STEP UP FOR NATURE

THE BUSINESS CASE FOR SCIENCE-BASED TARGETS

Corporate insights on the value of science-based targets for nature

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ACCOUNTABILITY ACCELERATOR

EBP

SCIENCE BASED TARGETS NETWORK

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- Arla Foods
- GSK
- H&M Group
- Holcim
- John Lewis Partnership
- Kering
- Kirin Holdings
- KLS Pureprint A/S
- Musholm A/S
- Orkla Foods Sverige
- Ørsted
- Seatopia
- Talawakelle Tea Estates PLC
- Tata Motors

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Accountability Accelerator

The Accountability Accelerator is a regranter working to end corporate harms to nature. Through catalytic grantmaking and strategic orchestration, we strengthen the accountability infrastructure needed to stop and reverse harms to nature by companies.

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Science Based Targets Network (SBTN)

SBTN provides the leading target-setting approach for corporate action on nature. It's a civil-society and science-led network founded by global organizations including CDP, World Resources Institute, WWF, UN Global Compact, Conservation International, UNEP-WCMC and World Economic Forum. Its methods are developed collaboratively by SBTN's NGO and technical partners, drawing on scientific expertise, and are further tested and strengthened through expert review, corporate piloting and public consultation.

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Step Up for Nature: The Business Case for Science-Based Targets

FOREWORD

By Paul Polman

Business leader, investor, philanthropist

Biodiversity loss and ecological disruption are no longer distant risks to be managed in the future. They are realities already being felt in our homes, our communities, our workplaces, and throughout global supply chains.

From growing pressures on resources and disrupted operations, to rising costs and shifting customer expectations, businesses today are operating in a world that is changing faster than many of our systems were designed to accommodate.

It has become increasingly clear that business as usual is no longer a viable option. The economic and environmental systems that have supported our growth for decades are under unprecedented strain. We cannot continue to destroy the natural systems on which our economies, our businesses and, ultimately, life itself depend. Continuing along the same path will not deliver the security, resilience or prosperity that businesses, investors and society need in the years ahead.

For business leaders, this presents a tremendous opportunity. The companies that thrive in the coming decades will be those that recognise resilience and accountability as strategic advantages, and that begin redesigning their business models to operate within the limits of nature while creating long-term value. But leadership on nature is not simply about managing downside risk. Done well, it strengthens businesses, opens new opportunities, and is ultimately reflected in stronger long-term performance and returns.

At Unilever, we grew sustainable sourcing of agricultural raw materials from just 14% in 2010 to 67% by 2020, reaching more than 90% across our key crops and commodities. For a business of our scale, that represented a fundamental transformation of our supply chain. We also invested heavily to make our tea plantations more resilient to drought and diversified where we grew and sourced it to safeguard future supply. Investors were not pushing us to do this. Many might have preferred that money to bolster the next quarter's profits. But over time, the business value became clear: more secure supplies, less exposure to disruption and a stronger, more resilient business. Those investments were not a diversion from value creation; they were part of what made lasting value possible.

Experiences like these reinforced for me that leadership today means asking a different set of questions. Is my business profiting by solving humanity's challenges, or by adding to them? Is it strengthening the natural and social systems on which it depends, or weakening them? And, ultimately, is the world a better place because my business is in it?

Science-based targets for nature provide part of the architecture leaders need to answer these questions honestly and to translate their answers into action. They offer a structured approach for understanding material impacts, identifying priorities, and taking credible action on the ground through independently validated targets. As the companies featured in this report demonstrate, science-based targets support better decisions, strengthen long-term planning, and help build resilience into business operations.
They encourage organisations to look beyond immediate returns and instead invest in the conditions that enable lasting business success.

The businesses interviewed in this report are among the early adopters of science-based target setting for nature. Their insights are practical and gained from direct experience. They discuss the challenges of beginning this work, the lessons learned along the way, and the strategic value they have already found.

Their stories illustrate that integrating nature into business planning is not simply about responding to risk; it is about gaining greater confidence in business decisions, stronger governance and internal alignment, and a credible basis for claims and stakeholder conversations.

One year after the launch of SBTN's Step Up for Nature initiative, this report stands as evidence of a growing collective of businesses choosing to lead. They recognise that nature is fundamental to the long-term health of our businesses, our societies, and our economies.
And they recognise the opportunity to be on the right side of history in the transition to a net-positive world: securing the long-term resilience of their operations while strengthening the systems on which they and society depend.

This is not about taking a leap of faith. It is about recognising that the greater risk lies in maintaining the status quo. The frameworks, guidance and knowledge now exist to help companies act on nature with confidence and purpose. The question is no longer whether business should respond, but how quickly leaders are prepared to seize the opportunity to create value while helping shape a more resilient, equitable and prosperous future.

> **“Leadership on nature is not simply about managing downside risk. Done well, it strengthens businesses, opens new opportunities, and is ultimately reflected in stronger long-term performance and returns.”**

EXECUTIVE SUMMARY

Nature as a Strategic Business Issue

For today's senior leaders, addressing nature-related pressures is a strategic investment in business continuity and development, supporting long-term performance in a landscape of increasing resource constraints and rising stakeholder expectations.

The Value of Science-Based Targets for Nature

Companies described science-based targets for nature as a practical way to bring greater clarity and rigor to a complex business issue — helping them make better decisions, strengthen credibility and build resilience.

The corporate interviews carried out for this report reveal six key areas of business value:

Protected Revenue and Market Access:

Helping protect sourcing continuity and respond to emerging requirements.

Lower Cost of Credibility:

Using independent validation to support more credible, evidence-based claims and reduce reputational risk.

Better Decisions, More Focused Resources:

Sharpening prioritization of resources and management attention.

Greater Confidence in What Action is Needed:

Clarifying whether existing activity is sufficient and where greater ambition or different action may be needed.

Common Framework for Stronger Ownership and Execution:

Creating a shared basis for ownership, coordination, and action across the business.

Future-Proofing How the Business Manages Nature:

Building capabilities that can support evolving regulatory, market and financing expectations.

Sector Insights

The business case for action on nature looks different across sectors, reflecting distinct dependencies, impacts and sources of risk.

01 Food and Agriculture

Nature is a fundamental production and supply-security issue, directly affecting yield, quality, sourcing continuity and long-term viability.

SBTN helps companies identify the commodities, sourcing regions, farms, fisheries and basins where nature-related pressures matter most, so they can focus supplier engagement, investment and locally relevant action. For some businesses, credible nature performance can also strengthen customer differentiation.

02 Textiles, Apparel & Retail

Nature is primarily a raw material and sourcing risk, with dependencies concentrated in agricultural, forestry and animal-derived supply chains several tiers upstream. Disruption can affect material availability and cost, while weak visibility or action can create downstream risks for product claims, brand trust and customer relationships.

SBTN helps companies identify the fibers, materials, sourcing regions and suppliers where action matters most, giving them a stronger basis for sourcing strategy, supplier engagement, traceability and raw material transitions — while providing a common science-based reference point across complex value chains.

03 Materials, Manufacturing & Utilities

Nature is an asset-performance, license-to-operate and capital-allocation issue, particularly where operations are fixed, long-lived and highly dependent on local environmental conditions.

Exposure can also extend deep into industrial supply chains.

SBTN brings greater place-based precision to decisions around facilities, infrastructure and sourcing — helping companies identify operational, permitting and stakeholder risks, strengthen site-level accountability, and build greater resilience into decisions that can be costly or difficult to reverse.

Practical Lessons

A consistent learning from the companies interviewed is that starting does not require perfect data, full traceability, or a large new workstream. Most built on existing sustainability activity, improved data and supplier engagement over time, and used the SBTN approach to sequence what to do next. Companies also stressed the importance of collaborative supplier engagement, bringing together fragmented internal data, and ensuring access to the right analytical capability — whether built in-house or sourced externally — when applying SBTN's methods.

The practical takeaway for senior leaders is that the value lies not only in the targets, but in the capabilities built through the process: clearer ownership, better data, stronger supplier relationships, and a more decision-useful basis for action.

Call to Action: Step Up for Nature

Companies can follow the lead of those featured in this report by joining Step Up for Nature and signaling their ambition to advance science-based action on nature.

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01 WHY NATURE ACTION MATTERS NOW

The global economy is built on nature, with more than half of the world's GDP moderately or highly dependent on nature and its services* — and all of it leaves a footprint on nature in return. Yet, until recently, few companies could clearly identify where nature-related dependencies created business exposure, where their own impacts were most significant, or what action was needed in response. The companies featured in this report are among the early adopters beginning to answer those questions through a more systematic, science-based approach.

Nature is complex, and the pressure to act is rising

For companies, acting on nature means navigating a complex challenge: impacts and dependencies can be difficult to measure, highly location-specific, and complex to explain to stakeholders. Nature spans freshwater, land and ocean systems, with biodiversity integral to each, and a company's exposure rarely sits only in its own operations. It often lies upstream, in a supply chain that can run multiple tiers deep across many countries, where impact is hardest to see and to control.

At the same time, the pressure to act is rising across the business landscape. Regulatory requirements are emerging. Investors are paying greater attention to nature-related risk. Customers are passing expectations through their supply chains. Public concern is also increasing: communities affected by business activities and civil society are scrutinizing corporate claims, while consumers are placing greater expectations on corporate environmental performance.

The result is a more demanding business context: companies need to navigate a complex, multi-dimensional issue while meeting growing expectations to disclose their impacts, act on them, and demonstrate credible progress.

***Source:** World Economic Forum, in its 2020 report "Nature Risk Rising"

Many companies are acting, but actions are fragmented

Few of the featured companies in this report were new to nature action. Most were already acting on nature before working toward science-based targets for nature, yet often through separate initiatives that did not always add up to a clear view of what matters most, how much is enough, and is the company genuinely on track?

Arla Foods described SBTN as helping clarify strategic direction and what "good enough" looks like, particularly by incorporating local and regional conditions into action planning.

The challenge was not only internal coherence. Companies were also navigating different approaches for defining and evaluating credible progress.

Fashion company H&M Group describes a long-standing challenge before SBTN: companies often used different approaches to managing nature-related impacts, making it harder for stakeholders to compare and evaluate progress across organizations.

For a board, the practical consequence is that budgets may already be committed and initiatives underway, yet the two questions that matter most — where to allocate resources, and what the company can credibly claim — remain difficult to answer. Science-based targets for nature provide a way to bring greater focus, coherence and credibility to that activity.

WHAT DOES SBTN DO?

SBTN provides a structured approach for companies to manage their environmental impacts and dependencies through science-based targets for nature — complementing the role that science-based targets already play for climate through the Science Based Targets initiative (SBTi).

It helps companies determine what needs to change, where, by how much and by when. Crucially, ambition is not defined by the company alone. Targets are grounded in what science indicates is needed in specific places and across priority pressures, providing a credible basis for measurable action and better outcomes for nature.

The value of SBTN lies not only in managing environmental impacts, but in giving companies a stronger basis to manage the business in a world where nature increasingly shapes risk, resilience and opportunity.

5-STEP APPROACH:

1. Assess
2. Prioritise
3. Set Targets
4. Act
5. Track

Realms covered: freshwater, land and ocean, with biodiversity integrated across the target-setting approach.

The window is now

One year after it launched, SBTN's Step Up for Nature initiative shows what corporate momentum looks like: a growing group of companies across sectors moving from ambition to science-based targets.

The companies that started early on climate action helped define what credible practice looked like in their sectors. For nature, the capabilities that matter — from supplier engagement and location-specific data to governance and cross-functional ownership — take time to build. Starting now allows companies to build those capabilities early, stay ahead of rising expectations, and help shape what credible practice looks like for nature.

For senior leaders, the question is no longer whether nature matters to the business. It is whether the organization is ready to manage it.

INDEPENDENT VALIDATION

Science-based materiality assessments and targets are developed using SBTN's methods and reviewed by the Accountability Accelerator, which operates the independent validation service for science-based targets for nature.

Validation assesses whether a company's assessment, prioritization and targets meet SBTN's requirements and are aligned with the best available science.

This independent check strengthens the credibility, comparability and robustness of science-based targets for nature.

Companies must complete validation before making public claims about their work in accordance with SBTN's Claims Guidance.

Validation is carried out through the Accountability Accelerator's independent validation function, supported by specialist validation partners, including EBP.

02 THE BUSINESS VALUE OF SCIENCE-BASED TARGETS FOR NATURE

Science-based targets for nature give companies a structured route from existing nature-related activity to targets and action — bringing greater clarity on where to focus and what level of response is needed.

More than a target-setting process, SBTN is a strategic tool for managing nature as a business issue. Across the interviews, companies described the return as less of a narrow short-term ROI case and more as protecting commercial value, greater credibility, more focused use of resources, stronger ownership and execution, and the capabilities needed to respond to future expectations.

SIX AREAS OF BUSINESS VALUE STAND OUT:

1. **Protected Revenue and Market Access**
2. **A Lower Cost of Credibility**
3. **Better Decisions, More Focused Resources**
4. **Greater Confidence in What Action is Needed**
5. **Common Framework for Stronger Ownership and Execution**
6. **Future-Proofing How the Business Manages Nature**

2.1 Protected Revenue and Market Access

The commercial value of nature action can operate through two channels: protecting existing business and improving access to emerging demand. The first is about continuity. Nature-related disruption can affect access to raw materials, procurement costs, production, asset performance, permits, and customer relationships. By identifying where business activities intersect most materially with nature-related impacts and dependencies, SBTN can help companies focus action where disruption could have the greatest commercial consequences.

Asked how she framed H&M Group's engagement with science-based targets for nature internally, Chief Sustainability Officer Leyla Ertur described it explicitly as a business resilience and sourcing issue:

"The key frame we used was treating nature as a business issue — not as a CSR add-on. It creates business resilience. It is directly linked to our sourcing strategy. When I say resilience, I concretely mean our ability to continue operating and making our products."

Leyla Ertur | Chief Sustainability Officer, H&M Group

The second channel is market access. Nature-related expectations are increasingly being passed through value chains by customers, retailers, governments, and procurement teams. Companies that can demonstrate a credible, science-based approach may be better positioned to retain commercial relationships, respond to buyer requirements, and compete for emerging demand.

Danish aquaculture company Musholm described both sides of the equation: managing customer-driven expectations while creating a potential basis for responsible growth.

"The investment is partly about managing that risk. But there is also an opportunity side: if we can understand and reduce our impacts, and demonstrate credible progress, that can create a stronger basis for growth in the right places and on the right terms."

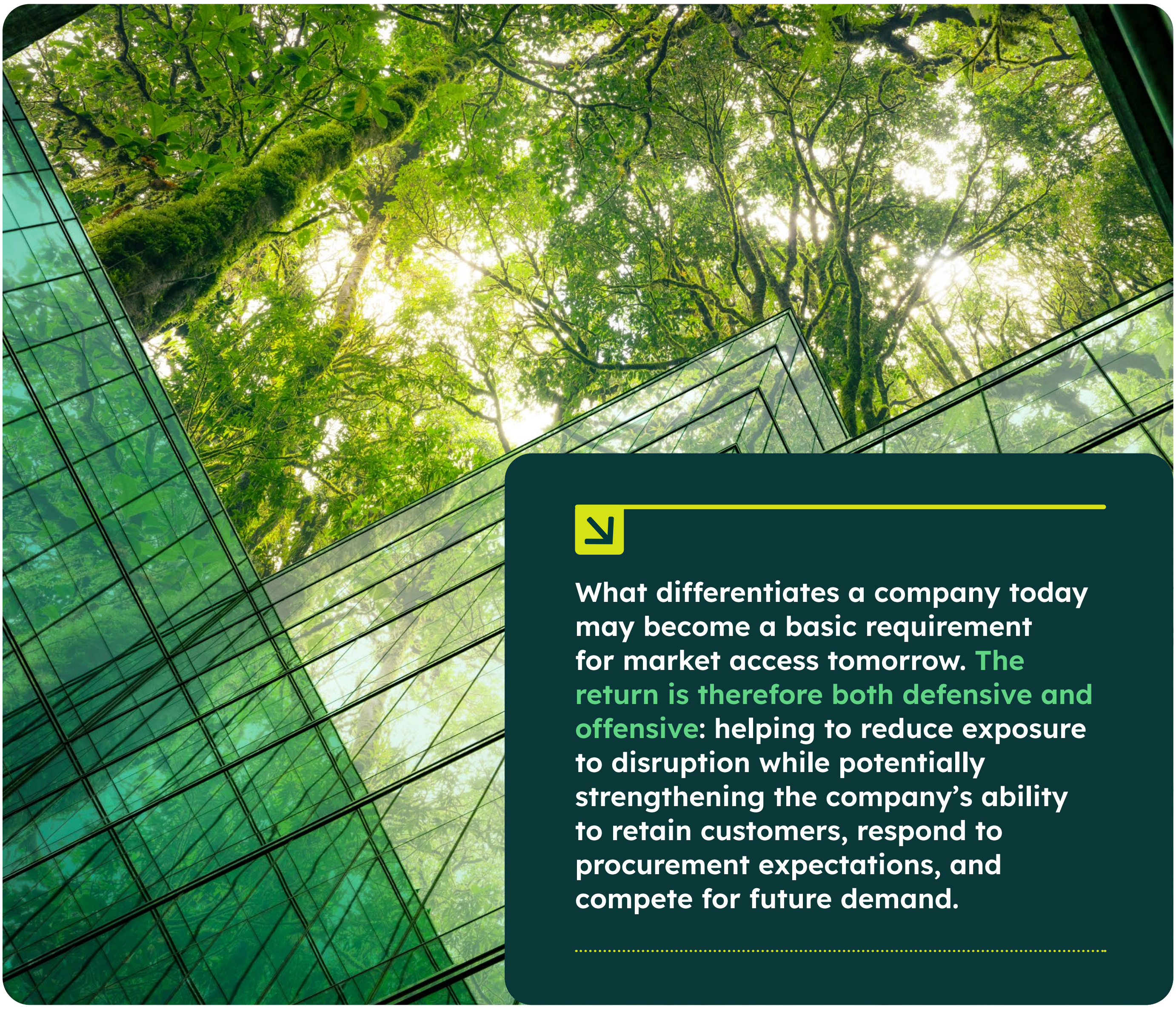
Thorbjørn Harkamp | Vice Managing Director, Musholm

Other companies described similar signals. Sri Lankan food and agriculture company Talawakelle Tea Estates PLC reported that its early SBTN position helps strengthen its standing with high-end buyers seeking producers aligned with science-based approaches. Danish packaging and printing company KLS Pureprint described verified, science-based nature work as increasingly necessary to remain "fit for the game" when competing for major customers.

For Danish utilities company Ørsted, whose customers include governments awarding offshore-wind tenders, a recognized and validated methodology strengthens the credibility of its nature-related claims and supports its competitive position. The company described SBTN as one part of a broader strategy supporting commercial value:

> **"Our work on biodiversity as a whole — which includes measurement, pilots, partnerships, work with governments, financing instruments like the world's first blue bond (EUR 100mln), which we launched two years ago, and the validation and data layer that SBTN contributes to — is what creates value. SBTN is a crucial part of that layered approach to create transparency and understanding of our biodiversity work, not a standalone investment with its own payback period."**

Ingrid Reumert | Head of Global Stakeholder Relations, Ørsted



What differentiates a company today may become a basic requirement for market access tomorrow. The return is therefore both defensive and offensive: helping to reduce exposure to disruption while potentially strengthening the company's ability to retain customers, respond to procurement expectations, and compete for future demand.

2.2 A Lower Cost of Credibility

Companies also point to credibility as a distinct source of value. As scrutiny of nature-related claims and disclosure increases, SBTN's science-based methods and independent validation give companies a stronger basis for explaining what they are doing, why they are doing it, and how progress has been assessed.

Validation is not only a technical checkpoint. It gives boards and external stakeholders greater assurance that priorities, targets, and claims are grounded in a recognized scientific process rather than the company's judgment alone.

Ørsted emphasized the additional confidence created by independent validation:

"

What we are doing is following a scientific method and then confirming it through third-party validation, which underlines our biodiversity efforts and progress. That builds a reputation grounded in science rather than just our own claims."

Cat Hemmingsen | Senior Biodiversity Advisor, Ørsted

French luxury goods holding company Kering described the value of having a recognized external methodology:

"

A recognized international methodology acts as a compass that prevents a company from having to navigate too many different approaches."

Rachel Kolbe Semhoun | Head of Sustainable Sourcing and Nature Initiatives, Kering

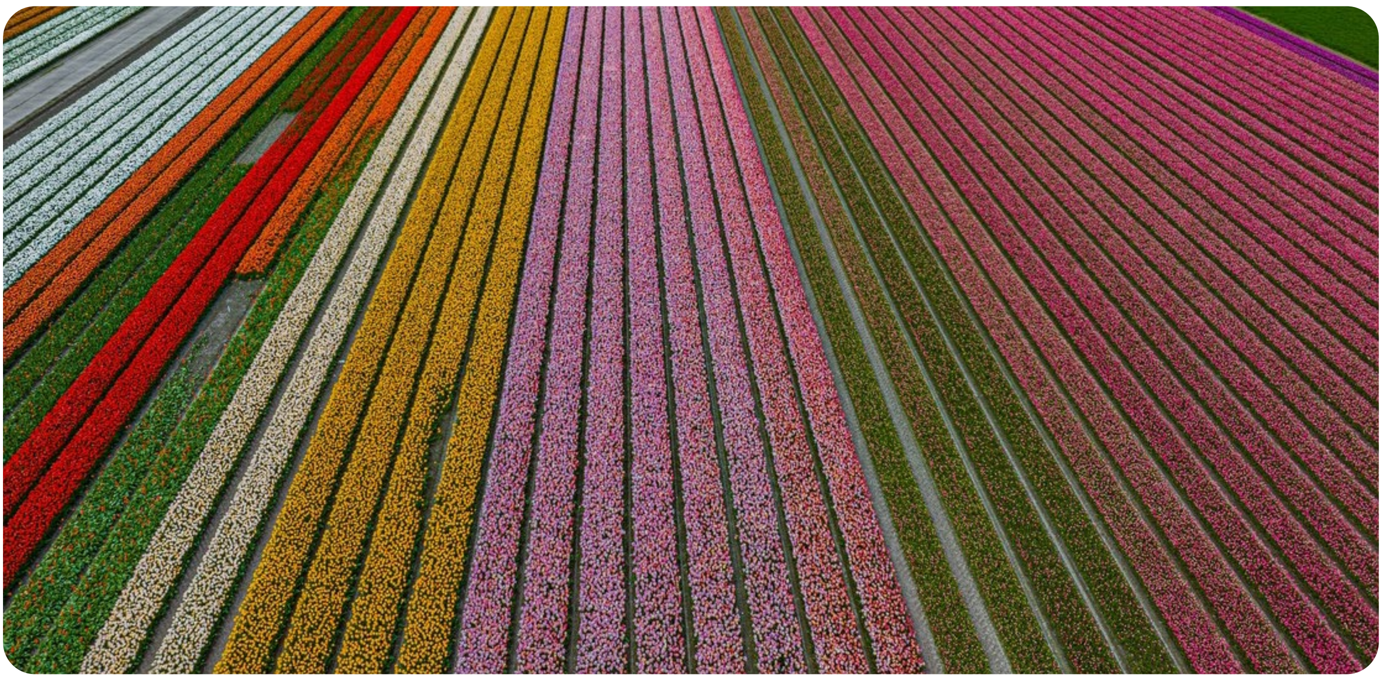
Validation gives boards and external stakeholders greater assurance that priorities, targets and claims are grounded in a recognized scientific process.

For UK retailer John Lewis Partnership, which owns Waitrose, external validation is seen as assurance that the company is not “relying on assumptions or instinct,” giving it the ability “to have evidence-based conversations with commercial teams and suppliers about where interventions can have the greatest impact.”

That credible scientific basis can reduce the burden of justifying difficult decisions internally and externally. Waitrose suspended mackerel sales after scientific evidence showed that the stock was under unsustainable pressure. While the decision involved a commercial trade-off, it demonstrated the importance of acting on the science and taking a long-term view of sustainability. The customer response to the suspension reinforced that its customers value transparency and that science-based decisions can help build trust while reducing longer-term risks to supply and the marine environment.

Orkla Foods Sverige, a food company operating within Norwegian Orkla Foods Group, described SBTN as providing a neutral, science-based, and common basis for customer conversations, allowing the company to answer questions more quickly and professionally. Global biopharma company GSK said the data and analytical foundation created through SBTN is already paying off in how confidently it can answer investor questions.

The return is a stronger and more efficient basis for stakeholder confidence—supporting clearer claims, more productive conversations, and a more defensible approach to reputational risk.



2.3 Better Decisions, More Focused Resources

Another return is decision quality. Companies may enter the SBTN process with more possible actions than resources. The assessment and prioritization steps produce a more defensible basis for answering the question boards actually face: what matters most, and where?

Japanese multinational Kirin Holdings described this as both a decision-making and practical resource-allocation benefit:

> **"SBTN helps us speed up decision-making and discussion. Instead of discussing whether or not we should care about nature, the discussion now moves on to which regions, which parts of the supply chain, and which sites are most important for our business. It helps us focus our limited management resources on the risks that really matter."**
>
> **Hiroaki Takaoka** | Senior Executive Officer, Corporate Strategy & CSV, Kirin Holdings

The precision is what makes this tangible. SBTN helps companies move from a broad understanding that nature matters to a more specific view of which impacts and dependencies are most significant, and where in the business and value chain attention is needed.

Kering provides a clear example. SBTN's methodology helped identify the Arno Basin as its highest-priority basin to act on improving water stewardship. This finding informed the company's water strategy.

> **"Using the SBTN methodology helped us identify where the state of nature and our activities intersected the most materially. Our first freshwater collective-action project is in the Arno Basin because that is what the methodology determined as our number one place to act. We will also be rolling out initiatives in all ten of our Group's targeted basins."**
>
> **Rachel Kolbe Semhoun** | Head of Sustainable Sourcing and Nature Initiatives, Kering

Confirmation is not a null result. It converts judgment into evidence.

The value still holds when the process confirms an existing direction. That confirmation can validate resource allocation to the board, sharpen delivery, and provide a stronger basis for subsequent decisions.

Confirming focus, however, is not the same as confirming that the action underway in those priority areas is sufficient.

2.4 Greater Confidence in What Action is Needed

Most companies are not starting from zero. They often already have nature-related programs, sourcing and supplier initiatives, and disclosure or climate work underway. SBTN helps bring that activity into a coherent, science-based route and assess it against what nature needs — showing where existing approaches are on track and where greater ambition, new action, or a different response may be required.

A distinctive part of that value is helping companies move beyond self-defined ambition toward a science-based view of what their contribution needs to be.

“SBTN has helped us understand what our strategic direction should be and what ‘good enough’ looks like. The way it addresses local context is especially valuable.”

Anna Flysjö | Sustainability Lead, Arla Foods

Arla also described how SBTN can complement existing nature assessment and disclosure work. While TNFD “looks at the what and the why”, SBTN helps clarify “the where and the how — what we should actually do”.

Indian automotive company Tata Motors stated that SBTN helps companies distinguish between visible conservation projects and the more foundational responsibility of first understanding and addressing the material nature impacts within one’s own operations and value chain.

Where existing activity is not enough, SBTN can catalyze new or different action — including changes to strategy, operational practice, supplier engagement, traceability, or collective action.

Musholm provides a practical example.

“Through the SBTN process, we were able to look at our production through a clearer science-based lens. One important insight was that moving some production from more vulnerable coastal waters to more robust open-sea sites could reduce impacts on nature.”

Teis Volstrup | Head of Public Affairs and Communication, Musholm

The return is greater confidence in what the business needs to do, how far it needs to go, and where existing approaches need to change.

2.5 Common Framework for Stronger Ownership and Execution

Companies also need clear ownership, coordinated decision-making, appropriate data, and the internal capability to deliver results.

Nature can otherwise mean different things to different teams—risk, sourcing, operations, compliance, communications, or reputation. SBTN gives internal teams a shared, science-based basis for assigning responsibility, coordinating decisions, and embedding nature into business processes. Kirin Holdings described how this helps companies navigate complexity and clarify responsibilities:

> **"I think one of the most important messages from us is this: our business is based on nature. But nature is very complex to understand and difficult to define responsibilities for. SBTN helps address that complexity—it provides a common language and framework that can be shared across multiple functions within a company."**
>
> **Yoshikawa Sosuke** | Head of Environment, Kirin Holdings

Companies are also beginning to embed SBTN-related insights into how they operate. Orkla Foods Sverige described integrating findings into practice:

> **"Through SBTN, we are working more and more on integrating the findings into purchasing practice. It requires putting down a base of knowledge first and increasing capabilities in the organisation."**
>
> **Cecilia Isaksson Sajland** | Director of Innovation and Sustainability, Orkla Foods Sverige

SBTN helps move nature from a sustainability topic into a management issue that procurement, operations, finance, risk, and other functions can take ownership of, integrate into decisions, resource, and deliver together.

At global building solutions company Holcim, SBTN reinforced the company's existing freshwater approach, including its use of freshwater withdrawal as the core performance metric. That metric now feeds into the long-term incentive compensation of senior leaders—an unusual level of accountability in the sector.

Supplier engagement can also become more targeted. SBTN helps companies identify where better data, traceability, or supplier action is most needed, turning broad supplier expectations into a more focused basis for engagement and collaboration.

The return is stronger execution. SBTN helps move nature from a sustainability topic into a management issue that procurement, operations, finance, risk, and other functions can take ownership of, integrate into decisions, resource, and deliver together.

2.6 Future-Proofing How the Business Manages Nature

Companies described science-based targets for nature not as a standalone task, but as enabling work that helps future-proof how the business manages nature.

"

It's a way of future-proofing the way of working in terms of regulatory requirements and other stakeholder expectations."

Cecilia Isaksson Sajland | Director of Innovation and Sustainability, Orkla Foods Sverige

As nature-related expectations become more specific, responding separately to each new requirement can create duplication and repeated internal effort. SBTN helps companies build a more reusable foundation for managing nature — with stronger data, governance and understanding of material impacts and dependencies that can support multiple business needs over time.

That foundation can then be reused as regulatory, market and reporting expectations evolve.

Danish utilities company Ørsted said earlier SBTN work made it much quicker to respond to CSRD and TNFD because the underlying data and impact picture were already in place.

GSK similarly described SBTN as foundational work that made subsequent reporting requirements easier to address:

"

The SBTN process was the enabling work that made subsequent reporting and assessment frameworks significantly easier to address."

Loraiza Davies | Technical Lead, GSK

H&M Group also linked its early engagement with SBTN to its ability to respond to evolving legislative expectations:

"

Because we started with the focus on SBTN so early, we are now well prepared to meet emerging legislative expectations. That early work has helped us build the knowledge, processes, and understanding needed to move forward with confidence."

Jennie Granström | Head of Biodiversity and Land, H&M Group

The return is greater adaptability: companies build data, governance, supplier relationships and internal capabilities that can be reused as regulatory, market, financing and stakeholder expectations change — creating a stronger platform for managing nature as a business issue over time.

03 SECTOR INSIGHTS: WHAT FIRST MOVERS ARE DOING

3.1 FOOD AND AGRICULTURE

Why nature matters for this sector

Food and agriculture companies rely on land for soil fertility, productive landscapes, grazing systems, plantations, and crop production; on freshwater for irrigation, livestock, processing, and watershed health; and, where seafood or aquaculture are involved, on the ocean for fish stocks, marine habitats, feed ingredients, and coastal ecosystem functions.

Therefore, nature dependency is a fundamental business risk for this sector. These dependencies translate directly into production risk, yield variability, and supply security, because commercial output is generated through living systems. The condition of soils, water, and ecosystems directly affects whether production is reliable and of the required quality.

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Specifically: as a tea plantation company, we are highly dependent on ecosystem services for our crop and for the micro-climatic conditions that make growing possible. If those ecosystem services collapse under a given scenario — water retention, water flow through our landscape — crop production will be directly reduced, and our whole business performance depends on that crop quantity. When we convert these dependencies into financial values, we can see the risk exposure and business impact quite clearly under each scenario.”

Krishna Ranagala | Sustainability Manager, Talawakelle Tea Estate

For companies with complex agricultural supply chains, the challenge is determining which dependencies and parts of the value chain are most material to the business.

"As a group, we have completed Steps 1 and 2 of the five SBTN steps, and we are prioritizing freshwater as our most important realm. We are focusing on our value chain — not only our direct operations, but also our supply chain — because we heavily rely on agricultural products to operate our business, and as you may know, agriculture is fundamentally linked to water."

Yoshikawa Sosuke | Head of Environment, Kirin Holdings

Ecosystem degradation is not an external ESG issue for the sector but a direct driver of volume, quality, cost, and sourcing continuity. Managing those dependencies is therefore integral to the long-term viability of production systems, especially in regions exposed to water stress, soil degradation, climate volatility, disease pressure, or overexploitation.

This is why global value chains require local, systematic action. Because impacts and dependencies are often highly local but value chains are global, companies in this sector need to understand farm-, fishery-, plantation-, and basin-level conditions, as well as the broader sourcing networks that connect them to processors, brands, retailers, and consumers.

"Raw materials are a huge area for us. It is not our own locations and production areas that are the biggest impact — it is mainly the raw materials where we affect nature. And I think that for the purchasing department it is really, really important. What we need even more of now is information on sourcing locations — where things are sourced, how they are sourced, and how nature and the environment is being managed there."

Cecilia Isaksson Sajland | Director of Innovation and Sustainability, Orkla Foods Sverige

A shared, science-based approach can help connect farm-level improvements with commercial value by giving companies, suppliers and customers a common way to measure progress and build roadmaps across the value chain.

"What is important for us at Arla is that on this sustainability journey we can combine the way we work with it on farm in particular, but also the way we work with it on the commercial side of our business. To do that, it is very important that we, together with our customers and our partners across our industry, have some kind of alignment around how we measure, report, and build roadmaps — up and down the value chain and across. That is where we are hoping the SBTN framework will enable a common language and a common way of measuring across the whole value chain, because that enables us to also valorize the work that we are doing."

Hanne Søndergaard | Head of Agriculture Sustainability and Corporate Communication, Arla Foods

How SBTN helps create value for this sector

As food and agriculture value chains are often global and fragmented, corporate-level targets alone are insufficient unless they are translated into action where production actually happens.

SBTN helps translate nature-related production risks into more practical decisions about how and where to act. Its place-based, science-based approach helps companies identify the commodities, sourcing regions and production systems where nature pressures are most material, providing a clearer basis for focusing management attention, supplier engagement and investment.

The value can also extend into market differentiation. For companies competing on how food is produced, credible nature performance can support differentiation with customers.

> **"The focus at Seatopia has always been on creating a market for innovative aquaculture products: moving out of commodity distribution and finding buyers who value the nuance in how things are raised."**
>
> **James Arthur** | Founder & CEO, Seatopia

3.2 TEXTILES, APPAREL & RETAIL

Why nature matters for this sector

Textiles and apparel rely heavily on nature-dependent raw materials, including agricultural, forestry and animal-derived fibers. Retailers also carry broad product portfolios that extend this exposure across a wider range of nature-dependent commodities, making the sector's exposure highly diverse and often indirect.

The sector depends on land through fiber cultivation, livestock and forestry systems; on freshwater for both raw-material production and wet-processing activities; and, for some product categories and logistics chains, on the ocean through marine-derived inputs and transport routes.

Managing nature dependencies is therefore a strategic business imperative. For textiles, apparel, luxury, and retail companies, nature dependencies are often upstream, indirect, and several tiers removed from the brand, but their business consequences are felt downstream through product availability, cost, brand trust, and customer relationships.

"Our industry is deeply dependent on nature — on land, on water, on raw materials. If those become more constrained, more expensive, or more regulated, it could impact business. Supply chains are already becoming more fragile. Regulations are increasing. Linking those realities to the decisions we make on nature is not abstract — it is risk management."

Leyla Ertur | Chief Sustainability Officer, H&M Group

Credible nature commitments are critical for brand reputation and meaningful supply chain engagement. Because the company's own direct footprint may be relatively limited compared with its sourcing footprint, nature risk can be easy to underestimate operationally while still affecting sourcing continuity, product claims, and reputation.

Company leaders therefore need to connect biodiversity, water, soil and ecosystem pressures directly to sourcing and commercial decisions — including product availability, input costs, supplier reliability and customer-facing claims.

“

First and foremost, we ensured strong engagement with our commercial teams, involving them as co-owners of the process and giving them the opportunity to shape the work from the outset. That created the foundation for meaningful engagement with suppliers, who are closest to the realities on the ground and are therefore critical to identifying practical solutions.”

Ben Thomas | Senior Manager for Nature and Biodiversity, John Lewis Partnership

The sector's midstream-to-downstream position means that companies must manage nature dependencies through procurement, product design, supplier engagement, certification and circularity strategies rather than through direct operational control alone. That makes traceability increasingly important, because companies need to know which materials, suppliers, and sourcing regions are linked to the most significant nature pressures.

How SBTN helps create value for this sector

For textiles, apparel and retail companies, SBTN can strengthen supply-chain governance in a sector where much of the nature exposure sits several tiers upstream, while the business consequences are felt downstream. It provides a science-based basis for identifying where to focus and for translating that into sourcing, supplier and investment decisions.

For retailers and brands whose resilience depends heavily on upstream suppliers, SBTN can help focus investment and engagement on the parts of the supply chain where stronger relationships and nature action can create longer-term business value.

“

That is the lens for SBTN. It is a long-term investment. We are not expecting immediate returns. We believe that investing in supply chain resilience, taking credible action for nature and building strong supplier relationships will help build a more resilient business over time. By using science to guide our decisions, we're better able to focus our efforts where they can have the greatest impact, creating long-term value for our business, our suppliers and the natural systems we all depend on.”

Marija Rompani | Director of Ethics and Sustainability, John Lewis Partnership

A common science-based approach can help align internal teams, suppliers, peers and partners around what credible action looks like.

“

The SBTN methodology is very useful as a common nomenclature for everyone, regardless of their sector. Its science-based approach enables all stakeholders to feel confident that it supports a strong pathway towards positive impacts and cuts through the confusion of too many competing ideas, or being overwhelmed by too much complexity.”

Rachel Kolbe Semhoun | Head of Sustainable Sourcing and Nature Initiatives, Kering

Beyond day-to-day sourcing and supplier decisions, SBTN can also provide a structure for embedding nature more firmly into broader business planning, including transition planning and reporting.

“

We have decided that having a biodiversity ambition is no longer the most powerful tool, and it has always been a struggle to integrate into the company. Whereas SBTN targets are much more aligned with the new way of working. We will now have a strategy based solely on very clear targets, a very clear transition plan towards those targets, and very streamlined communication. SBTN will be referenced throughout our reporting — both through legislation and through other frameworks such as CDP.”

Jennie Granström | Head of Biodiversity and Land, H&M Group

3.3 MATERIALS, MANUFACTURING & UTILITIES

Why nature matters for this sector

Nature dependencies arise both from direct operations — including plants, mines, grids and other fixed assets — and from upstream value chains supplying minerals, timber, chemicals and other industrial inputs.

The sector depends on land for extraction, production sites, infrastructure and sourcing; on freshwater for processing, cooling, manufacturing and energy generation; and on the ocean where offshore infrastructure, marine transport or coastal assets are material to operations or supply chains.

Therefore, nature dependencies are a critical asset-performance and license-to-operate issue. Because assets are often fixed in place for decades and interact visibly with local communities and ecosystems, companies need to evaluate nature dependencies together with operational impacts, permitting requirements, stakeholder expectations, and long-term capital allocation decisions. Their long-lived, location-dependent nature means leaders treat nature as a core driver of asset performance, license to operate, and capital allocation, as environmental degradation can directly affect production, operating costs, and asset value.

For manufacturers, nature-related risk also extends far beyond direct operations into deeply tiered supply chains, where upstream suppliers and extractive inputs can materially affect the business's resilience and credibility.

"Our impact on nature and biodiversity is not only what we do inside our operations — but it is also what others do to sustain our operations. Automotive supply chains are deeply tiered: tier one down to the extractive industries. And while we may take comfort that we are doing the right thing — we must hold ourselves accountable for other partners in our value chain too."

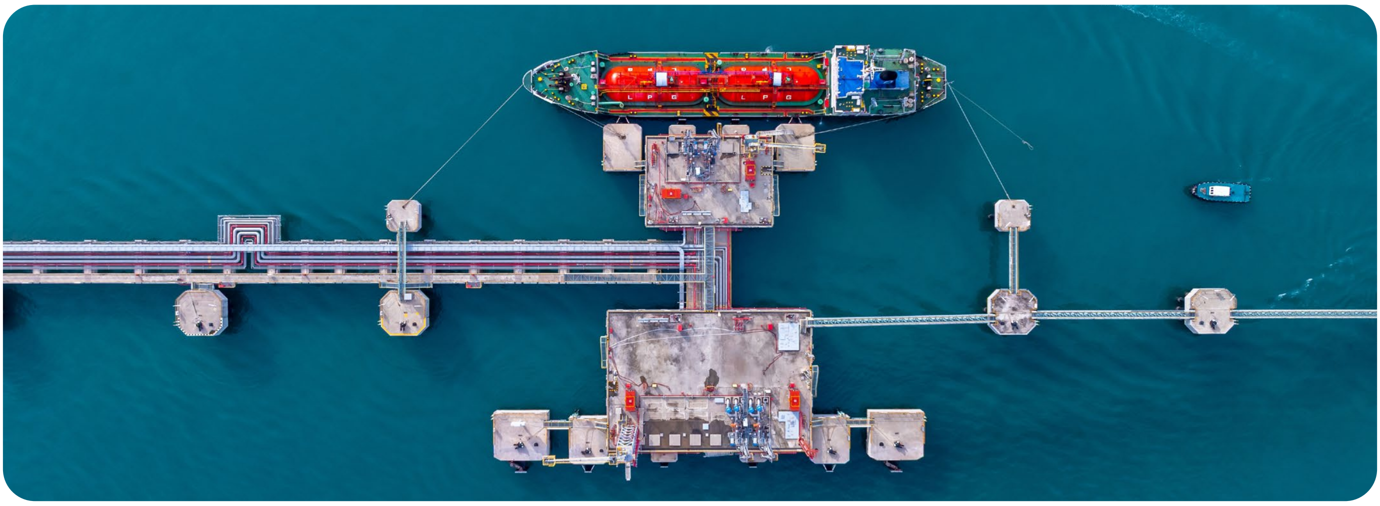
Jyotindran Sastabhavan | Chief Sustainability Officer, Tata Motors

Proactive management of dependencies builds business resilience and can avoid "lock-in" risks. Because the sector is capital-intensive and characterized by long-lived assets, companies must integrate nature-related risks into strategic planning, project design, site selection, permitting, procurement, and investment decisions before building or expanding assets. Some industrial facilities and infrastructure such as plants, quarries, and wind farms cannot easily be relocated or redesigned once operational.

Companies that integrate nature-related assessments — such as scenario analysis and nature-inclusive design — into early-stage strategic planning can be better positioned to identify and respond earlier to risks of stranded assets, regulatory change and other future constraints. Engaging with suppliers and understanding value chain impacts can also strengthen companies' ability to anticipate and respond to future regulatory and supply-side risks.

"The more you engage with your suppliers, the closer you get to them and the less risk you have on the supply side, because you have already effectively deselected the ones that do not want to work further. Because we started this journey — Cradle to Cradle started in 2015 for us — it has been a very long journey with our suppliers, and they have been going along."

Janni Toft Nielson | CEO, KLS Pureprint



How SBTN helps create value for this sector

For materials, manufacturing and utilities companies, SBTN can bring greater precision to decisions around fixed, location-dependent operations and complex industrial value chains. Its place-based approach helps companies identify where facilities, infrastructure and sourcing activities intersect with significant pressures on nature, providing a clearer basis for decisions about site operations, supplier and material choices, permitting and future projects.

For companies operating fixed assets across different locations, that place-based precision can also strengthen site-level accountability and help external stakeholders understand why credible nature targets may need to vary by context.

> **“What SBTN has added that is genuinely new is the basin-by-basin, context-specific framing. We are used to group-level consolidated targets, but the SBTN approach requires local stakeholder engagement, local hydrological models and site-level accountability. Over time, our conversations with investors have become more productive because it helps the market develop a more sophisticated understanding of what context-specific nature targets look like.”**

Antonio Carrillo | Vice President, Sustainability, Holcim

For manufacturers with deep, tiered supply chains, SBTN can help extend nature risk management beyond direct operations to the suppliers and material inputs production depends on.

> **“I would say the science-based targets will make a difference in the value chain resilience perspective in the long run. As our value chain starts action on pressures — conserving water, reducing pollution in soil and water — it will strengthen their resilience against upcoming regulations that may come in five or ten years. So from a business perspective it will help build resilience.”**

Dr. Naveen Pandey | Head of Biodiversity, Tata Motors

For companies in this sector, independent validation of their SBTN work can provide an additional layer of credibility in conversations where biodiversity plans and supporting evidence are increasingly relevant to tenders and project requirements.

> **"Our industry typically operates on the basis of large tenders or auctions, and the customer is government or a regulator acting under government. Having a biodiversity plan is increasingly becoming a requirement to be awarded a project, although it still varies from market to market. Our ability to speak credibly to that — with a validated methodology underpinning our claims — is very important."**
>
> **Ingrid Reumert** | Head of Global Stakeholder Relations, Ørsted

04

PEER ADVICE:

PRACTICAL LESSONS FROM COMPANY EXPERIENCE

Perfect data is not required.

A clear lesson from the interviews is that companies do not need perfect data or full traceability to begin. Several companies started with incomplete information, used available data and assumptions transparently, and improved their understanding over time. This matters because many companies assume that science-based targets for nature require farm-level, site-level, or supplier-level precision from day one. The interview evidence suggests the opposite: the process can help companies understand what they know, where uncertainty remains, and what data improvements are needed next.

GSK said SBTN helped the company work with the data they had and identify where origin and location data required improvement. Overall, it has helped raise the maturity of the data infrastructure.

KLS PurePrint made a similar point from a smaller company perspective: companies may begin the process thinking they need to know everything, but SBTN can help them come through the process with a better decision-making tool than they had before.

Start from what you have and sequence the work.

Nearly all found that the methods organized, prioritized, refined, and supplemented their existing work rather than replacing it. H&M Group described SBTN as helping consolidate existing nature-related work into a clearer, science-based approach — making the company's nature agenda more concrete, strategically integrated and easier to communicate across the business.

Arla Foods built on a decade of natural capital accounting. GSK built on an established nature strategy.

H&M Group described SBTN as helping consolidate existing nature-related work into a clearer, science-based approach — making the company's nature agenda more concrete, strategically integrated and easier to communicate across the business.

The entry barrier is lower than the complexity of the landscape suggests, and the process is not reserved for large multinationals. Musholm has around 34 employees. U.S. seafood company Seatopia is a startup.

Companies also emphasized that the value of SBTN lies not only in the final target, but in the stepwise process that helps move companies from broad ambition to a manageable route forward. This sequencing makes the process more practical, helping companies narrow a broad set of nature-related issues into a clearer set of next steps, while still building toward more comprehensive science-based action over time.

For example, companies described using the process to phase supplier engagement, improve traceability over time, and build from existing work rather than starting from scratch. KLS PurePrint said that the process strengthened documentation of supplier relationships and helped identify where deeper supplier engagement should be focused first. Tata Motors described supplier engagement as essential to translating targets into action, and said this would need to build over time—especially where upstream impacts sit outside direct operational control.

Make supplier engagement a shared conversation.

The hardest constraint reported across sectors is location-specific supply chain data. The featured executives emphasize that the first step is an honest audit of existing data, followed by a collaborative approach to fill the remaining gaps. Tata Motors described their experience with supplier commitment as surprisingly good and reciprocal, particularly once suppliers understood the relevance of nature-related impacts to their own operations, resilience, and long-term business performance.

Companies repeatedly noted that targets only become actionable when suppliers understand the relevance, can provide better data, and can collaborate on implementation. The strongest lesson is that supplier engagement should not be framed only as a data request or a demand to support the company's target. It works better when it is framed around shared risk, resilience, transparency, and practical collaboration.

GSK's supplier engagement insight is particularly useful: the team found that supplier engagement was more effective when framed around shared water risk and practical collaboration, rather than asking suppliers to support GSK's target. SBTN helps provide the scientific foundation, but the entry point for the conversation is focused on business risk.

KLS PurePrint similarly advised companies to speak with suppliers early, assess what documentation already exists, and take a collaborative approach rather than forcing terms.

The strongest lesson is that supplier engagement should not be framed only as a data request or a demand to support the company's target.

Build or source data capability.

SBTN asks companies to bring together data that often already exists but sits scattered across teams, systems, suppliers, regions and reporting processes. Companies described the process as helping them understand not only what data they had, but what they still needed, who owned it, and how to turn it into decision-useful insight. The clearest lesson is that the "data challenge" is often less about technology than about internal communication and mindset.

Tata Motors offers one of the clearest lessons here: companies need analytics capability on the team. Their experience was that much of the relevant data already existed across different workstreams, departments and systems — the opportunity was bringing it together. Having someone who could access, integrate, code and interpret that data was critical to turning fragmented information into actionable nature insights.

GSK also noted that one of the biggest internal challenges was not supplier concerns, but ensuring internal data teams understand why location and origin data mattered. That process ultimately raised the overall maturity of its internal data infrastructure.

The message for senior leaders is that SBTN is not only a sustainability exercise. It brings data, analytics, sourcing, procurement and operational teams into the same conversation, and the capability built along the way outlasts the target-setting itself.

Capability can also be bought as well as built. Smaller and mid-sized companies in particular recommend bringing in external experts to carry the technical load, rather than assuming every part of the process must be resourced in-house.

What Does it Take?

Setting science-based targets for nature requires time, coordination, and clear ownership—but companies do not need perfect data or full traceability to begin.

Plan for validation from the start

Companies should allow time to prepare documentation, respond to questions, clarify assumptions, and ensure that public claims accurately reflect what has been validated. This effort is part of what gives the process its credibility.

Validation involves a separate cost-recovery fee to cover the independent review process; companies can find current fee and service information through Accountability Accelerator's

Internal effort is the main investment

Across interviews, companies emphasized that the main investment was internal time and coordination. Large companies typically assigned a project lead, ranging from part-time ownership to a near full-time role for around a year, who coordinated data inputs from cross-functional teams including sustainability, sourcing, procurement, operations, finance and data owners. Some companies also used external consultants for technical analysis, state-of-nature assessment or validation preparation.

Smaller companies used lighter models: KLS PurePrint estimated that the process required around 5 percent of its CEO's time, supported by a product manager, while Talawakelle Tea Estates completed the work using internal capacity.

External support can be scaled to need

Many companies begin with existing sustainability work, supplier knowledge, reporting analysis, and certification data – using external support only where specialist technical or analytical capacity is needed.

Reported external costs vary widely based on experiences reported by interviewed companies. Startups and SMEs reported costs below EUR 10,000, while the most commonly observed consultant fee for completing Steps 1–3 at companies with more than 1,000 employees was EUR 25,000–75,000.

Higher figures reported by some early participants largely reflected complex value chains and the additional costs of applying and testing an evolving methodology during the pilot period.

Timelines depend on scope and readiness

Indicative timeframes for applying the methods are:

STEPS 1–2

Assess and Prioritize:
three months minimum

STEP 3

Set Targets:
one to three months

VALIDATION

typically three to four months from submission to validation

The pace varies with company size, value chain complexity, data maturity, target scope, and internal capacity.

05 EXECUTIVE TAKEAWAY

Nature as an Investment Decision

Seen through a financial lens, every investment earns its place in one of four ways: it protects existing revenue, reduces current cost, avoids future cost, or generates new revenue. The featured companies point to potential value across all four. The first three are primarily defensive and are already evident in company experience; new revenue is more offensive and still emerging, with first movers seeing future opportunity.

Protect existing revenue

- Continuity of sourcing
- Market access
- License to operate

KLS Pureprint's "fit for game" in competition	H&M's operational continuity	Tata Motors' value chain resilience

Reduce current cost

- Focused resource allocation
- Communications efficiency
- Effective internal collaboration

Kering's compass to guide action	Kirin's better focus with limited management resources	Orkla answering customers faster

Avoid future cost

- Regulatory readiness
- Lower cost of credibility
- Reduced disruption risk

GSK's "enabling work"	H&M's legislative readiness	Waitrose's strengthened credibility with stakeholders

Generate new revenue

- Buyer preference
- Tender opportunities
- Emerging market opportunities

Talawakelle's strengthened standing with high-end buyers	Ørsted's positioning in public tenders	Musholm's potential case for responsible growth

Rather than describing science-based targets for nature through a narrow short-term ROI model, companies pointed to a broader investment case: protecting commercial value, improving the quality and focus of decisions, reducing exposure to future disruption, and building capabilities that may support future opportunity.

The relevant board-level question is therefore not simply "what does this cost?" It is whether the investment is proportionate to the value it can protect, the decisions and capabilities it can strengthen, and the opportunities it may help the business access.

SCIENCE-BASED TARGETS FOR NATURE 2.0

SBTN's 2026 release of its corporate methods and guidance draws on several years of scientific development and early corporate application. It makes the target-setting journey more practical while maintaining the scientific rigor and place-based approach that underpin credible nature action.

The updated resources give companies more ways to begin and progress through the target-setting process. They also broaden target coverage across freshwater and land and add new support for implementation.

Validation is also now available step by step, giving companies a clearer route to build credibility as they progress, supported by a growing community of peers demonstrating what is possible.

How Companies Can Step Up for Nature

Companies can learn more about the Step Up for Nature initiative. To participate, companies commit to submitting their next step toward science-based targets for nature for validation by a specified date.

Participating companies join the SBTN Ambition Board, alongside a growing group of companies demonstrating momentum toward credible nature action.

ANNEX

Recommended Reading for Advancing Credible Nature Action

Companies will start from different levels of readiness. The pathway below highlights practical steps and resources your organization can draw on as you progress through the target-setting journey.

Understand the ABC of nature jargon, regulations and standards and how it all fits together.

SBTN provides companies with science-based methods for setting targets for nature, developed through a network of leading scientific and conservation organizations and informed by corporate application.

RECOMMENDED READ:
Board pocket guide: Nature and Climate Action.

Develop a nature strategy

For broader guidance on developing a corporate nature strategy, Business for Nature's Nature Strategy Handbook provides practical guidance and resources across the ACT-D high-level business actions.

RECOMMENDED READ:
Nature Strategy Handbook

Explore the targets that your company could set.

Explore the types of science-based targets available through SBTN and the nature pressures and parts of the value chain they can address.

RECOMMENDED READ:
Overview of SBTN's targets

Assess the resources you have and the extra support needed and decide how to get started.

Accelerated pathways offer companies a flexible, modular way to begin setting science-based targets for nature – helping companies start taking credible action faster.

RECOMMENDED READ:
Introduction to Accelerated Pathways - get started faster without compromising rigor.

Get ready for validation of your assessment and prioritization work. (Steps 1 & 2).

Review the validation requirements early, prepare the supporting documentation, and allow time to respond to questions or clarify assumptions during the process.

RECOMMENDED READ:
Accountability Accelerator Validation Service Offering

Prepare for science-based target-setting (Step 3)

Companies can begin preparing for Step 3 while their Steps 1 and 2 work is undergoing validation — for example, by reviewing priority areas and addressing data or baseline gaps needed for target-setting.

RECOMMENDED READ:
Explore targets set to date by other leading companies.

Communicate validated milestones.

Disclosing each validated milestone provides an excellent opportunity to demonstrate your progress to key stakeholders. Companies can also signal their next step and expected timeline through the Step Up for Nature initiative.

RECOMMENDED READ:
Step Up for Nature

Implement actions and monitor your progress against your science-based targets.

Use SBTN's action resources to help plan and implement actions that support progress toward achieving your targets, and track progress over time.

RECOMMENDED READ:
About SBTN's Act Framework and response options

Use your targets to help shape your transition plan.

As transition planning expectations evolve, science-based targets for nature can provide a practical input by translating nature-related ambition into measurable, time-bound targets and action.

RECOMMENDED RESOURCE:
Enabling and scaling nature in transition planning; Guidance on Nature in Transition Plans

STEP UP FOR NATURE

Turn ambition into impact with science-based targets