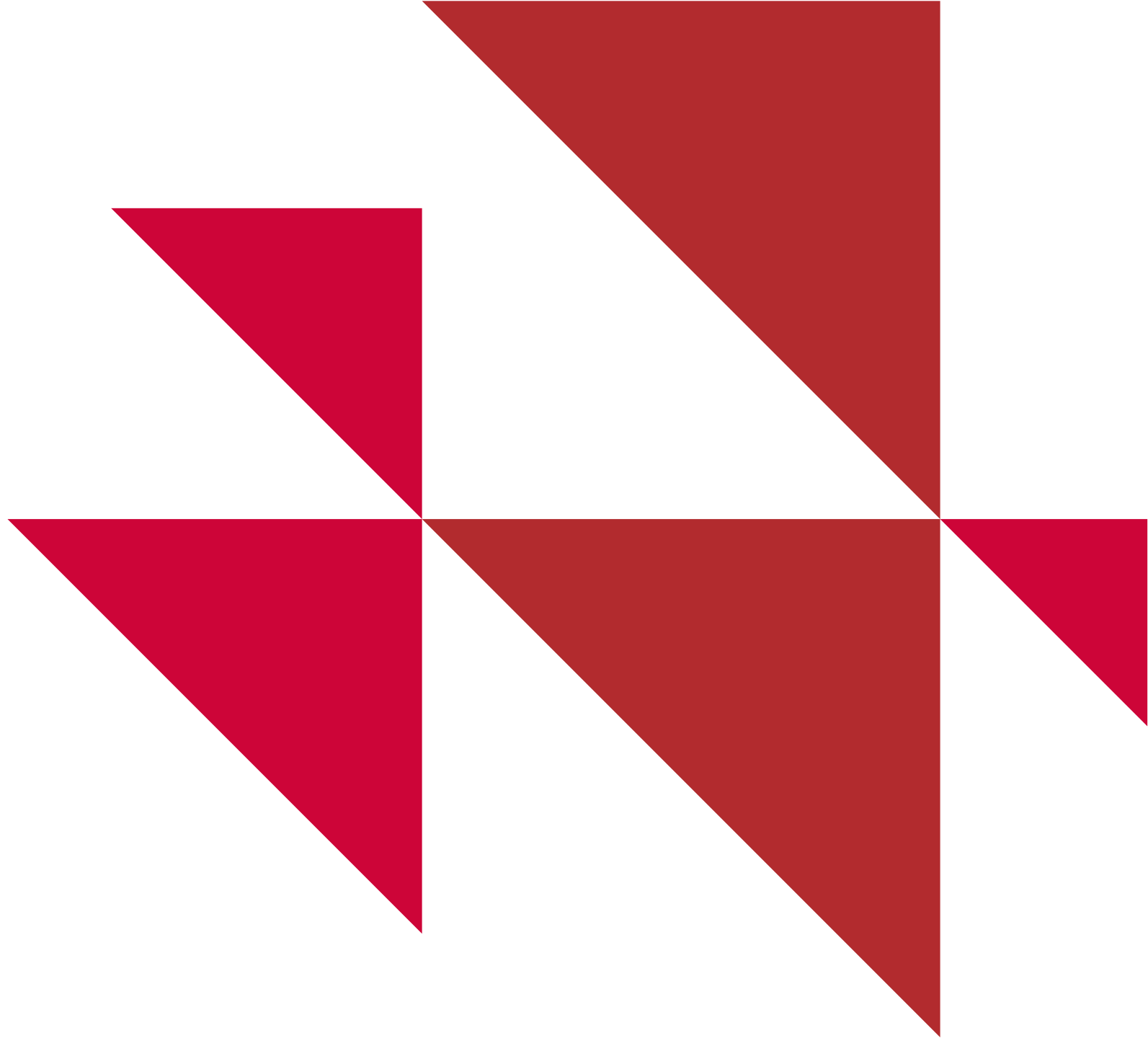


SBTs for Nature: An Introduction

GSMA

31 May 2023

Nicole Hardiman,
Corporate Engagement Manager

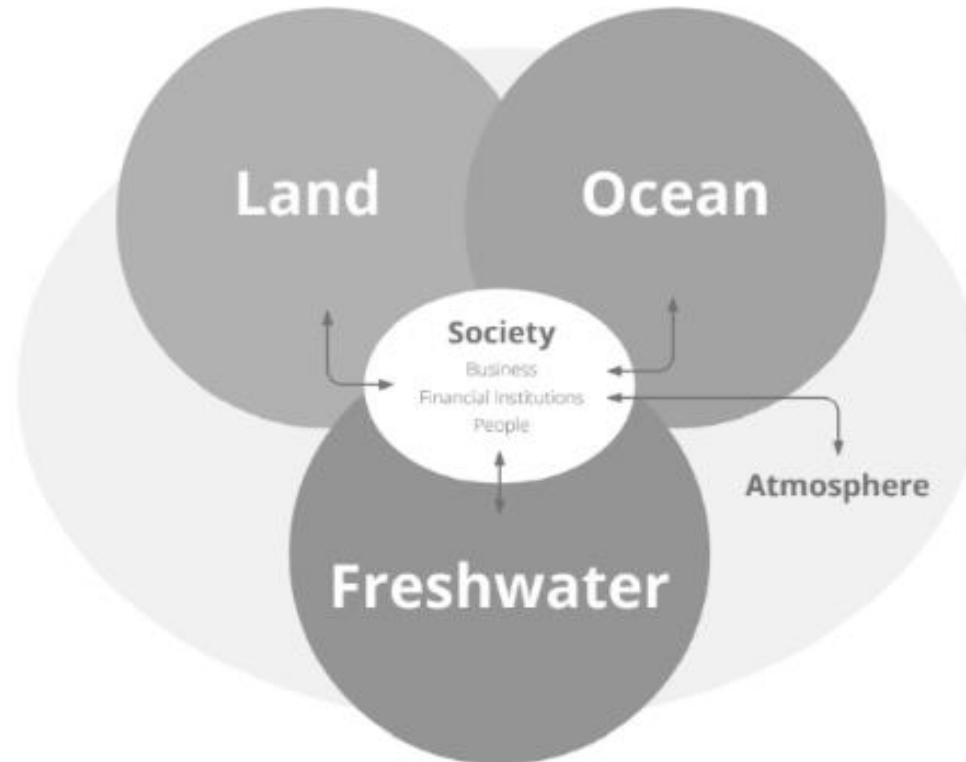


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What is nature?

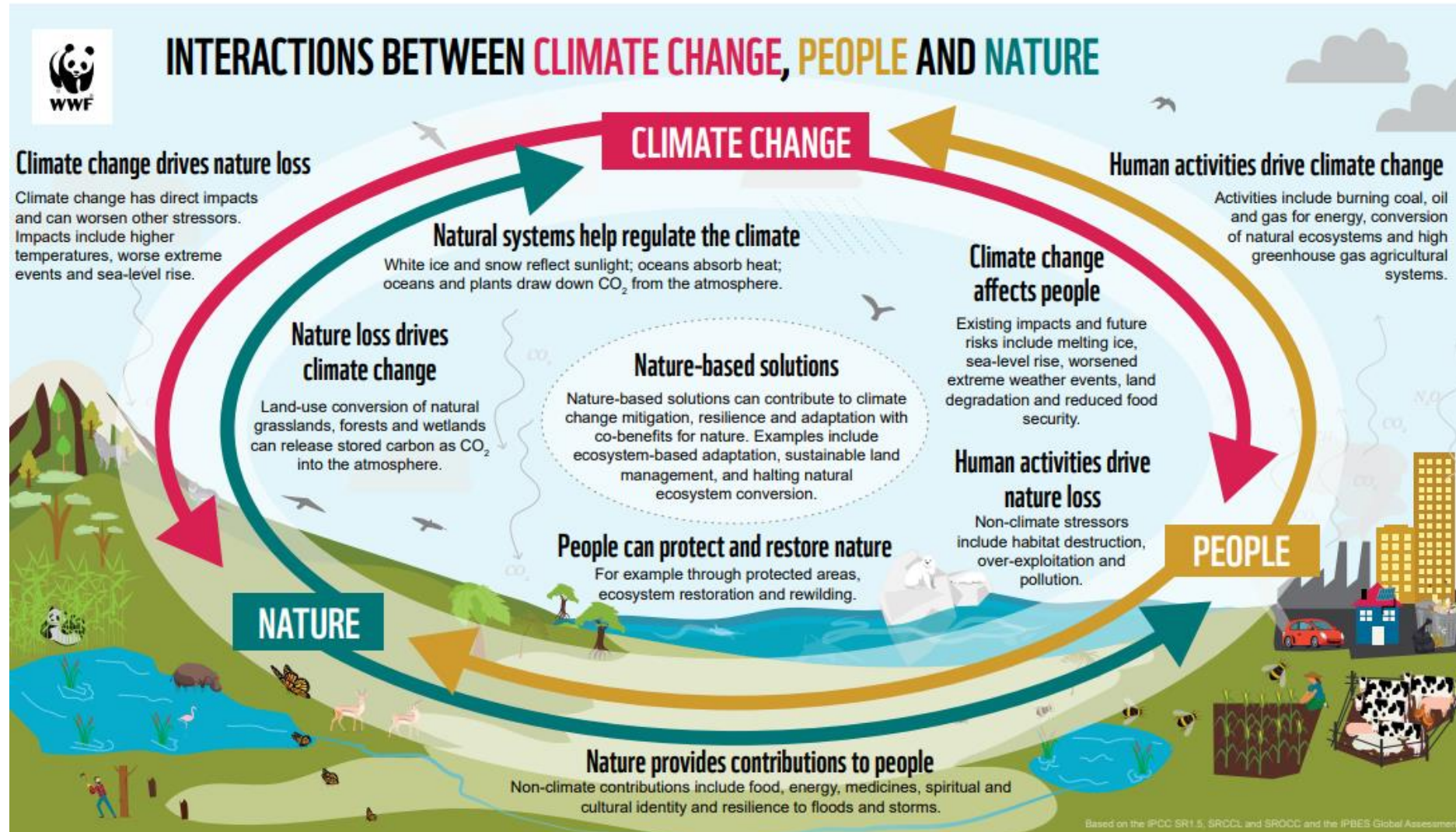
“the natural world, with an emphasis on the diversity of living organisms (including people) and their interactions among themselves and with their environment.” ([TNFD, 2022](#)).



Some Key Terms (from Convention on Biological Diversity)

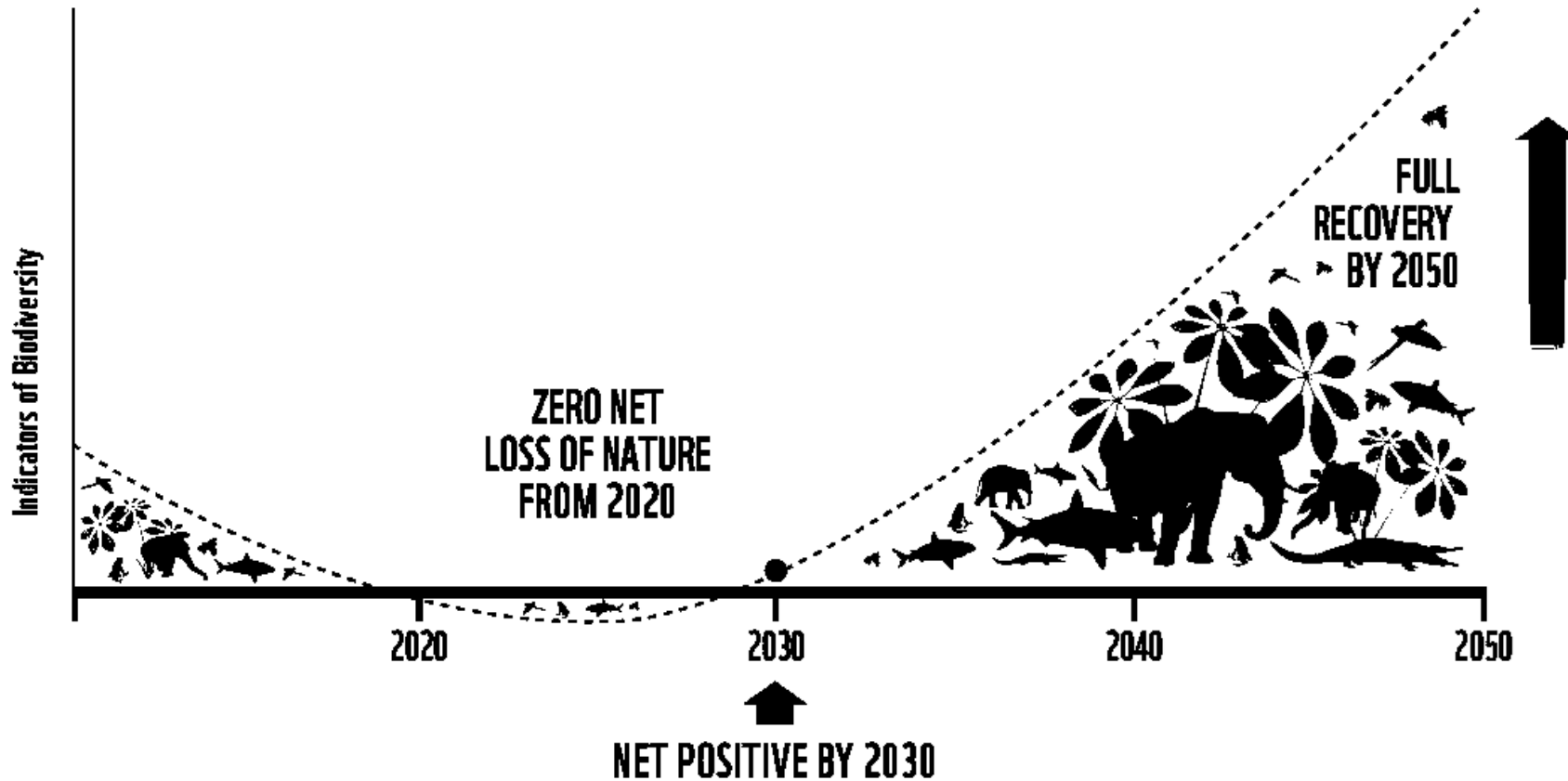
- ▼ **Ecosystems:** Self-regulating communities of plants and animals interacting with each other and with their non-living environment.
- ▼ **Biodiversity:** The diversity of life in all its forms. The diversity of species, of genetic variations within one species, and of ecosystems.
- ▼ **Ecosystem 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.

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
- loss of requisite ecosystem services
- 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”

WWF Eat4Change survey
International research
Deforestation report



How does this affect me?

3. Reputation

- reduced consumer demand

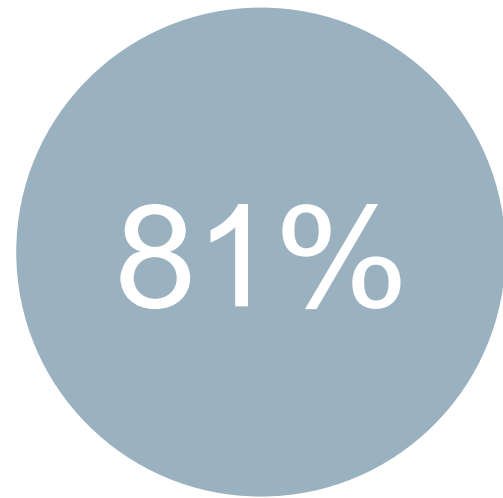
4. Policy & Regulation

- fees and taxes
- fines
- liability
- market exclusion

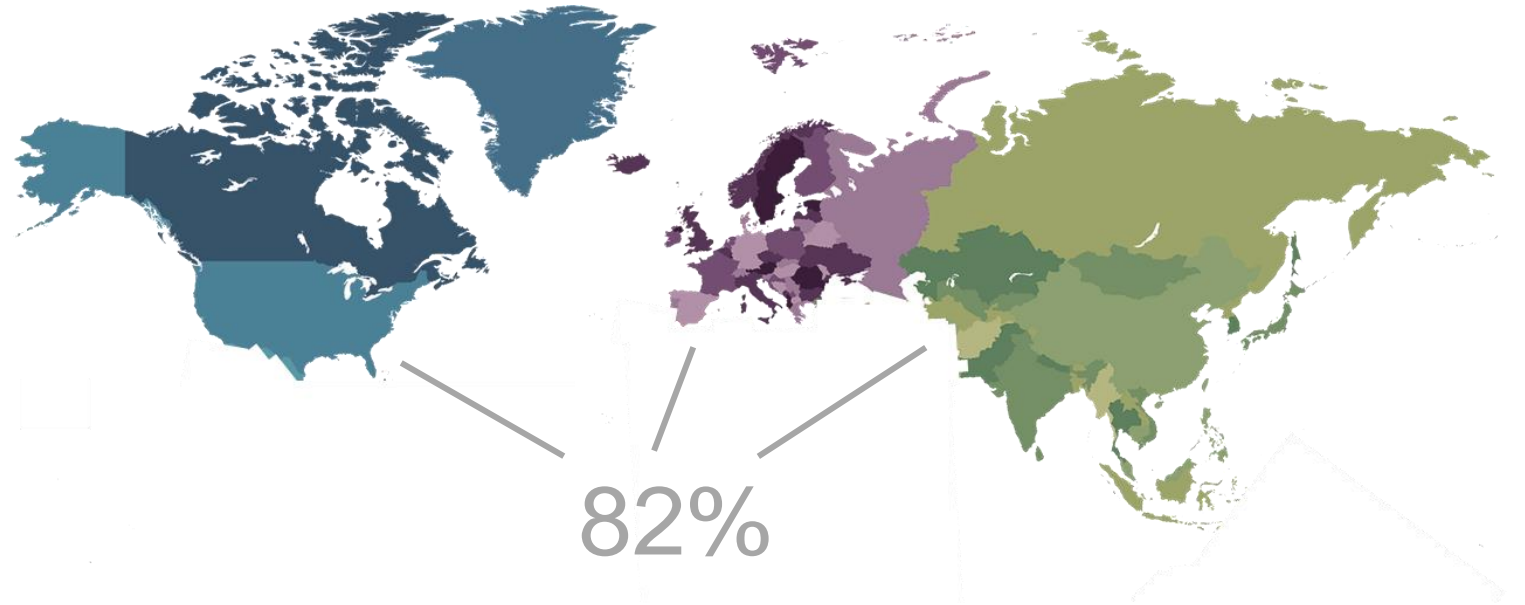
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CDP's 2022 Biodiversity Module Responses

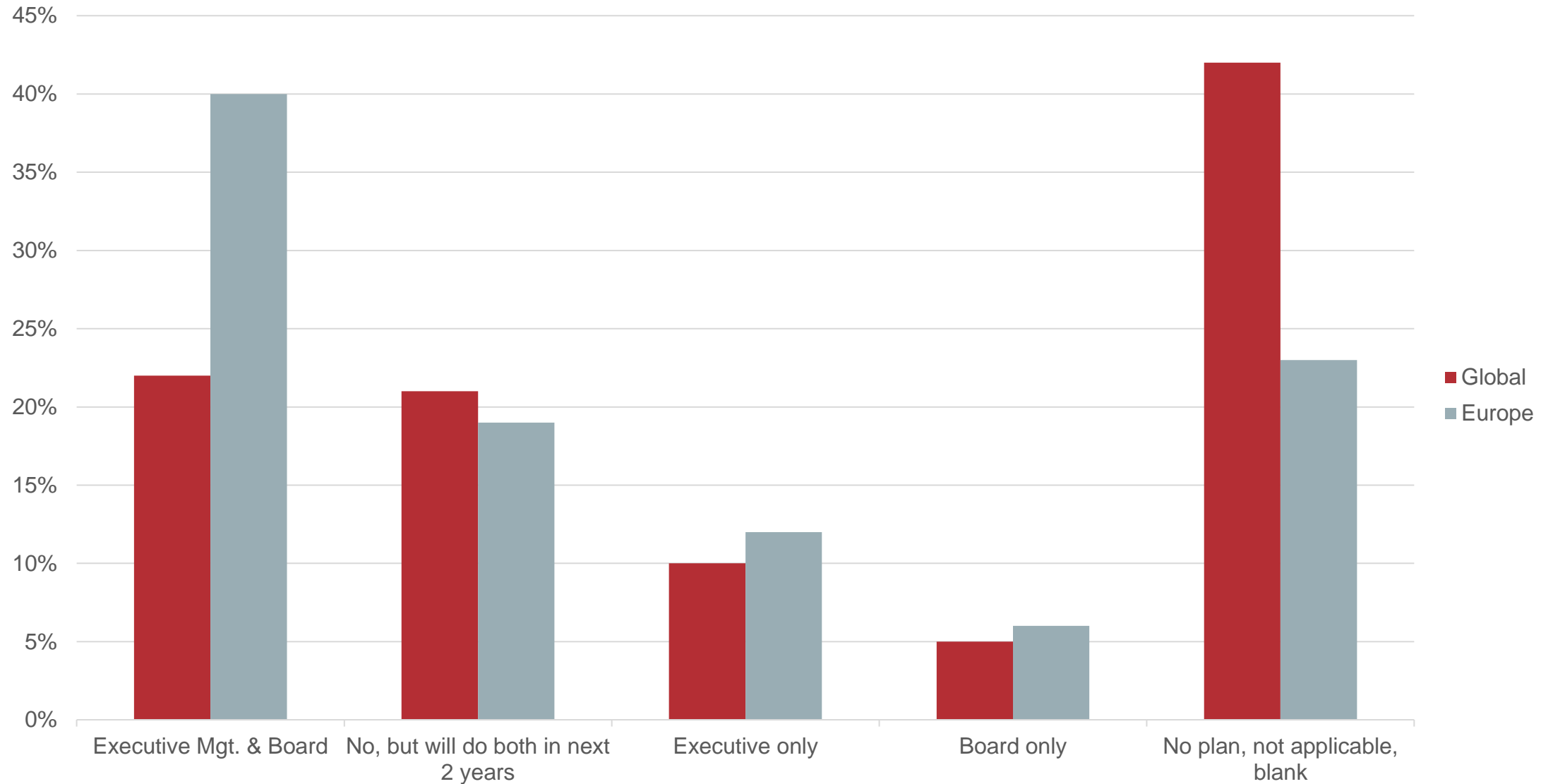


The average response rate to the Biodiversity module questions

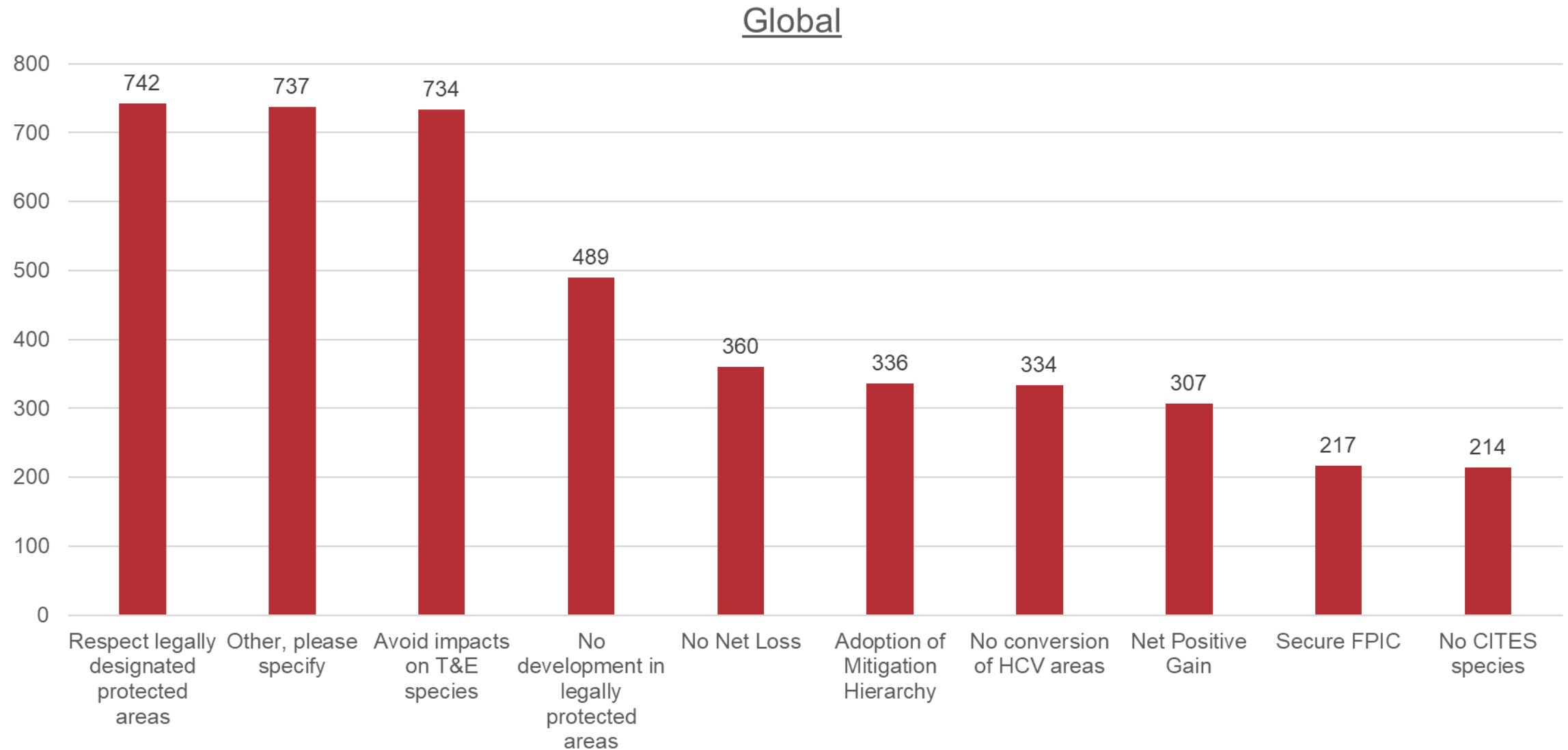


Asia and Asia Pacific had the most disclosers (37%).
Overall, 82% of disclosing companies were from Asia and Asia Pacific, Europe and North America

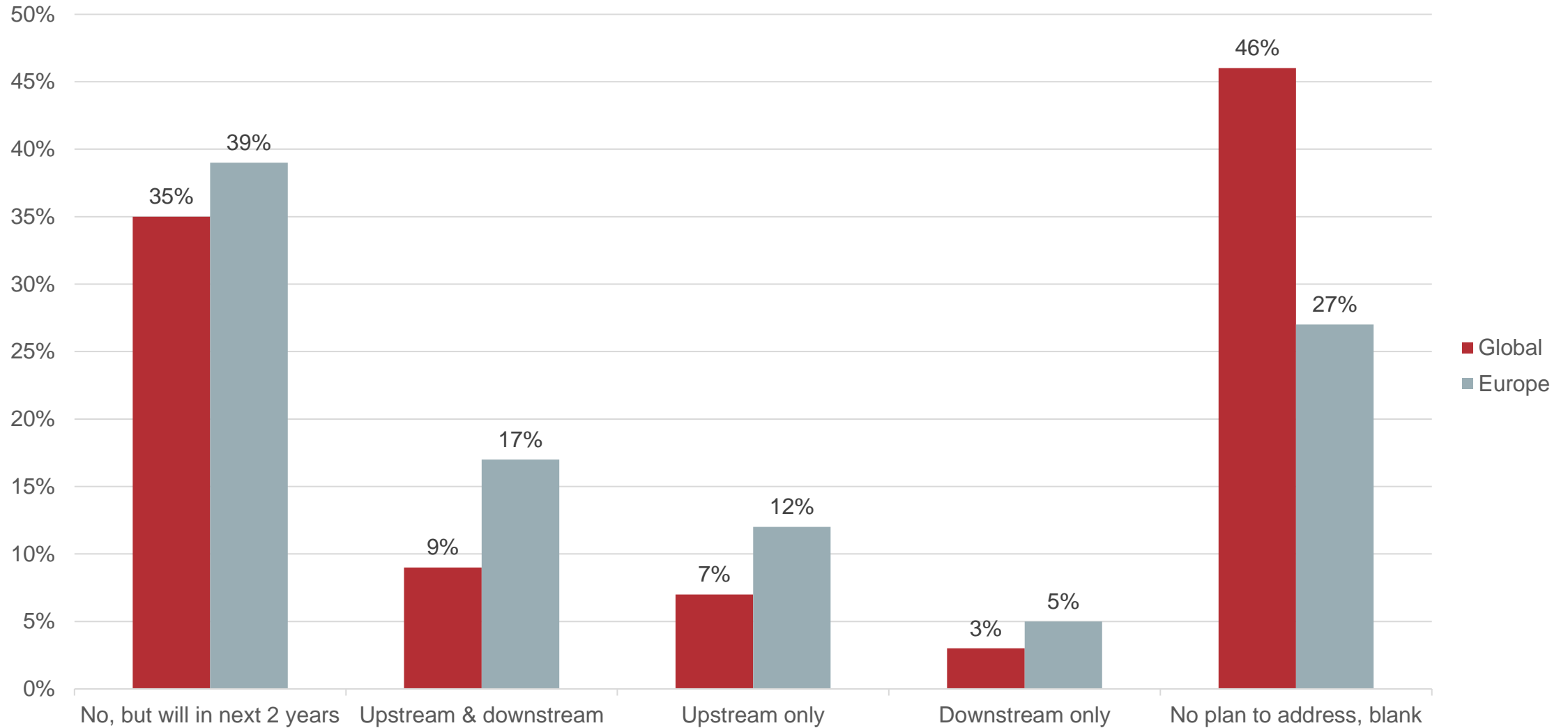
(C15.1) Is there **board-level oversight and/or executive management-level responsibility** for biodiversity-related matters within your organization?



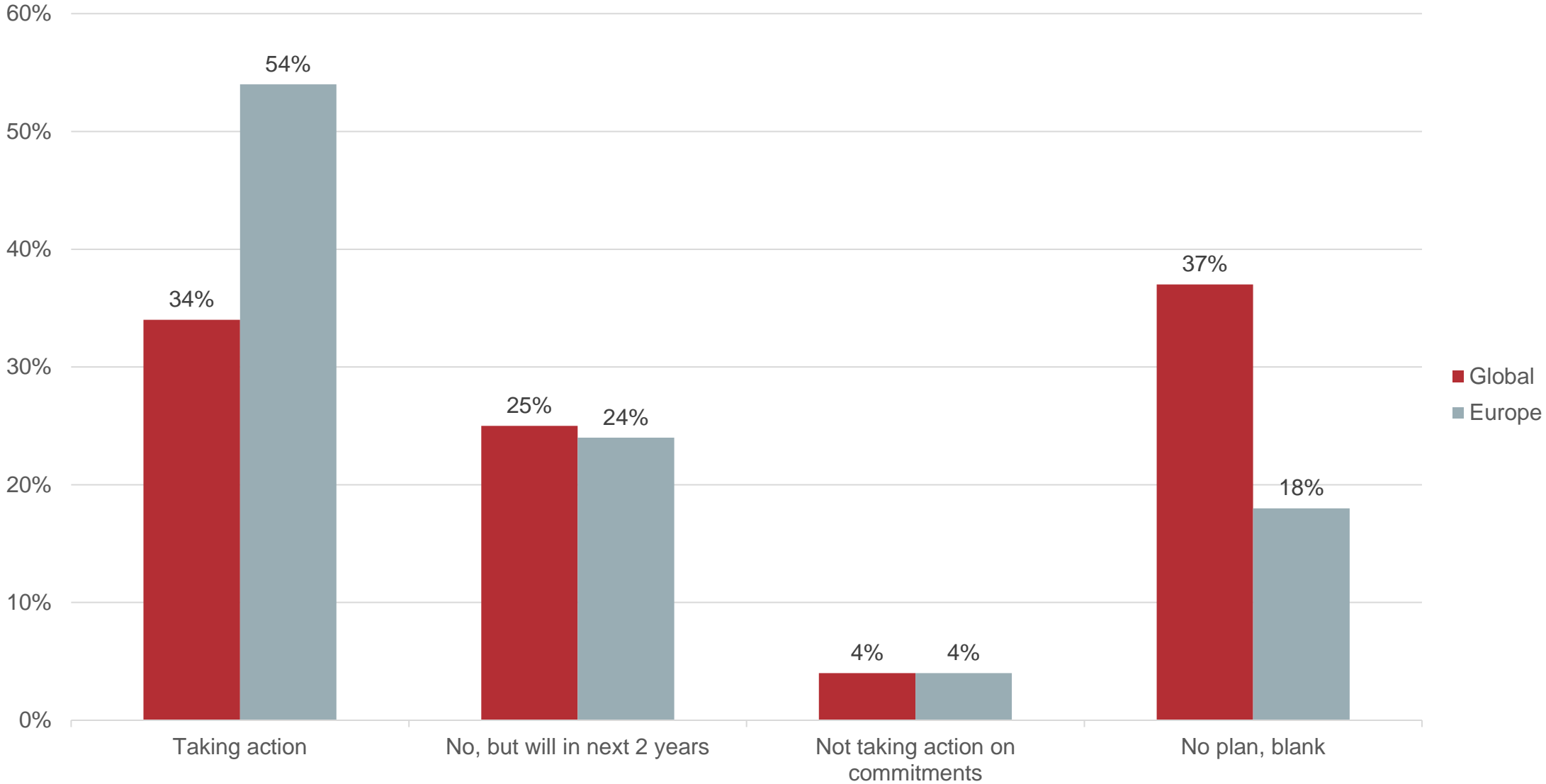
(C15.2) Has your organization made a **public commitment and/or endorsed any initiatives** related to biodiversity?



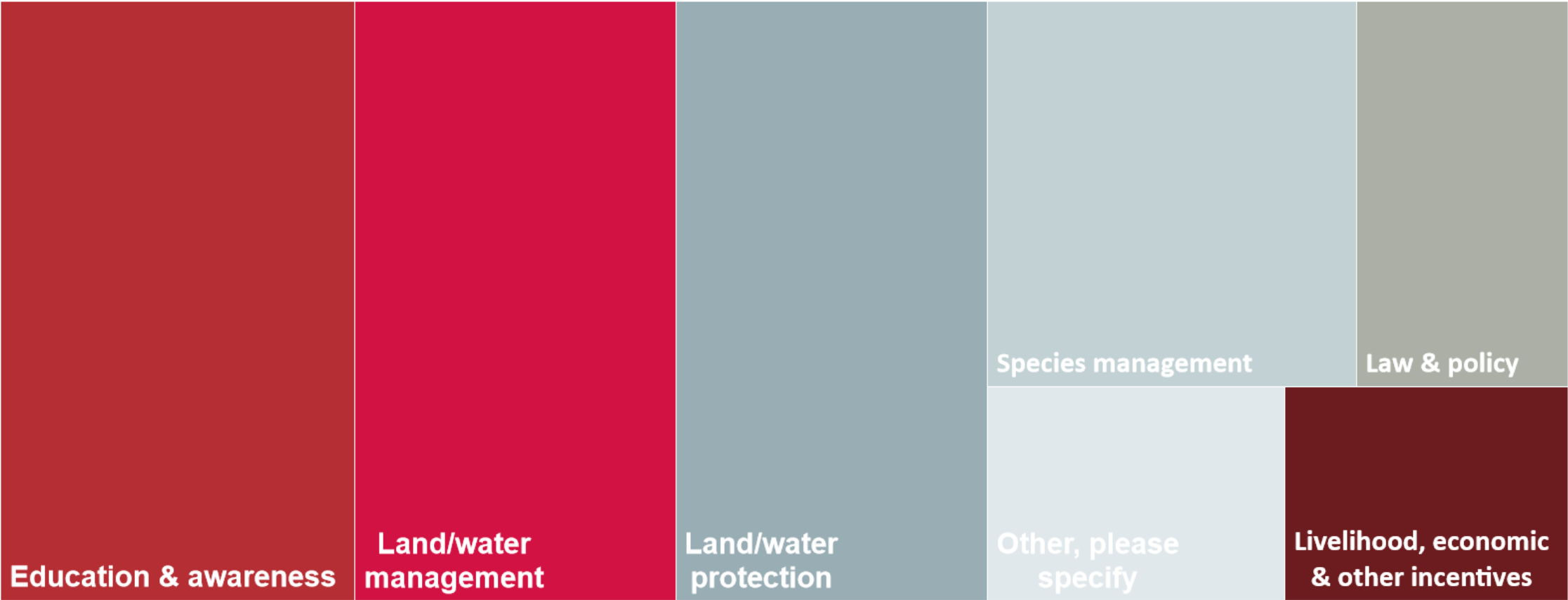
(C15.3) Does your organization **assess the impact of its value chain** on biodiversity?



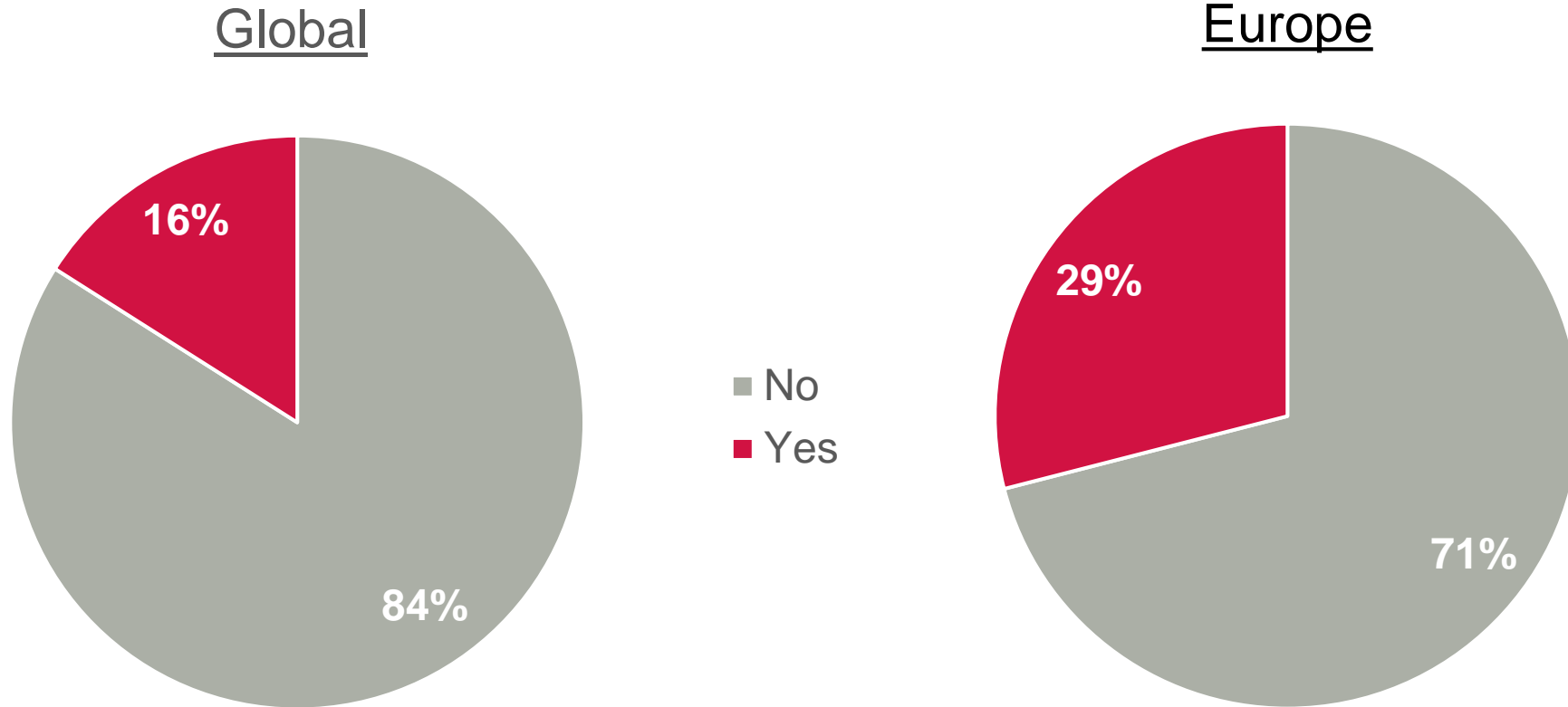
(C15.4) What **actions** has your organization taken in the reporting year to progress your biodiversity-related commitments?



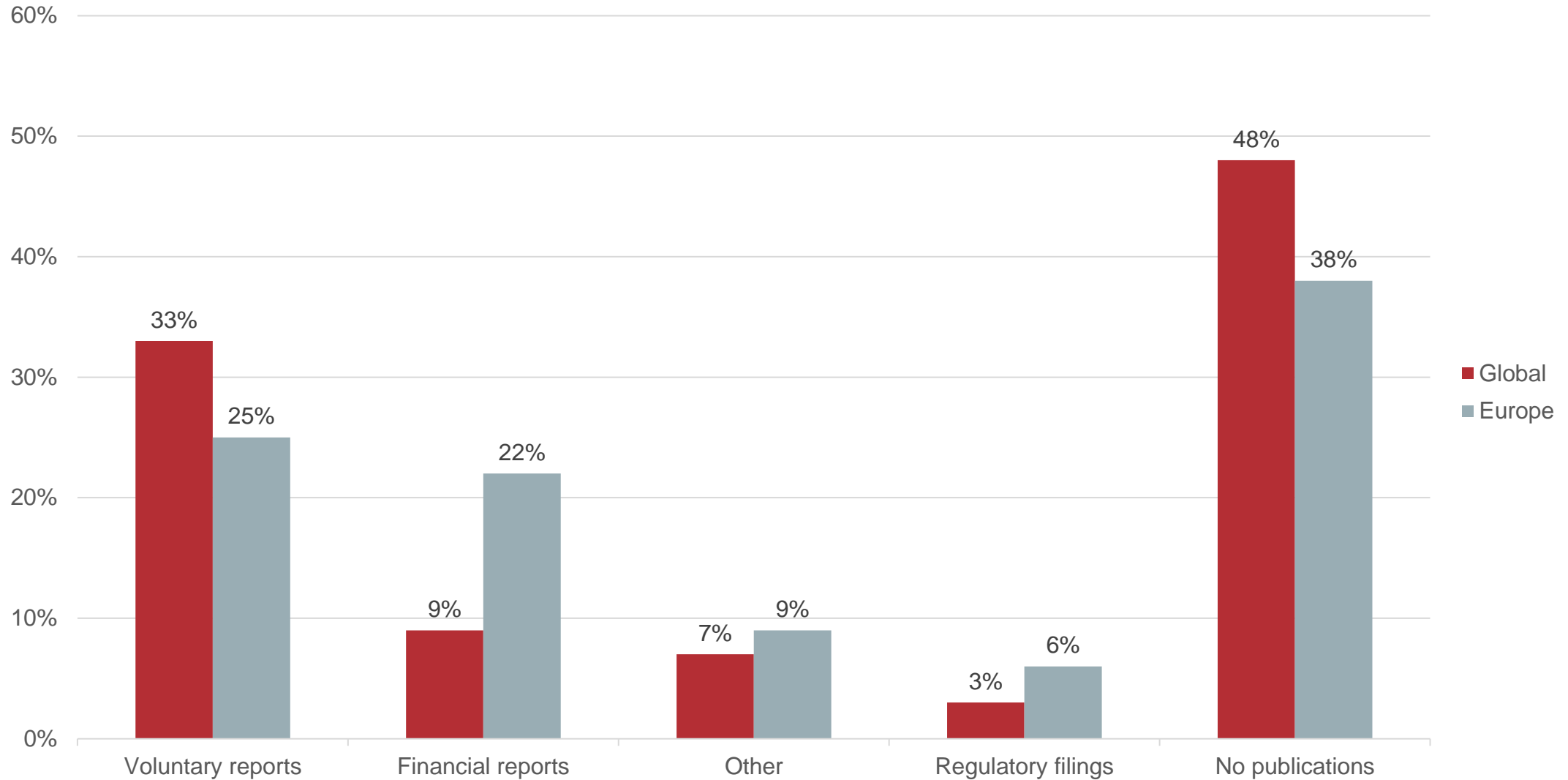
(C15.4) What **actions** has your organization taken in the reporting year to progress your biodiversity-related commitments?



(C15.5) Does your organization use **biodiversity indicators to monitor performance** across its activities?



(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?



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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



Photo: Southeastern Grasslands Initiative

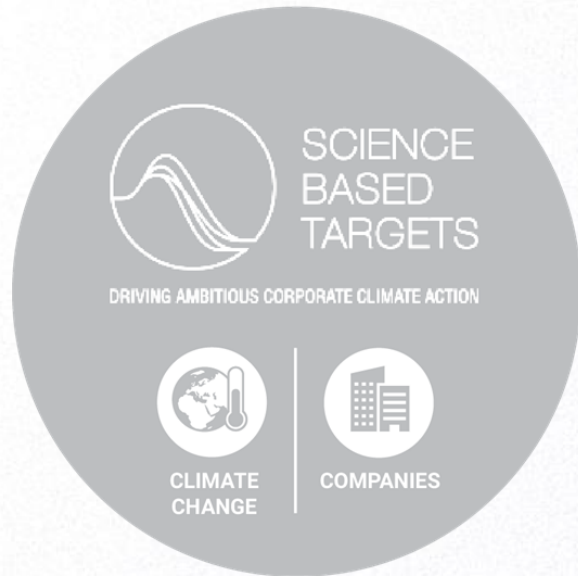


Photo: Arkansas Farm Bureau

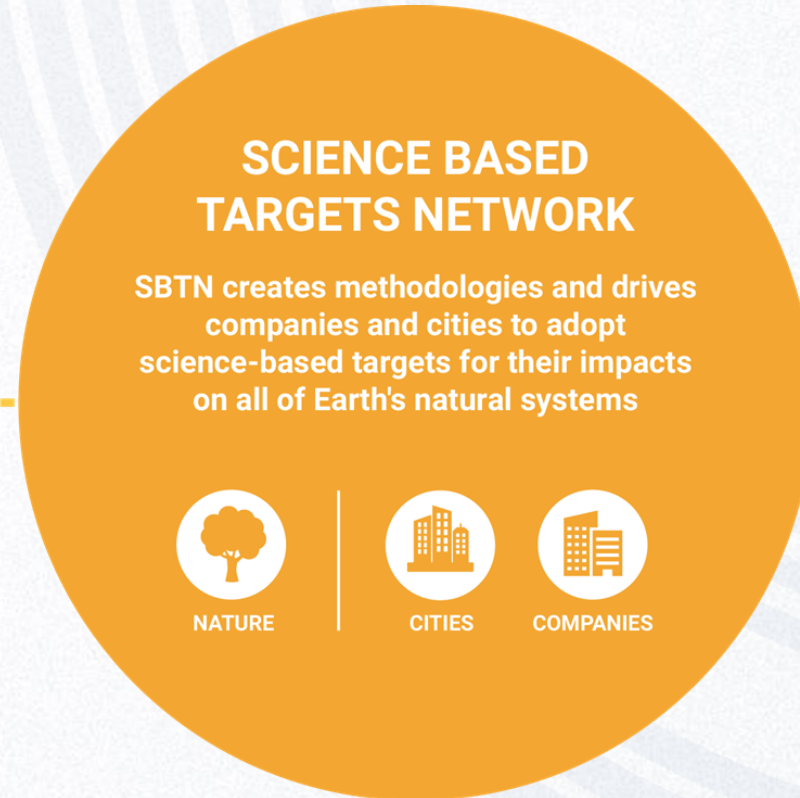
Science Based Targets Network: Founding partners



SBTi/SBTN Connection



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

Agenda

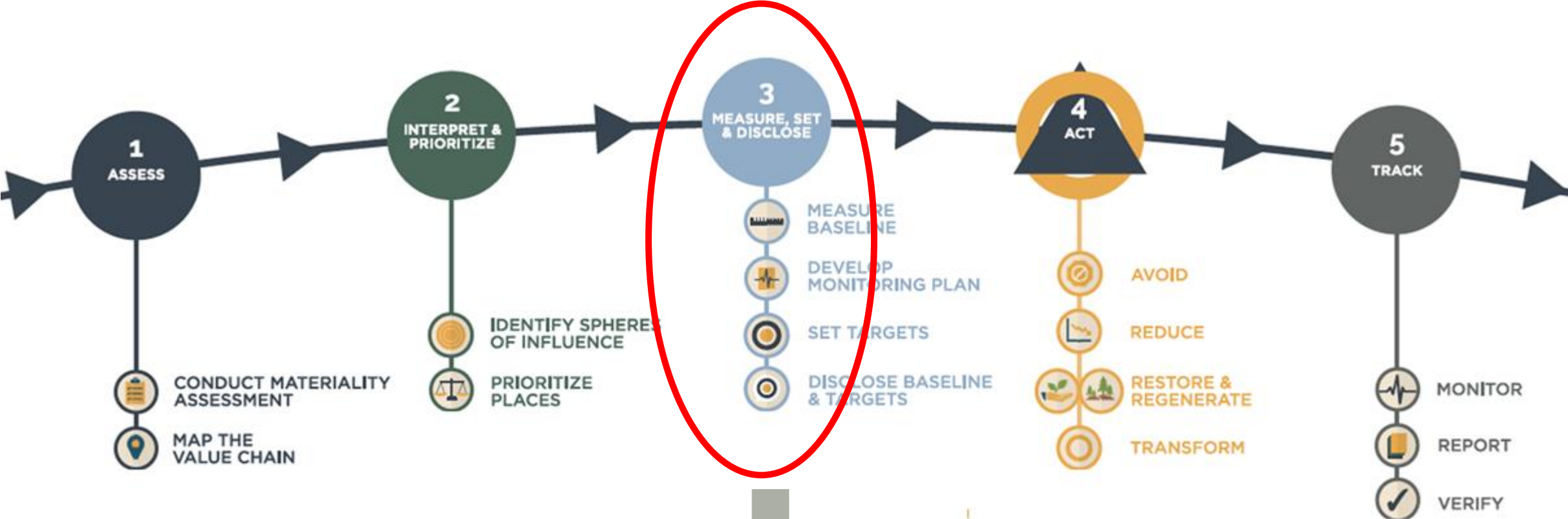
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SBTN's Five Step Process



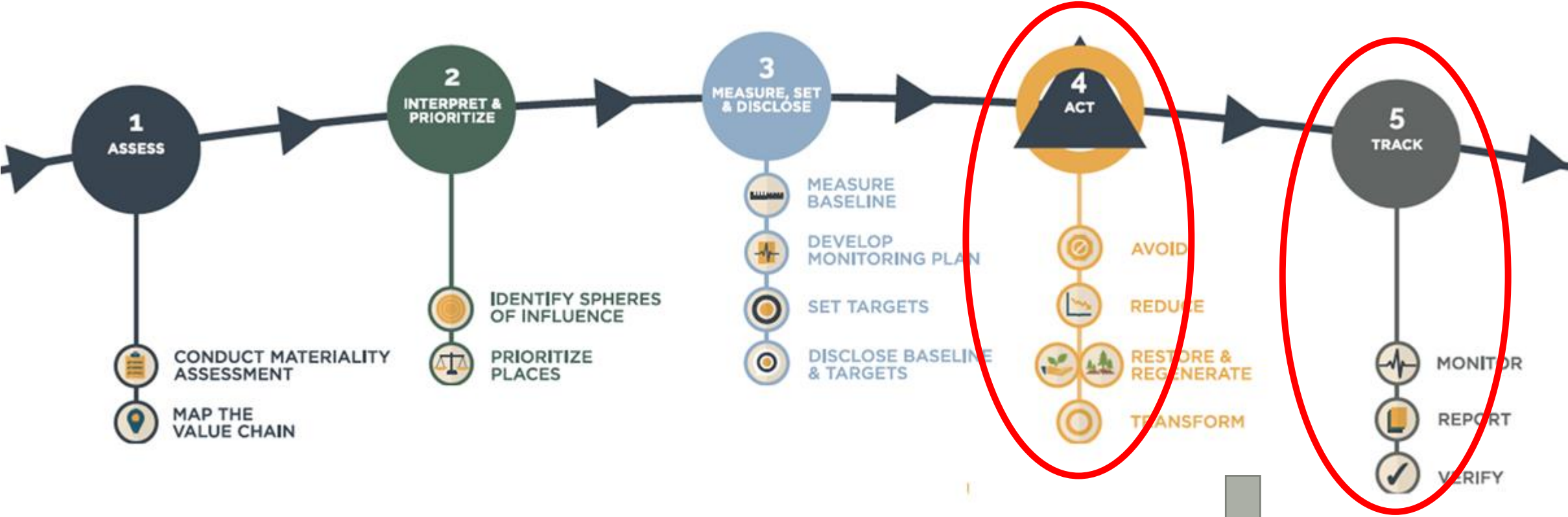
Guidance for Steps 1 and 2 released May 24!

SBTN's Five Step Process



Freshwater and land methods released May 24.
Methods for other issue areas (oceans and biodiversity) to follow.

SBTN's Five Step Process



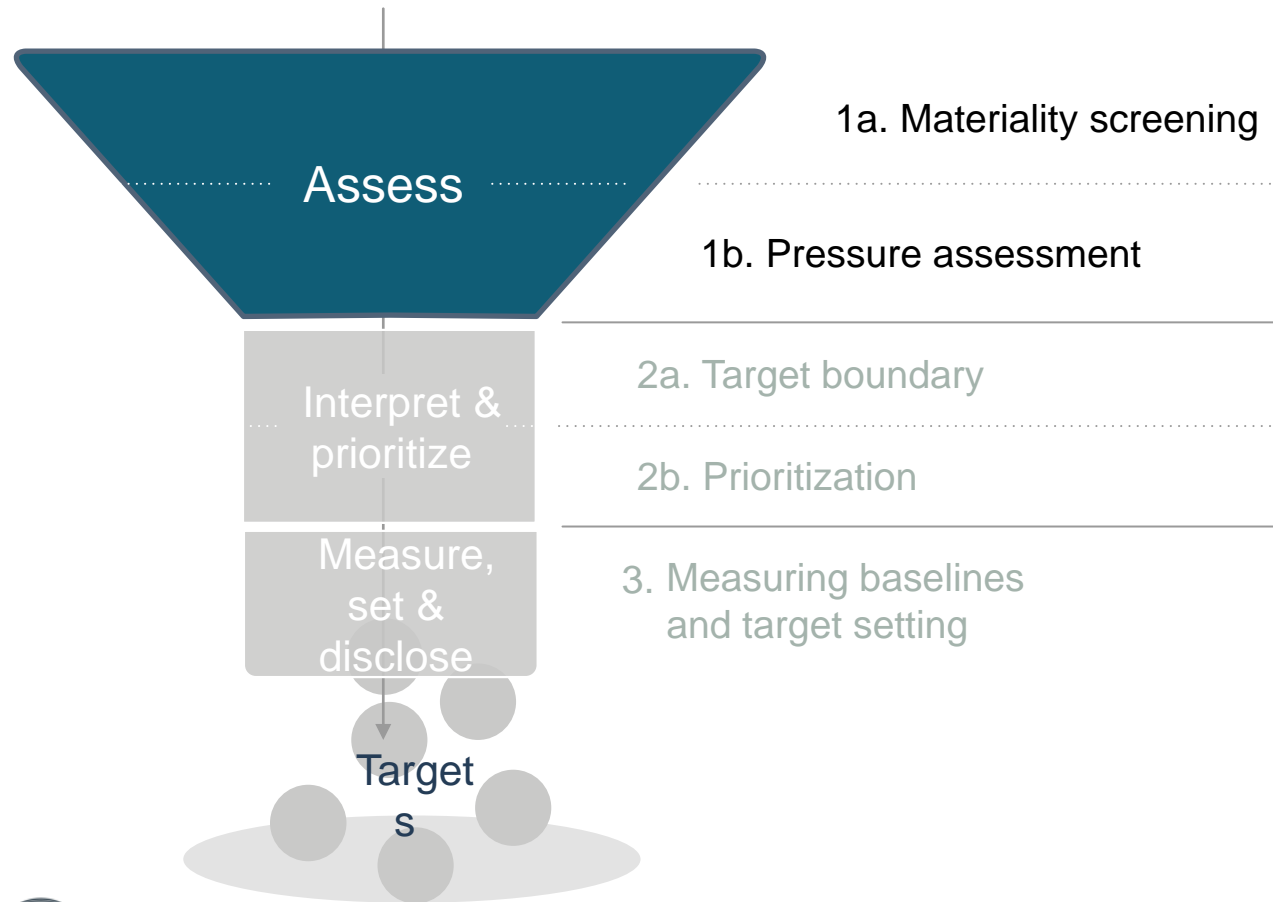
Draft guidance for Steps 4 and 5 to be released in 2024

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Step 1: Assess

Comprehensively assessing company impacts



1

What are my impacts on the environment?

2

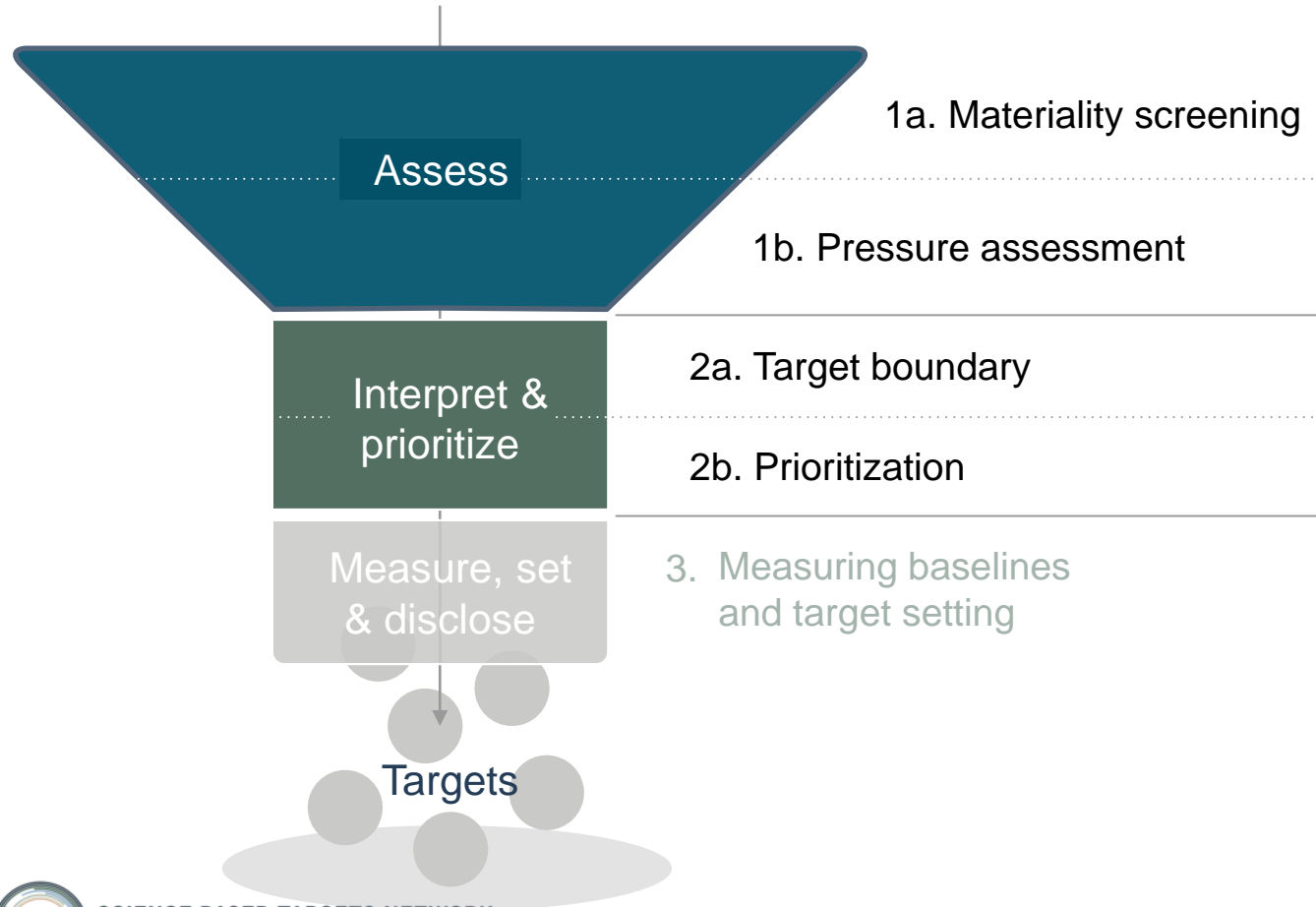
Of these impacts, which are material?

3

Which impacts must I set targets for?

Step 2: Prioritize

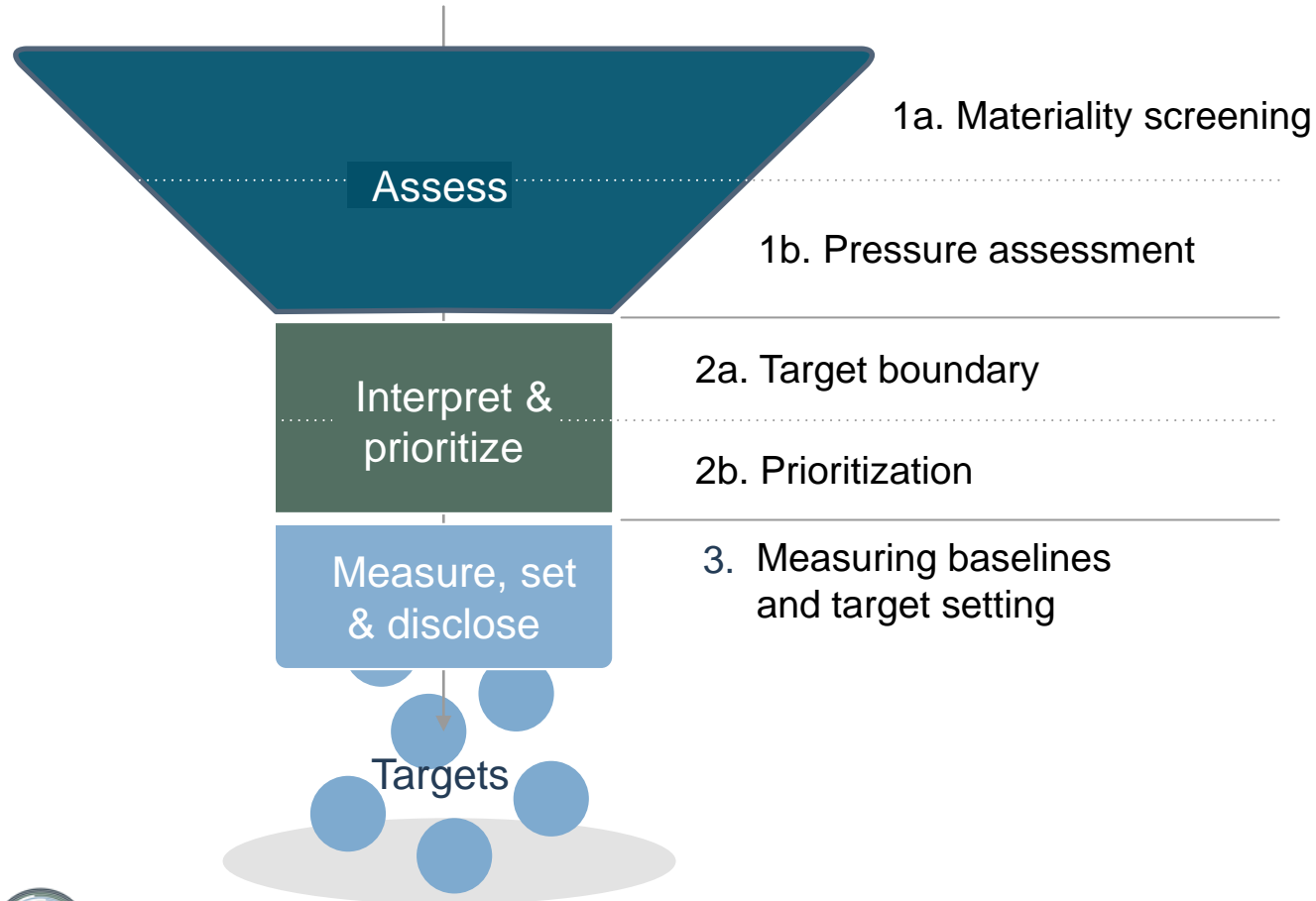
Identify which impacts to address first



- 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



- 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](#)

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

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.