SBTs for Nature:
An Introduction

GSMA
31 May 2023

Nicole Hardiman,
Corporate Engagement Manager
Agenda

- Nature & biodiversity overview
- Overview of 2022 Biodiversity data
- What are SBTs for Nature and why do we need them?
- What is the development status of SBTs for Nature?
- SBTs for Nature methods introduction
- Nature and SBTs for Nature engagement opportunities
What is nature?

“the natural world, with an emphasis on the diversity of living organisms (including people) and their interactions among themselves and with their environment.” (TNFD, 2022).
**Some Key Terms**  *(from Convention on Biological Diversity)*

**Ecosystems:** Self-regulating communities of plants and animals interacting with each other and with their non-living environment.

**Biodiversity:** The diversity of life in all its forms. The diversity of species, of genetic variations within one species, and of ecosystems.

**Ecosystem services:** Processes by which the environment produces benefits useful to people, akin to ecosystem services.

**Natural capital:** The world's stocks of natural assets which include geology, soil, air, water, and all living things. From natural capital, humans derive ecosystem services.
What is the relationship between biodiversity, nature, and climate?
What is nature positive?

Global Goal for Nature: Nature Positive by 2030

**Nature Based Solutions**: actions that involved the protection, restoration, or management of natural and semi-natural ecosystems.

http://naturepositive.org/
How does this affect me?

Just over ½ of annual GDP is dependent upon nature. (PwC, 2022)

1. Direct Operations
   - lower yields
   - extreme weather damage & disruption
   - loss of requisite ecosystem services
   - shifting production sites
   - stranded assets
How does this affect me?

1. Direct Operations
   - lower yields
   - extreme weather damage & disruption
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   - shifting production sites
   - stranded assets

2. Commodity Markets
   - price volatility
   - higher prices
   - lack of certified supplies
How does this affect me?

3. Reputation

- reduced consumer demand
How does this affect me?

- 73% of Europeans want to stop biodiversity loss
- 76% want stronger forest protection
- 49% hold manufacturers responsible
- Deforestation is “the new coal”

3. Reputation
- reduced consumer demand

4. Policy & Regulation
- fees and taxes
- fines
- liability
- market exclusion
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CDP’s 2022 Biodiversity Module Responses

The average response rate to the Biodiversity module questions was 81%.

Asia and Asia Pacific had the most disclosers (37%).

Overall, 82% of disclosing companies were from Asia and Asia Pacific, Europe and North America.
(C15.1) Is there **board-level oversight and/or executive management-level responsibility** for biodiversity-related matters within your organization?
(C15.2) Has your organization made a **public commitment and/or endorsed any initiatives related to biodiversity?**

![Bar chart showing biodiversity initiatives globally.](chart.png)
(C15.3) Does your organization **assess the impact of its value chain** on biodiversity?

![Bar chart showing the distribution of responses to the question of whether organizations assess the impact of their value chain on biodiversity. The chart includes categories such as 'No, but will in next 2 years', 'Upstream & downstream', 'Upstream only', 'Downstream only', and 'No plan to address, blank'. The chart indicates the percentage of responses for each category, with a breakdown by Global and Europe.]
(C15.4) What **actions** has your organization taken in the reporting year to progress your biodiversity-related commitments?
(C15.4) What **actions** has your organization taken in the reporting year to progress your biodiversity-related commitments?
(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

Global
- 16% Yes
- 84% No

Europe
- 29% Yes
- 71% No
(C15.6) Have you **published information** about your organization’s response to biodiversity-related issues for this reporting year in places other than in your CDP response?

![Bar chart showing percentages of publications across different categories: Voluntary reports, Financial reports, Other, Regulatory filings, and No publications. The chart includes data for both Global and Europe.](chart.png)
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Why SBTs for Nature?

Focus on five key pressures:
1. Land and sea use change
2. Direct exploitation
3. Climate change
4. Pollution
5. Invasive species
(IPBES, 2019 & WEF, 2020)

Benefits of setting a SBT
- Consistent measurement
- Aligned framework
- Credible methods
- Consolidated approach
Science Based Targets Network: Founding partners
SBTi/SBTN Connection

**SCIENCE BASED TARGETS NETWORK**

SBTN creates methodologies and drives companies and cities to adopt science-based targets for their impacts on all of Earth's natural systems.

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**CLIMATE SBTs**

**NATURE SBTs**

BUILDING AND EXPANDING UPON CLIMATE TO ALL ENVIRONMENTAL IMPACTS
What are SBTs for Nature?

“…measurable, actionable, and time-bound objectives, based on best available science…”

- Preserving freshwater resources and water security
- Supporting biodiversity and ecosystem services
- Securing healthy, diverse oceans
- Preserving and regenerating land systems

- Four “hubs”/issue areas
- Scope is direct operations and upstream supply chain stages (currently)
- Target users are companies, independent of sector
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Guidance for Steps 1 and 2 released May 24!
SBTN’s Five Step Process

Freshwater and land methods released May 24. Methods for other issue areas (oceans and biodiversity) to follow.
Draft guidance for Steps 4 and 5 to be released in 2024
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Step 1: Assess

Comprehensively assessing company impacts

1a. Materiality screening
1b. Pressure assessment

Interpret & prioritize

2a. Target boundary
2b. Prioritization

Measure, set & disclose

3. Measuring baselines and target setting

What are my impacts on the environment?

Of these impacts, which are material?

Which impacts must I set targets for?
Step 2: Prioritize

Identify which impacts to address first

1. Which locations does my company need to set targets for?
2. Which parts of my business should I get started on first?
Step 3: Measure, Set & Disclose

Calculating baselines and setting targets

1a. Materiality screening
1b. Pressure assessment
2a. Target boundary
2b. Prioritization
3. Measuring baselines and target setting

1. For my priority areas, what is the baseline to use as reference for my targets?
2. What target should I set for each priority location?
Step 3: Freshwater Target Setting

Preliminary analysis, targets, and long-term monitoring will be basin specific.

- Two targets:
  1. Green River
  2. Upper Big River

- Sites B & C: data aggregated
- Site A: reported separately

Possible target types:
- 1. Water withdrawal
- 2. Nitrogen loading
- 3. Phosphorus loading
Step 3: Freshwater Target Examples

Freshwater Quantity:

“Company X will reduce its water withdrawal in the Y Basin to Z ML/year by the year 20XX.”

Freshwater Quality:

“Company X will reduce its nutrient load in in the Y Basin to Z kg P (or N)/year by the year 20XX.”
Step 3: Land Target Setting
Methods are in beta testing

Target 1: No Conversion of Natural Ecosystems
Stop direct and indirect conversion of all natural, terrestrial ecosystems

Target 2: Land Footprint Reduction
Reduce the global occupation of production systems and liberate land, ideally for ecosystem restoration

Target 3: Landscape Engagement
Engage in materially relevant landscape scale initiatives to support actions and enabling conditions that lead to substantial improvements in nature
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Telecommunications Services: Preliminary Nature Based Impact Assessment
Based on ENCORE tool from Natural Capital Finance Alliance and CDP’s Water Watch Impact Matrix

<table>
<thead>
<tr>
<th>Impacts &amp; Dependencies</th>
<th>Production Process</th>
<th>Materiality Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soil Quality, Land Ecosystem Change</td>
<td>Installations on land</td>
<td>High</td>
</tr>
<tr>
<td>Marine Ecosystem Change</td>
<td>Fibre-optic cable installation</td>
<td>High</td>
</tr>
<tr>
<td>Noise Pollution</td>
<td>On-land and underwater noise pollution from installation and maintenance</td>
<td>High</td>
</tr>
<tr>
<td>Solid Waste</td>
<td>Office building associated with service provision</td>
<td>Medium</td>
</tr>
<tr>
<td>Flood and Storm Protection Ecosystem Service</td>
<td>Infrastructure extremely vulnerable to disruption</td>
<td>Very High</td>
</tr>
<tr>
<td>Water Use/Wastewater Production</td>
<td>Electronic components and plastic manufacturing have moderate to high water use.</td>
<td>Very High</td>
</tr>
</tbody>
</table>
SBT for Nature Engagement Opportunities

- Join SBTN’s Corporate Engagement Program or keep track of target development by signing up for SBTN’s newsletter.

- Be on the look-out for CDP educational webinars.

- Disclose to all three CDP questionnaires (including the biodiversity module).

- Join the Supply Chain and Reporter Services programs.

- If applicable, set a FLAG target with SBTi.

- Start with TNFD’s LEAP approach.

- Start with SBTN’s Steps 1 and 2. Click here to get started.
Thank you!

Any questions?

Nicole Hardiman
Corporate Engagement Manager
Will there be guidance for companies on how to set targets regarding their suppliers’ nature impacts (the scope 3 aspect)?

Yes, assessment of suppliers’ nature-based impact will be a requirement of Step 1’s Materiality Assessment step.
How do I get one-on-one, technical guidance on data collection and target setting?

SBTN hosts a Referral Program, which lists service providers from across the globe who are staying up-to-date on technical developments.