing
- · Communicating the Value of SBTs for Nature

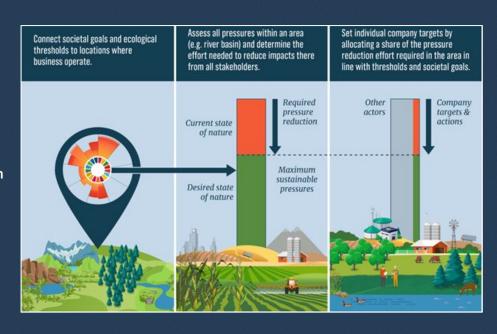


THE SCIENTIFIC-BASIS OF SBTN ENSURES COMPANIES ARE TAKING THE RIGHT ACTIONS FOR THEIR BUSINESS IN THE RIGHT PLACES

Focus on pressures: companies assess and set targets on their pressures on nature, taking responsibility for and addressing their own impacts.

Considering local contexts: targets are calculated based on a company's pressures and the environmental limits of the landscapes they operate in and source from.

Clarity on how much action in needed where: targets reflect scientific limits rather than arbitrarily selected ambition levels, ensuring the right action is taken in the right places.





What are science-based targets?

SCIENCE-BASED

"Aligned with Earth's limits and societal sustainability goals"



TARGETS

"Measurable, actionable, and time-bound objectives"

Setting science-based targets for nature will lead companies to take location-specific action to mitigate their negative environmental impacts and create positive benefits for nature including people.



Biodiversity is integrated throughout our targets

1

BIODIVERSITY DATAINFORMS DECISIONS ON WHICH SITES TO PRIORITIZE FOR TARGET SETTING 2

FROMTHIS, COMPANIES SET SCIENCE-BASED TARGETS WHERE THEY'RE NEEDED MOST 3

THROUGH SETTING TARGETS, COMPANIES REDUCE THEIR PRESSURES ON NATURE



BIODIVERSITY CAN RECOVER WHEN COMPANIES REDUCE THEIR PRESSURES TO SAFE LIMITS

Species data

Ecosystem data

Business dependencies on nature Land T1: No Conversion

Land T2: Land Footprint
Reduction

Land T3: Landscape
Engagement

Coean T2: Protect
Structural Habitats

Overexploitation

Ocean T3: Reduce Risks to ETP species*

Freshwater T1: Water

Ocean T1: Avoid

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Quantity

Freshwater T2: Water Quality

SBTi targets for climate

Land and sea use and change

Resource exploitation

Pollution

Climate change

Improved genetic diversity

Improved species diversity

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Improved ecosystem diversity and condition

Enhanced Nature's
Contribution to
People

*ETP = endangered, protected, threatened species



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What will be required to set science-based targets for nature?

Time



Financial Resources



Expertise



Advanced companies may complete Step 1 and 2 within 2-6 months + 4 months to do Step 3. Validation takes 1-3 months

Time varies according to the availability and readiness of their data

SCIENCE BASED TARGETS NETWORK
GLOBAL COMMONS ALLIANCE

Companies working with consultancies will bear additional costs. Partnerships between consultancies might influence that pricing.

SBTN required tools are freely accessible though some additional, recommended tools might come at a fee.

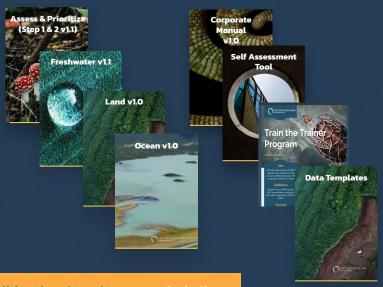
A dedicated team with understanding and knowledge of the overall process and technical requirements

Expertise on gathering and managing the necessary data

Leadership attention and decision making can be useful

SBTN RESOURCES FOR COMPANIES

METHODS ENABLERS GUIDANCE COMING SOON









Contact Us to Learn More



plus <u>additional tools and resources</u> including illustrative case studies and technical FAQs



IDENTIFYING HIGH POTENTIAL

GO MPANTALES that are first movers in taking action for nature, and those from high impact sectors , to increase likelihood of engagement with SBTN methods

First movers

Readiness Indicators

- SBTi Target: Indicator of corporate sustainability maturity.
- TNFD Participation: Companies actively engaging in the Taskforce on Nature-related Financial Disclosures.
- CSRD reporting: Companies actively engaging in Corporate sustainability reporting.
- Data Readiness: do the companies have any upstream data from other nature or climate initiatives? Or good direct operations environmental data?
- Maturity in Sustainability Journey: Companies with an established sustainability strategy, worked on deforestation-free supply chains, and are invested in sustainability certifications.

Sectors with High Nature Impact:

- Priority value chains: Food & Beverage,
 Textile. Forest Products
- Other key sectors: Pharmaceuticals,
 Consumer Packaged Goods (CPG),
 Cosmetics, Retail, Personal Care
- Mining/Extractives Value Chain
- Other Sectors: are welcome to submit relevant targets. Example: Tech/ICT freshwater quantity targets are quite relevant for that sectors nature impacts

Exceptions & Exclusions:

Oil & Gas: Excluded until an SBTi method is available.

Financial Institutions (FI) & Service Sectors: Excluded from validation at this time. Finance sector guidance to be released this year

Engagement Approach by Archetype

Companies are driven to take action for nature for a variety of reasons. Each archetype corresponds to one of these main driver

Tailor engagement based on the company's sustainability archetype

Matching engagement to a company's priorities increases success in target-setting.



Sustainability Archetype	Description	Engagement Approach
CEO/Cultural Leadership	Sustainability is core to leadership vision.	Align with their ambition & leadership.and comms opportunities ex. COP 30
Science-Aligned	Values science-based approaches.	Emphasize SBTN's credibility & methodology, including NGOs involved
Operational & Supply Chain Risk	Focused on continuity & internal resource alignment.	Highlight need for rigorous understanding and addressing of nature risks for resiliency, water/supply security, operational continuity. This messaging works in the USA
Regulatory Readiness	Preparing for policy shifts.	Point to SBTN's alignment with CSRD, EUDR, TNFD - enhanced return on investment
Stakeholder & Campaign Response	Driven by investor, consumer, or NGO pressure. Companies may also be driven by bad press around their sustainability practices.	Show how SBTN enhances credibility & trust - SBTN pointed to in many key stakeholder frameworks

Key entry points for Engaging Companies in 2025

Key Moment	Why SBTN Now?		
Setting 2030 Nature Targets	Companies defining freshwater or other nature targets can use SBTN's science-based approach and tools, backed by a wide group of science-based NGOs, for greater rigor and peace of mind when it comes to operational continuity, water security, and business resilience		
 Developing or Revising Nature Strategies/Transition Plans 	Ideal timing to future-proof nature strategies with a rigorous, science-based foundation		
Recently Published CSRD Report	CSRD reports likely have a lot of the work completed for steps 1 and 2, get greater return on investment by validating the double-materiality assessment many stakeholders are starting to ask for		
 Meeting EUDR & EU Due Diligence Requirements 	SBTN methods are intentionally aligned with EUDR. And the rigor imbedded in the methods serve as an excellent foundation for Due Diligence requirements		
 Public Disclosure at COP 30, UNOC, Climate Week 	For companies wishing to position themselves publicly as nature leaders, SBTN creating MarComms to amplify		
 Regenerative Agriculture Strategy Revision 	Using SBTN methods. especially with upcoming Step 4 guidance, can help companies amplify their investments in regen ag for multiple benefits, such as freshwater quality and quantity		
 New or revised scope of work with a company 	When you are starting or revising your scope of work with a company on nature or climate-related topics, this is a great time to talk about the value-add of SBTN		

Take advantage of these key moments – when companies are already working on nature and sustainability strategies – to build momentum toward applying SBTN methods and increase impact.

Easy Wins with SBTs for Nature

Keep in mind:

- Companies interested in setting SBTs for nature will be at different stages of their nature journey – their knowledge level of the target setting process as well as the amount of support needed are expected to vary.
- It is recommended to enlist a technical consultant to support the company on their SBTN journey.

USE SBTN FOR FAST AND HOLISTIC IMPACT SCREENING

SBTN's Materiality Screening Tool (MST) & High Impact Commodity Tool are free and easy to use

2 VALIDATE STEP 1

After completing a materiality screening and value chain assessment, get your work independently validated

3 **START WITH ONE TARGET**

Set targets on just one realm of most importance to your company. For freshwater, start with just 1 target as a proof of concept for your internal teams





SECURE OPERATIONS: COMPANIES CAN SECURE OPERATIONAL CONTINUITY, BUILDING RESILIENCE

Uncover hidden risks: SBTN's comprehensive and rigorous approach helps companies uncover and prioritize hidden risk within their operations and value chain

Preempt and prevent disruptions: companies identify and act to proactively reduce their exposure to key sources of operational disruption, such as supply volatility

Know exactly how much action is needed where: SBTN's science-based approach means companies know exactly how much action to take where to reduce their exposure, e.g. to water scarcity

"After getting the Steps 1 & 2 results, we took quick actions to mitigate risk for some sourcing locations"

~ company with validated targets



INFORM and ALIGN BUSINESS DECISIONS:

especially for companies setting 2030 nature and climate targets and nature transition strategies

Internal alignment: SBTN provides a unifying framework for alignment across business operations and resources towards common goals

Embed nature into strategic decisions: SBTN's science-based approach supports more informed strategic decisions, shaping capital allocation, procurement and other business priorities

Supplier engagement: standardized targets and a common language support cooperation and alignment with suppliers towards shared outcomes Industry cooperation: standardized and integrated framework and targets can provide a common foundation for industry-wide cooperation, target alignment and joint initiatives

"this assessment is really helping a lot of other conversations about capital allocation and procurement, and there is a lot of benefit in that"

~Alpro



MEET STAKEHOLDER EXPECTATIONS: VALIDATED SBTS SIGNALS COMPANY IS ACTIVELY ADDRESSING ITS RISKS

Credibility & reputation: SBTN provides a tangible demonstration of companies' nature actions and policy, improving its reputation with stakeholders.

Access to credit: SBTN is the only science-based framework for setting science-based targets for nature; setting SBTs can assure investors that the company is taking meaningful steps to improve its resilience.

Example

A UK-based power generation company has publicly indicated its intention to set SBTs in response to reputational damage arising from its supply chain practices

"The investors are asking for this. The extended stakeholders are waiting for it."

~ pilot company



SBTN Helps Get ahead of Regs and Disclosures

Establish materiality & assess impacts & risks

Disclose your impacts & risks

Set targets & take meaningful action

TNFD is designed to be simple, flexible, and accessible

CSRD has many optional disclosures, so companies must decide which of these to do TNFD is a voluntary framework for understanding and disclosing nature-related risks and opportunities

CSRD is a mandatory disclosure legislation that outlines key ESG reporting requirements



SBTN's materiality assessment (Steps 1&2) go deeper by offering a rigorous and comprehensive approach that **ensures the credibility** of your disclosures

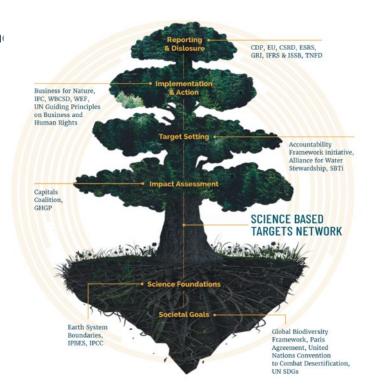
"We're in the process of starting our analysis for CSRD reporting and TNFD for the first time. The real use of the SCIENCE BASED TARGETS NETWORK SBTN for us was the fact that the beginning of the process always starts with the SBTN analysis." ~GSK

TNFD and CSRD point to SBTN
Step 3 for target-setting.
SBTN target-setting goes
further than disclosures by
establishing how much of the
right actions in the right
places will meaningfully
address disclosed impacts

SBTN has made interoperability with other frameworks a crucial feature

Increasing efficiency for companies

- TNFD: Close alignment between TNFD LEAP framework and SBTN assessment and prioritization steps; TNFD does not have detailed guidance on target-setting and instead recommends companies use SBTN for this
- CSRD: SBTN provides strong guidance for scientifically credible disclosure under CSRD; SBTN referenced in CSRD as rigorous target-setting approach that accounts for environmental thresholds
- GHGP: Method alignment with GHGP, e.g. in approach to land footprint calculation, defining business scope, and data structuring
- Textile Exchange: other initiatives are developing sector-specific guidance based on our methods, for example <u>Textile Exchange</u>



Myth Busting: Significations Changouthink



SCIENCE BASED TARGETS NETWORK

Common Myths Demystified - Scope

I see the value in setting SBTs for nature but my company is large and complex. It is just too overwhelming to start.

Early in the process, you can narrow the scope of impact assessment and related target-setting!

- After the relatively quick and easy step 1a, you can narrow the scope of your value chain assessment and target setting to the **business** unit level. (differs from SBTi)
- We recommend this approach if there is one part of your business that 1) is more advanced on sustainability than the rest 2) has more relevant data than the rest 3) has a business reason, such as operational continuity, that is more acute than for the rest or 4) is more innovative than the rest and sees value in creating a proof of concept to inspire the rest of the enterprise

Examples of Business Unit Approach

The examples provided below is from a pilot company that achieved validated targets

Scope for BUA	Product Line	Brand and Country Combined	Subsidiary
Example	Plant-based product line (yogurts, drinks, desserts) of a global dairy company that is a subsidiary of a larger global food company -has validated land and FW targets	Global retailer with country-defined business units combined with an in-country "private label" department to define a scoped down business unit- has validated land and FW targets	Subsidiary, responsible for ingredient development, of a multinational consumer goods company - has a validated FW target
Rationale SCIENCE BASED GLOBAL COMMONS ALLIA	Readiness and leadership buy-in To test the SBTN methodology within the company, provide feedback to global teams, and evaluate its potential for future company-wide implementation. TARGETS NETWORK	Impact and Feasibility The selected business unit oversees upstream agricultural production, identified as the most impactful activity in Step 1a. Additionally, the French market accounts for approximately half of the company's overall business.	Impact and Feasibility The selected subsidiary is responsible for R&D, procurement and manufacturing cosmetic products for the parent company, contributing to two-thirds of the group's total turnover.

Common Myths Demystified - Scope

I see the value in setting SBTs for nature, but my company has lots of impacts around the world. It seems too big to tackle.

You can narrow the scope of target-setting to make this manageable

- In step 2, you can **prioritize locations** for target-setting based on business reasons ex. you have a goal to get more internal support to address operations in water-stressed areas
- You can choose to set targets in just one realm (e.g. Freshwater) in Step 3, even if you also impact land
- You can begin with **one basin-level target** under the Freshwater realm—e.g for quantity, which is **relevant across industries**.
- You can do just a direct operations freshwater target in a specific basin (for example, addressing water use in one key basin where you have a facility). This is recommended for companies who do not yet have good upstream data.

Common Myths Demystified - Step 1 & 2 data requirements

I see value in getting a validated double materiality assessment from SBTN but don't have much upstream data

 For upstream, you only have to assess 67% of your materials for impacts.

Note: you can exclude small procurement volumes up to 10% of your High Impact Commodities

- To get started, you just need the estimated or modeled locations of your direct and upstream activities.
- You can also use model based estimates to quantify pressures (Step 1b) and to complete the prioritization process (Step 2).

Common Myths Demystified - Traceability

I see value in getting a validated SBTN land or freshwater target but I don't have much upstream data

Start with where you have data, while improving your value chain traceability

- You likely already have the data you need to set targets for your direct operations. You may proceed to freshwater-target setting.
- If you want to set targets upstream too, you can get started as soon as you can trace some of your materials to the subnational level
- Materials that you cannot trace to the subnational level are placed in a special category (target boundary B). For these materials, you will be required to improve traceability over time, rather than set targets.

Common Myths Demystified: Land Targets

I see the value of getting validated land targets but I'm not sure how they work together and align with work I'm already doing

Land methods consist of three interconnected targets. Applicability depends on company size, sector and materiality results

- Certification schemes can be used to comply with the requirements of the No Conversion target provided these demonstrate both a deforestation and conversion–free assurance through a chain of custody system.
- Target 2 is only applicable to companies with large agricultural footprint
- Target 3 you can build on your existing landscape initiatives
- <u>Natural Lands Map</u>: Use the free, open-sourced data to know where there are areas of concern

Common Myths Demystified: Freshwater Targets

I see the value of getting freshwater targets validated but I heard it requires a lot of stakeholder engagement work on the ground

Stakeholder consultation is an important required step to identify a robust hydrological model for a given basin. Using models with credible local ecological thresholds underpins the science-based approach to target-setting and facilitates the stakeholder engagement needed to achieve the target.

Here's how the process works:

- **National-level input:** For each basin, consultation with just one national-level stakeholder* is sufficient to identify an appropriate local model and threshold.
- **Local-level input:** For top-priority basins, if no model is identified through national consultation, consultation with just one local-level stakeholder* is required either to (a) identify a local model or (b) approve the use of a global model.

SBTN recognizes that robust local models are not always available or easy to find:

- If no robust local model is identified:
 - o for *non-priority basins*, companies may use a global model.
 - o for *top-priority basins*, use of a global model is permitted if approved by a local stakeholder.
- To support companies, SBTN is developing a tool to help streamline this process, expected to launch publicly later in 2025.

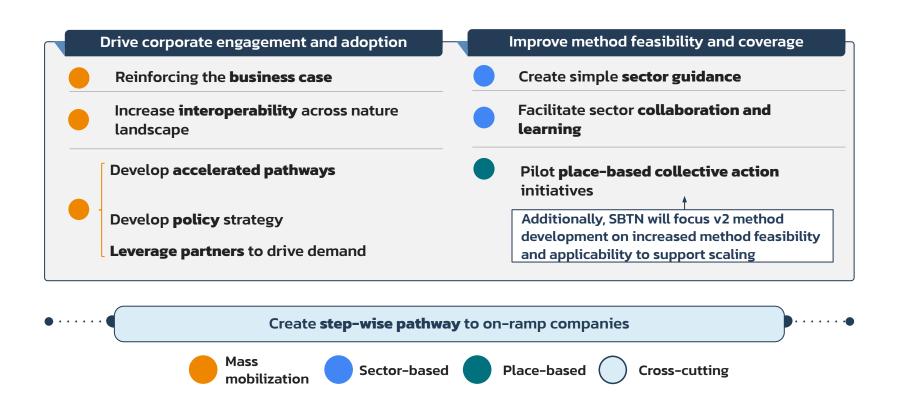
^{*}SBTN recommends consulting more than one stakeholder in order to establish the best scientific basis for target-setting.

Common Myths Demystified: Response options

I see the value of setting SBTs for nature but how can I commit without knowing what actions will be required?

- Step 3 Land and Freshwater methods provide a menu of actions or response options that you may take in order to meet your targets
- Additionally, we will be publishing Step 4 "Act" guidance in 2025. In that guidance, you will see that:
 - SBTN will provide more context for actions that have cross-benefits
 - SBTN allows for indirect actions to achieve targets, ex. freshwater quantity reductions can be achieved without reducing direct withdrawals, such as through regenerative ag water basin retentions
 - The guidance will not be prescriptive but will provide suggested actions as well as guardrails for companies to innovate solutions

PRIORITY SCALING ACTIONS ADDRESS BARRIERS TO ADOPTION





Elevator Pitches for SBTN High Potential Companies



At the start of an engagement or re-scoping:

- Given our work together on nature, and that your company is so advanced on sustainability work, I'm curious if you are doing anything with SBTN methods? Setting targets with SBTN could provide extra value in terms of (refer to SBTN value proposition and company archetype). Ex. Resilience/Operational continuity, Internal Alignment, Meeting Regs, Meeting Stakeholder Needs. Leadership Profile, etc
- Given our work together on [freshwater, forests, seafood] have you considered setting a related SBT target? SBT could add value (refer to SBTN value proposition in this deck)

If they are working on nature strategies or 2030 targets:

Have you thought about setting SBTs for nature? SBTN could provide extra value in terms of (refer to SBTN value proposition)



Elevator Pitches for SBTN High Potential Companies



If they are starting a new materiality assessment:

Have you considered using SBTN Steps 1 and 2?

This can add real value by helping you:

- Uncover <u>hidden nature impacts</u> in your supply chain or operations
- Apply a rigorous, quantified, double materiality approach aligned with investor and stakeholder expectations
- Streamline compliance with <u>TNFD and CSRD</u> avoiding future rework if you choose to set science-based targets for nature



You may have already completed parts of Steps 1 and 2 — this is a chance to build on that work and get even more value from it.



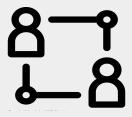
Lead Capture After Elevator Pitch for Companies not yet doing SBTN

- If you feel it will help, offer them a call with SBTN:
 - email corporateengagement@sciencebasedtargetsnetwork.org,
 - use your organization's name in subject line for faster response
 - you are welcome to join the call













Enroll in our Train-the-Trainer Program

- Deepen your expertise in SBTN methods.
- Access tools and resources to support company engagement.

Tell Us About the Companies You're Engaging

- We'd love to learn about progress and any barriers they're facing.
- Let's help you address challenges and strengthen engagement.

Got a Question?

 Ask us via the SBTN <u>Helpdesk.</u>



Jess McGyln - Corporate and Partner Engagement Director: jess@sbtnetwork.org
Paul Olawale-Johnson - Corporate Engagement Manager: paul@sbtnetwork.org



Appendix



Resources to engage with SBTN's methods, tools and guidance

Purpose

Target Setting Stage

Resource

General FAQs	Discovery	Gives an overview of SBTs to general public / corporate audience	
Case studies – pilot companies	Discovery/Exploration	Shares SBT journey of early adopters, gives overview of key challenges and benefits	
Self Assessment Tool for Step 1 & 2	Implementation	Helps assess level of readiness for Step 1&2 + supports coordination of data collection	
Corporate Manual	Implementation	Provides a detailed overview of SBTN methods to a non-technical audience	
Summary of data requirements	Implementation	Gives a recap of of data requirements for Step 1-3	
Technical guidance Steps 1-3	Implementation	SBTN technical methods for Step 1, 2, 3 FW, 3 Land, 3 Oceans	
Technical case study	Implementation	Ursus case study to illustrate Step 1, 2, 3 FW, 3 Land	
Stakeholder Engagement Guidance	Implementation	Helps companies identify, integrate, engage w/ key stakeholders in the SBT process	
Technical FAQs	Implementation	Provides off the shelf answers to common clarification questions on tech methods	
<u>Data templates</u>	Implementation	Suggests a format for submitting data for Step1-3	
Submission Forms	Implementation	Gives an overview of the submission questions and validation criteria	
Validation req & reco doc	Implementation	Gives a recap of all validation requirements and recommendations	
Stakeholder consultation guidance	Implementation	Guidance for FW- Step 3 model selection	
Natural Lands Map guidance	Implementation	Guidance for Land – Step 3 Natural Lands Map	
Solution papers [2025]	Implementation	Shares best practices from companies for value chain assessment (Step 1b)	
Claims guidance	Submission	Gives a recap of target statements in compliance with SBTN methods	
Step 4 response option database	Action	Shares a repertory of possible Step 4 actions	

Company Engagement Progress Milestones

<u>Milestone</u>	<u>Description</u>		
a. Company implementing step 1	The company is conducting or has completed Step 1, which includes:		
	Materiality screening to identify key environmental pressures.		
	2. Value chain assessment to map environmental impacts across operations and supply chains.		
b. Company implementing step 2	The company is conducting or has completed Step 2, which includes:		
	Defining target boundaries based on environmental impact assessments.		
	2. Ranking locations where action is needed.		
	3. Prioritizing interventions and evaluating the feasibility of target implementation.		
c. Step 1&2 - validation in progress	The company has submitted its Step 1 & 2 targets to the validation service for validation either to make a claim or to verify the correctness of both steps before progressing to Step 3 – Set targets.		
d. Step 1&2 - validation approved	The company's Step 1 & 2 targets have been validated by validation service.		
e. Step 3 - interested in validation	The company has expressed interest to the validation service to validate Step 3 targets (covering land, freshwater, and/or ocean impact).		
f. Step 3 - validation in progress	The company has submitted Step 3 targets and is undergoing validation service's validation process.		
g. Step 3 - validation approved	The company's science-based target(s) has been validated by the validation service.		

A Company's Target Setting Progress Milestones

<u>Progress Milestone</u>	<u>Description</u>	
a. Company implementing step 1	The company is conducting or has completed Step 1, which includes: 1. Materiality screening to identify key environmental pressures.	
	2. Value chain assessment to map environmental impacts across operations and supply chains.	
b. Company implementing step 2	nplementing step 2 The company is conducting or has completed Step 2, which includes:	
	1. Defining target boundaries based on environmental impact assessments.	
	2. Ranking locations where action is needed.	
	Prioritizing interventions and evaluating the feasibility of target implementation.	
c. Step 1&2 - validation in progress	The company has submitted its Step 1 & 2 targets to the validation service for validation either to make a claim or to verify the correctness of both steps before progressing to Step 3 - Set targets.	
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SBTN TURNS RISKS INTO MEASURABLE ACTION AND BUSINESS TRANSFORMATION

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1. SECURE OPERATIONS BY MANAGING RISK

2. INFORM

BUSINESS

DECISIONS

Companies face real-world risks from nature loss that they must mitigate to ensure long-term business performance

Companies need to coordinate across their business, and with key external stakeholders, to embed nature in decision-making

3. MEET STAKEHOLDER EXPECTATIONS

Companies need to prove to investors and other stakeholders that they are aware of and actively addressing their nature-related risks

4. ALIGN WITH INCOMING REGULATIONS

Companies can be required to disclose their impacts, and can face local regulations across their value chain

SBTN VALUE-ADD

SBTN's **rigor** helps companies identify and take action, sometimes on unknown risks

A **standardized** and **unifying** framework that aligns stakeholders

SBTN is the **only science-based approach** to action, delivering credibility

SBTN is **comprehensive**, helping companies stay ahead of regulations at different scales "We now know where to focus our efforts and where action is needed most." ~anon pilot co.

"We use SBTN to have concrete discussions with good insight on how we manage decisions" ~Alpro

"It is not a target that is set with your finger in the air - the methodology is robust, logical and prescriptive." ~pilot co.

"SBTN is probably the best method – but also the best explained method – out there" ~GSK



SBTN HELPS COMPANIES TO IDENTIFY, MEASURE, AND ACT ON WHAT MATTERS MOST TO THEM

SBTN's unique offering

Why do it?

Materiality Assessment & Prioritization (Steps 1&2)

Rigorous methods help you identify previously unknown impacts and risks to your business

Use to understand your impacts and where to take action, and as the basis for your disclosures for **maximum credibility**

"We are now equipped with a gold standard approach to comprehensively assess our biggest impacts on nature" ~Holcim

Setting Targets (Step 3)

Science-based approach to setting place-based targets across your value chain

Leverage the science to directly address your systemic risks through **targeted** action

"We now know where to focus our efforts and where action is needed most" ~Alpro



MEET REGULATIONS: COMPANIES CAN USE SBTN AS A BASIS FOR THEIR CSRD DISCLOSURES



CSRD CHALLENGE

Credibility: Companies must determine the nature impacts that are material to them, leaving many without assurance that their disclosures will be seen as credible

Action: CSRD prescribes disclosures but not targets or actions, leaving companies unclear on how much action they need to take where

SBTN VALUE

SBTN materiality assessment and prioritization (Steps 1&2) show companies which of their value chain impacts are material, ensuring credibility of CSRD disclosures

sbrn targets (Step 3) are mentioned in CSRD as the best approach for setting science-based targets; it also shows companies where they need to act

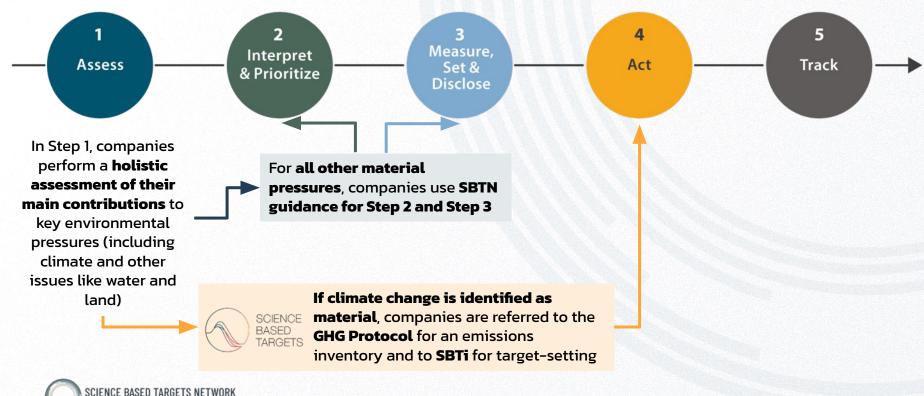
SBTN FEATURES

- Step-by-step methods with tools and templates;
- Independent set of methods brings credibility
- Recommended approach for setting targets in CSRD
 - Demonstrate that you are taking action to reduce your impacts through CSRD

Update: if companies have already finalized their analysis for CSRD, this can serve as a strong starting point for the first two steps of SBTN's process - materiality and value chain assessment (Step 1) and prioritization (Step 2). With additional analysis to meet SBTN's criteria, companies can now have this work validated by the Accountability Accelerator (before setting targets).



SBTN and SBTi provide complementary guidance on targets for nature and climate



SBTN & TNFD are two parts of the puzzle



Taskforce on Nature-related **Financial Disclosures**

Outputs for end-users

Framework & prescriptive guidance for place-based impact management via targets

Recommendations and support guidance for nature-related risk management & disclosure

Market-led

Governance Geography

Civil society-led

Global; Place-based; Landscape Level













Scope

Entities

Value chain



Companies

Upstream



Direct Ops.

Downstream

Upstream



Risk focused - both impacts and

dependencies on nature

Direct Ops.

Downstream

Materiality lens

Society & Environment focused - addressing impacts on nature and people

Shared mission towards achieving nature positive outcomes

Core definitions and conceptual framework

Similar data requirements and analytical outputs related to impact management

Local stakeholder engagement



Key areas of alignment

Companies can use SBTN as a basis for their CSRD disclosures



CSRD challenge

Credibility: Companies must determine the nature impacts that are material to them, leaving many without assurance that their disclosures will be seen as credible

Action: CSRD prescribes disclosures but not targets or actions, leaving companies unclear on what action they need to take where

SBTN value

Steps 1&2 show companies which of their impacts and which parts of their value chain **are material**, ensuring credibility of CSRD disclosures



SBTN features

- Prescriptive methods with tools and templates;
- Independent set of methods brings credibility

- Recommended approach for setting targets in CSRD
- Demonstrate that you are taking action to reduce your impacts through CSRD

"The analysis starts with analyzing impact and dependencies, for which SBTN is probably the best method – but also the **best explained method** – out there" ~GSK



SBTN is breaking down barriers for companies to start setting sustainability targets

SBTN encourages action by empowering companies to begin and progress on their sustainability journeys. SBTN Claims Guidance* helps companies showcase progress, while enabling both flexibility and accountability.



Flexible pathways to target setting

- Start with selected Business Units: companies get started on target-setting by focusing on the most prepared and/or impactful parts of their business
- Start with selected steps: companies get started on Steps 1 and 2 validation without committing a time frame for Step 3 validation
- Start with selected issue areas: companies get started on target-setting by focusing on selected material pressures: Step 3 Targets can be submitted separately for Land, Freshwater or Ocean. And for freshwater, you are allowed to submit targets only for direct operations with no obligation to complete target boundary
- Start with selected basins: companies get started on Freshwater target-setting by focusing on individual basins
- Start with seafood targets: companies can get started with Seafood targets even if they have impacts in other realms



Focused progress to target setting

- Focused attention on the most material impacts: companies focus their value chain assessment on a narrowed scope of economic activities and commodities, allowing the exclusion of negligible pressures (up to 10% of the volumes across high impact commodities can be excluded for each pressure category)
- Start with selected target boundaries: prioritize action where granular data is available, while you improve your value chain traceability



We must proactively address misconceptions to encourage companies to take the first step





Interoperability

Complexity

Feasibility

- "We already have environmental targets—SBTN is redundant".
- "SBTN is just another reporting framework".
- "We'll focus on CSRD first, SBTN can wait".



- · Complementary of frameworks
- Value of science-based approach (SBTN case studies)



- "SBTN methods are overwhelming—we don't know where to start".
- "Setting nature targets is too complex or costly".
- "We need sector-specific guidance before we can start".
- "High expertise is required, we don't have internal capacity"



- SBTN resources (Corporate manual, Self Assessment Tool...)
- SBTN trainings (Train the Trainer)
- Regional working groups
- Referral program
- SBTN helpdesk

- "There's no clear business case for nature targets."
- "Limited traceability We don't have enough data to take action."
- "SBTN means setting targets on every aspect of nature."
- "Limited models for freshwater are available"
- "Limited visibility to required action We won't set a target for nature until we know exactly how to achieve it."



- Flexible pathways
- SBTN and partner resources for Business Case
- SBTN FW model database (Basin Threshold Tools)

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MYTHS	FACTS
We already have environmental targets—SBTN is redundant.	It's not about duplicating effort—it's about sharpening it. SBTN helps align existing efforts with the latest science and global goals. It's not about starting over, but about strengthening and validating your current targets to ensure they're ambitious, credible, and nature-positive.
SBTN is just another reporting framework.	SBTN is action-oriented—it's about setting and delivering on real targets that drive impact, not just checking boxes.
We'll focus on CSRD first, - SBTN can wait.	SBTN helps deliver on CSRD, they are not separate efforts. By setting science-based targets for nature, companies can demonstrate clear, credible action on environmental impacts—key to meeting CSRD's requirements for transition plans and double materiality.
Setting nature targets is too complex or costly.	SBTN provides step-by-step guidance and tools designed for corporate sustainability teams. Plus, support and peer networks are available throughout the journey.
SBTN methods are overwhelming—we don't know where to start.	SBTN's Business Unit Approach is designed to help you get started on a selected part of your business. You don't have to do everything at once —you just need to begin.
We need sector-specific guidance before we can start.	While sector-specific guidance is in development, the core SBTN methods are designed to be broadly applicable across sectors.
There's no clear business case for nature targets.	Nature loss is a business risk. SBTN targets help companies future-proof operations, comply with emerging regulations, and meet investor and consumer expectations. Early movers gain a strategic advantage to shape implementation, build internal capacity, and stay ahead of incoming regulations and expectations.
We don't have enough data to take action.	Perfect data isn't required to begin. The methods are designed to work with what's available, and companies can start with estimates while improving data quality over time. The journey is iterative. SBTN is designed for continuous improvement—what



There's no clear business case for nature targets.	Nature loss is a business risk. SBTN targets help companies future-proof operations, comply with emerging regulations, and meet investor and consumer expectations. Early movers gain a strategic advantage to shape implementation, build internal capacity, and stay ahead of incoming regulations and expectations.
We don't have enough data to take action.	Perfect data isn't required to begin. The methods are designed to work with what's available, and companies can start with estimates while improving data quality over time. The journey is iterative. SBTN is designed for continuous improvement—what matters is starting with intention and building from there.
SBTN means setting targets on every aspect of nature.	SBTN lets you target specific realms—like freshwater or land—and even specific scopes (e.g., freshwater targets: quantity or quality targets, upstream or direct operations). It's designed to meet you where you are and scale as you grow.
We won't set a target for nature until we know exactly how to achieve it.	Waiting for full certainty delays impact—setting a target is the first step to creating that visibility. Step 4 "Act" will be released in 2025, in the meantime, response options are available in the Step 3 methods annexes



How can you kick off the process with companies?

Keep in mind:

 Companies may be at different stages of their nature journey – their knowledge level of the target setting process as well as the amount of support needed from your side might therefore vary.



START OFF BY....

ON-BOARDING

If a company has come to you for support, you can start by informing them on how our process works and direct them to the onboarding resources listed on SBTN's website (<u>Getting Ready</u>), including our <u>Corporate Manual</u>.

2 ASSESSING DATA READINESS

To estimate how much time and effort the process can take, direct companies to the <u>Summary of Data Requirements</u> to evaluate their data and traceability readiness for each step of our methods.

3 IDENTIFYING POTENTIAL SYNERGIES

It will be crucial to understand what actions they have already taken via other frameworks that can be leveraged for the SBTN process (climate SBTs, CDP Reporting, site-based biodiversity data collection...).

UNDERSTANDING YOUR ROLE

Consider your expertise and value proposition as well as the company's advancement in the target-setting process to identify how you can best support them.

If you want to learn more about how to engage companies, join our Engagement Bootcamp.

SBTN is vital step for maturing companies

