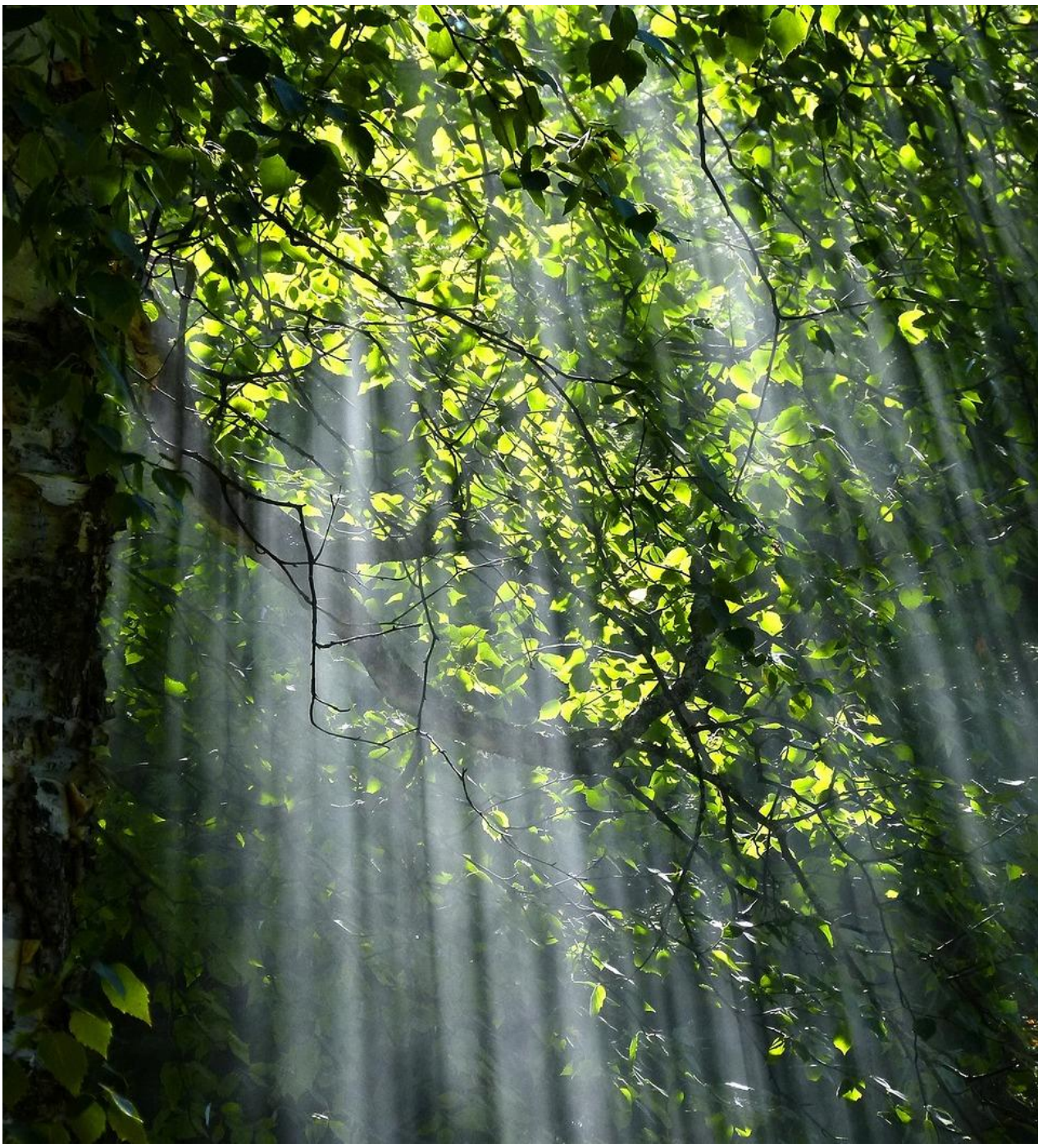
ACCELERATE ® CLIMATE TRANSITION

ACT Methodology

BIODIVERSITY



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1. Introduction

The world is facing an unprecedented decline in biodiversity, with grave consequences for ecosystems and human well-being. According to the latest *Living Planet Report* by WWF (2022), populations of monitored vertebrate species—mammals, birds, amphibians, reptiles, and fish—have dropped by an average of 69% since 1970. This alarming figure highlights the urgency of addressing the biodiversity crisis, which threatens food security, clean water access, climate stability, and countless other ecosystem services on which humanity depends. If this rapid decline continues, we may witness the collapse of ecosystems, with devastating effects on millions of species, including human populations, particularly the most vulnerable.

At the heart of this biodiversity crisis are five key drivers identified by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES): **land and sea use change, direct exploitation, climate change, pollution, and invasive alien species.** These pressures, largely fueled by human activity, are intensified by corporate operations in sectors like agriculture, mining, and manufacturing. Deforestation for agriculture and urbanization is the single greatest cause of habitat loss, while industrial practices contribute to both pollution and resource depletion. According to IPBES assessment report on business and biodiversity published in 2026, all businesses both depend on biodiversity and contribute to its decline. Businesses, therefore, play a critical role in either exacerbating or mitigating the biodiversity crisis, making their involvement essential for any long-term solution.

The role of Indigenous Peoples and Local Communities (IPLC) is also central in addressing biodiversity loss. Indigenous Peoples and Local Communities (IPLC) often live in critical ecosystems and coexist with threatened species. They manage about 40% of all terrestrial protected areas and their ecological knowledge enables a sustainable existence worldwide. Indigenous and local communities have a deep connection to their lands and have developed sustainable practices over generations to maintain ecological balance. However, these communities are increasingly marginalized by industrial activities that lead to land grabs, pollution, and habitat destruction. The global biodiversity crisis, thus, cannot be tackled effectively without recognizing and integrating Indigenous knowledge, respecting their land rights, and ensuring their active participation in biodiversity conservation efforts. In fact, the Kunming-Montreal Global Biodiversity Framework (GBF) emphasizes the need for equitable governance and the inclusion of Indigenous and local communities in its biodiversity protection and restoration targets.

Adopted at the UN Biodiversity Conference (COP15) in 2022, the Kunming-Montreal Global Biodiversity Framework is a landmark agreement aimed at reversing biodiversity loss by 2030. The framework sets ambitious targets, including protecting 30% of the world's land and oceans, restoring 30% of degraded ecosystems, and reducing harmful subsidies by at least $500 billion annually. The agreement recognizes that Indigenous communities are custodians of much of the world's biodiversity and calls for their active engagement in conservation efforts. Additionally, the framework emphasizes that businesses must take action to measure, mitigate, and reduce their impact on biodiversity.

The ACT (Accelerating Climate Transition) Biodiversity method offers a vital mechanism for businesses to align their practices with the most robust and up to date benchmarks and practices, notably taking advantage of recent publications made by French public agencies on Agriculture (1), Renewable Energies (2) or nature based solutions (3) (among other). It provides companies with a comprehensive framework to understand the credibility and robustness of their transition plan regarding biodiversity. The output of the methodology can help stakeholders understand whether the company manages risks and adopts sustainable strategies. Specifically, the method helps businesses address the five main drivers of biodiversity loss while also fostering collaboration with Indigenous and local communities to ensure that conservation efforts are both effective and equitable. By leveraging this approach, companies can contribute to global biodiversity targets, adopt practices that respect Indigenous rights, and foster a sustainable relationship with nature.

As we enter this crucial decade for nature, corporate responsibility is more important than ever. The ACT Biodiversity methodology offers businesses a practical framework to operate within planetary boundaries while making a positive contribution to biodiversity conservation. By integrating this approach, companies can not only comply with international

biodiversity goals but also support biodiversity restoration and preservation as well as support Indigenous communities and local populations, positioning themselves as leaders in the global transition toward a nature-positive and socially just future.

2. Principles

The selection of principles to be used for the methodology development and implementation is explained in the general Framework. Table 1 recaps the adopted principles that were adhered to when developing the methodology.

TABLE 1: PRINCIPLES FOR IMPLEMENTATION ALIGN WITH ACT FRAMEWORK

RELEVANCE - The most relevant information should be collected (regarding core business and stakeholders) to inform the various components of the assessment.
VERIFIABILITY - The data required for the assessment should be verifiable and reflect the overall credibility of the company's nature transition plan.
AMBITION - The data used for the assessment should reflect the company's contribution to a "no net loss" scenario, in line with international targets (e.g., the Kunming-Montreal Global Biodiversity Framework).
CONSERVATIVENESS - Any assumptions that must be used should reflect the company's current performance and should not overestimate progress or improvements if supporting evidence is not available.
CONSISTENCY - Whenever time series data is used, it should be comparable over time.
DIRECTION OVER TIME – The assessment should enable the evaluation of near- and long-term performance, to ensure both immediate impact of company actions as well as the continuity of the overall company biodiversity strategy and long-term vision.

1.1 BIODIVERSITY BOUNDARIES

Biodiversity is defined in this methodology as all living beings and the ecosystems in which they live.

This section specifies which impacts on biodiversity are included in this methodology.

All of the five pressures on nature identified by IPBES, 2019 (2) are considered in this methodology, with various level of granularity depending on available knowledge, data and methodologies, as detailed hereafter:

- Land/sea use change (good knowledge);
- Direct exploitation (good knowledge);
- Pollution (medium knowledge);
- Climate change (very good knowledge);
- Invasive alien species (poor knowledge).

These 5 pressures concern 3 major ecosystem types: land, freshwater and ocean. These 5 pressures are the consequences of several drivers of nature change, such as demography and the economy. The pressures then feed the losses to the state of nature.

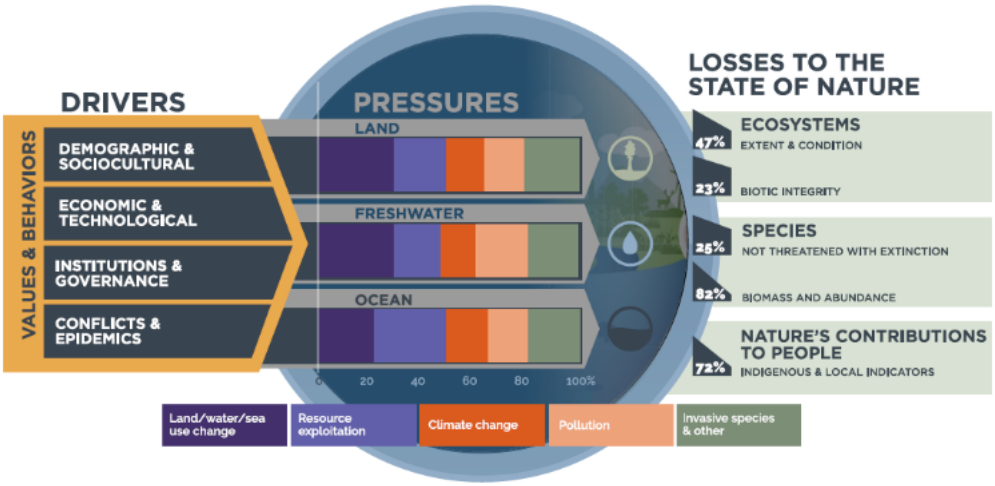


FIGURE 1 DRIVERS, PRESSURES, AND STATES OF NATURE LOSS, ADAPTED FROM THE IPBES GLOBAL ASSESSMENT, 2019 (SBTN, 2020)

Initially, ACT Biodiversity used to focus solely on nature pressures, to assess what the company is doing to reduce its contribution to nature pressures (impacts). After the roadtest, it has been decided to integrate State of Nature indicators in module 1. Targets, and notably the management of biodiversity in module 2 and 4. The method also assesses what the company is doing to protect and boost local biodiversity on its sites, in a more qualitative way and based on the analysis of the state of nature (species and ecosystems).

Climate change pressure will be based on the ACT mitigation methodology. Even though Land use change and direct exploitation are the two main historical drivers of biodiversity loss and will thus be reflected in the materiality analysis of many companies, it is important to still consider with the most seriousness the climate change topic in this methodology since projecting the effect of climate change on the following years could turn climate change as the main biodiversity pressure lever. (4) (5)

Invasive alien species pressure will be assessed in this first version, as OFB pilots great programs and expertise on this topic. Yet, it has been decided to not integrate it in the Target module since it was more relevant to assess the engagement and practices directly on this topic.

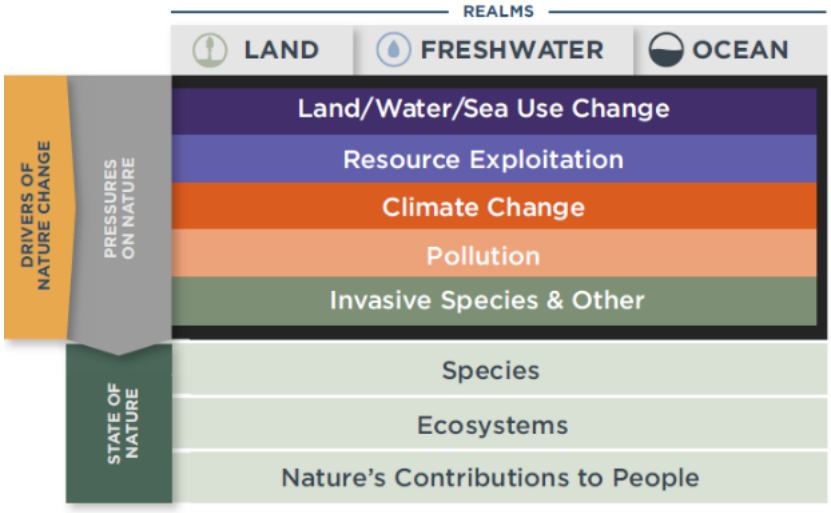


Figure 2 Pressures on nature and state of nature (SBTN, 2020)

According to the principle of relevance, ACT Biodiversity will assess the company only on pressures identified as material for the company, based on its materiality analysis. The materiality analysis is the starting point of the ACT assessment. ACT Biodiversity aims to select the most relevant information (core business and stakeholders) to assess how companies contribute to biodiversity transition.

3. Scope

3.1. SCOPE OF THE DOCUMENT

This document presents the ACT Biodiversity methodology for the companies operating in all sectors. It includes rationales, definitions, indicators and guidance for performance assessment.

It was developed in compliance with the ACT Guidelines, which describe the governance and process of this development, as well as the required content for such documents.

The ACT Framework (1) was as much as possible a source of inspiration to guide the contents, given that the ACT Framework is developed for the mitigation ACT assessment methodologies.

3.2. SCOPE OF THE METHODOLOGY

The ACT Biodiversity methodology aims to be applicable to all sectors, but specific indicators and weighting have been created for specific industries known to have a high materiality impact regarding biodiversity.

These specific sectors are:

- Agriculture and Agrifood
- Forestry, pulp & paper (Version 2 to be published later on)
- Chemicals (to be published later on)
- Construction and engineering (to be published later on)
- Energy:
    - Renewable energy
    - Fossil fuel-based energy (Version 2 to be published later on)

For other sectors, a generic approach has been created. Companies operating in multiple sectors may also apply different sector-specific approaches. In this case, the assessment integrates all relevant sectors in a consistent and homogeneous manner.

The following mapping (Value chain and NACE codes) have been based on the value chain mapping done by the ACT initiative on the different sectors it covered for climate assessment and the TNFD work done in its ‘Additional Guidance by sector’ (2)

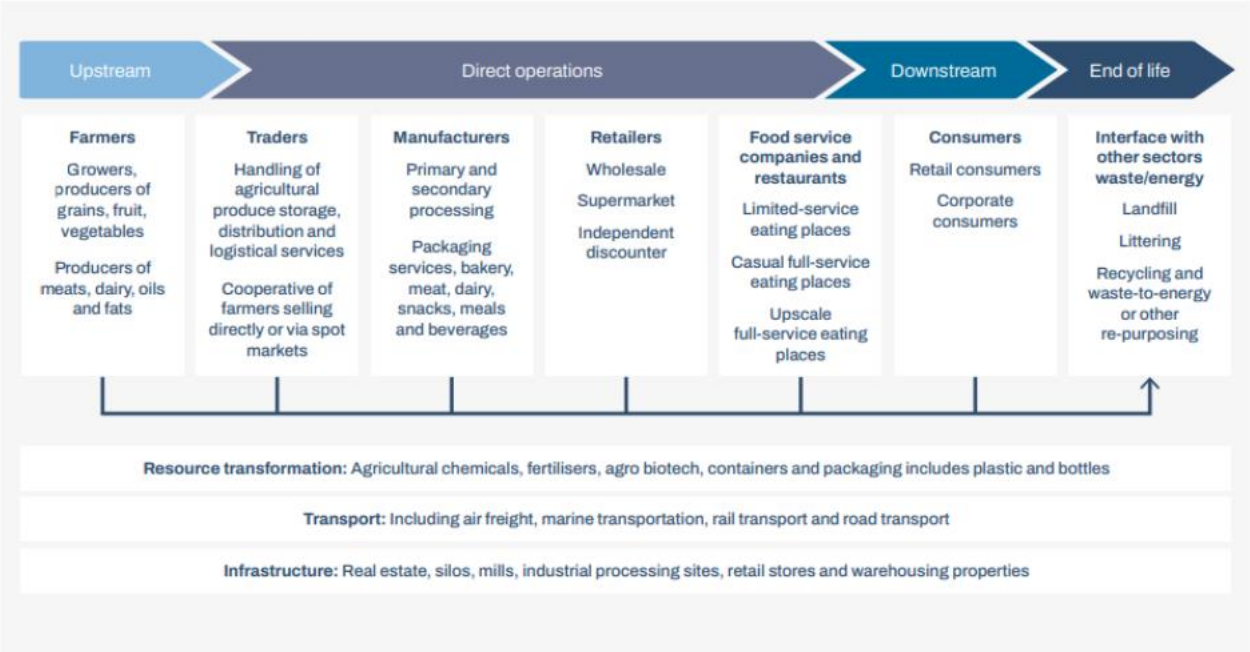
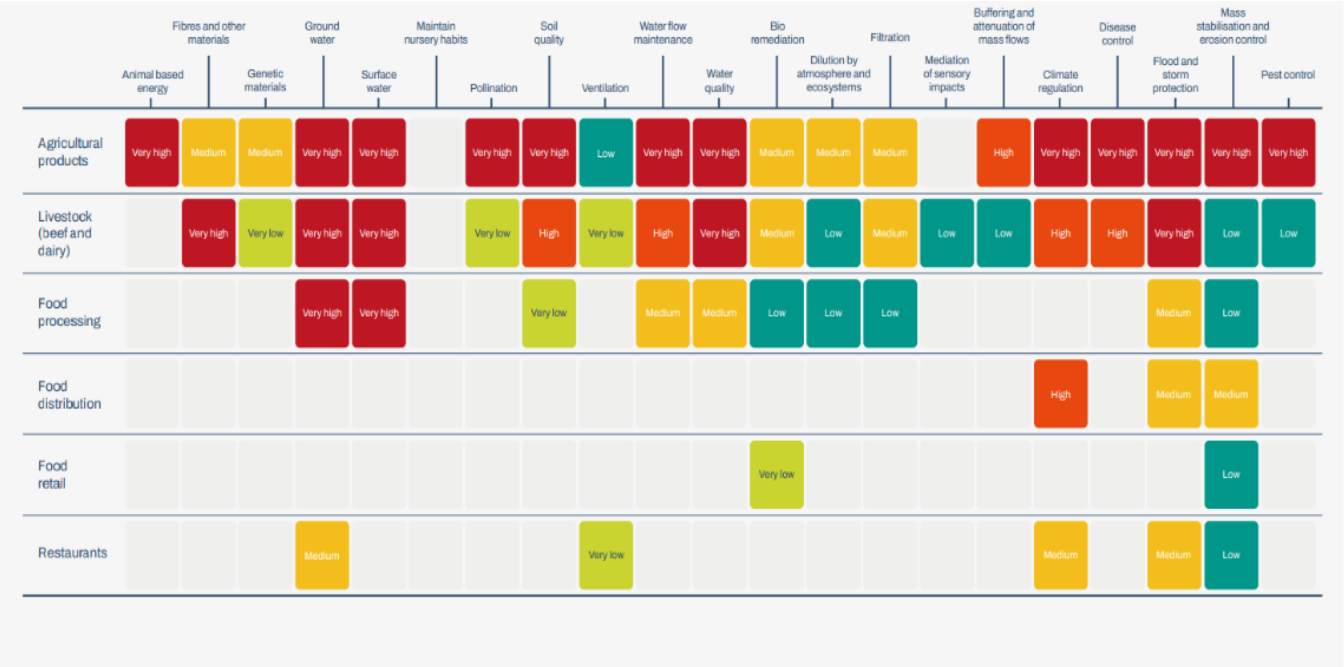


Figure 1: Illustrative food and agriculture value chain (3)

AGRICULTURE AND AGRIFOOD

As the activities and challenges in the sector are diverse, three segments of companies that can use the methodology to assess their nature transition were identified: companies producing agricultural products, companies processing food, and integrated companies (i.e., companies with activities across both agriculture and agrifood).

Segments	Agricultural producers (1)	Agrifood companies (2)	Integrated companies (3)
Agriculture & Agrifood	Agricultural production | Upstream	Processing and manufacture of agricultural products (including packaging) | Direct operations	Agricultural production and processing and manufacture of agricultural products (including packaging) | Direct operations



Source: 2018-2023 version of the ENCORE knowledge base.

Figure 2: Materiality ratings of ecosystem services the food and agriculture sector typically depends on (based on ENCORE 2018-2023 data) (3)

Companies shall include all activities they are subcontracting within the agriculture & agrifood value chain when defining which segment they fall into. For example, if a company produces an agricultural commodity and subcontracts processing activities, it will be considered as covering both agricultural production and processing activities.

- **(1) Agricultural producer**

The agricultural producers segment includes **companies producing all agricultural products**, excluding activities related to forestry, hunting and trapping. The agricultural products include crop and animal husbandry, and fishing activities. The types of companies eligible for an ACT assessment using this ACT Biodiversity Agriculture & Agrifood indicators specific are listed in Table 2.

Some agricultural producers include a small share of processing activities (e.g., post-harvest handling) but the majority of their activities remain in agricultural production. It also sometimes occurs that companies who mainly see themselves as processing companies or integrated companies have an impact assessment with a high contribution from agricultural activities. In these cases, as long as biodiversity impacts associated with processing activities have less materiality and dependencies than main activity, they should be assessed as agricultural producers only.

Non-producing agricultural cooperatives, which only have an activity in food processing, are assessed as (2) agrifood companies.

Agricultural companies producing agricultural products sold to companies operating in other sectors than the food value chain (such as biofuels, chemicals or cosmetics) shall be assessed using the ACT Biodiversity Agriculture & Agrifood indicators specific for production companies.

TABLE 2 : AGRICULTURE ACTIVITIES INCLUDED IN SCOPE OF AGRICULTURAL PRODUCERS SEGMENT

Categories	NACE Group
Growing of non-perennial crops	01.1
Growing of perennial crops	01.2
Plant propagation	01.3
Animal production	01.4

Mixed farming	01.5
Support activities to agriculture and post-harvest crop activities	01.6
Fishing	03.1
Aquaculture	03.2

- **(2) Agrifood companies - Version 2 to be published later on**

  This segment includes any company with an **activity in food and/or beverage processing**, including when this activity is subcontracted. The types of companies eligible to be assessed as agrifood companies have activities listed in Table 3. For now, they must be assessed with the generic methodology, waiting for specific indicator in the V2.

  Some agrifood producers may include a small share of agricultural production but the majority of their activities remain in processing. In these cases, they should be assessed as with the generic indicators.

TABLE 3 : AGRIFOOD ACTIVITIES INCLUDED IN SCOPE OF AGRIFOOD SEGMENT

Categories	NACE Group
Processing and preserving of meat and production of meat products	10.1
Processing and preserving of fish, crustaceans and mollusks	10.2
Processing and preserving of fruits and vegetables	10.3
Manufacture of vegetable and animal oils and fats	10.4
Manufacture of dairy products	10.5
Manufacture of grain mill products, starches and starch products	10.6
Manufacture of bakery and farinaceous products	10.7
Manufacture of other food products	10.8
Manufacture of prepared animal feeds	10.9
Manufacture of beverages	11.0

- **(3) Integrated companies**

  The integrated companies segment includes **companies that have an activity on both sides of the value chain**, i.e., both agriculture and agrifood. The ACT assessment for these companies will therefore be a combination of specific indicators for the two segments and different weightings.

  Some agricultural producers include a small share of processing activities (e.g., post-harvest handling) but the majority of their activities remain in agricultural production. In these cases, they should be assessed as (1) agricultural producers only.

Companies excluded from the scope of the methodology

- **Food & Beverage service companies**

  Companies with an activity in food & beverage service (e.g., restaurants, catering) will fall in the generic ACT Biodiversity methodology. Food & beverage service companies **can include food processing or manufacture activities**.

No examples of food & beverage service companies with agricultural production activities were identified in the Technical Working Group ACT Agri - Agro. However, such companies could be assessed as (3) integrated companies.

TABLE 4: FOOD & BEVERAGE SERVICE ACTIVITIES IN SCOPE OF FOOD & BEVERAGE SERVICE SEGMENT

Categories	NACE Group
Restaurants and mobile food service activities	56.1
Event catering and other food service activities	56.2
Beverage serving activities	56.3

The following companies are also generic herein the ACT Biodiversity Methodology:

- non-producing companies operating only in transport and storage,
- companies producing only inputs (e.g., seeds, fertilisers),
- pure biofuels producers,[1]
- maintenance, quality control and machinery manufacturers,
- companies selling only bottled water.

- **Case of food retail companies**

Food retail companies must be assessed with the generic methodology but can be assessed mixing with generic indicators and/or agriculture specific indicators. The ACT Biodiversity methodology it is designed to integrate the upstream impacts and dependencies when they are significant, which is the case for food products.

However, if a retail company has activities in agricultural production and/or food processing, that portion of activity relevant to agriculture (but not with agrifood) can be assessed with the ACT Biodiversity Methodology Agri-Agro. The company's overall ACT score will be a mix of their ACT Agriculture and ACT Generic scores, following the guidance provided by the ACT Initiative [7] .

CHEMICALS (TO BE PUBLISHED LATER ON)

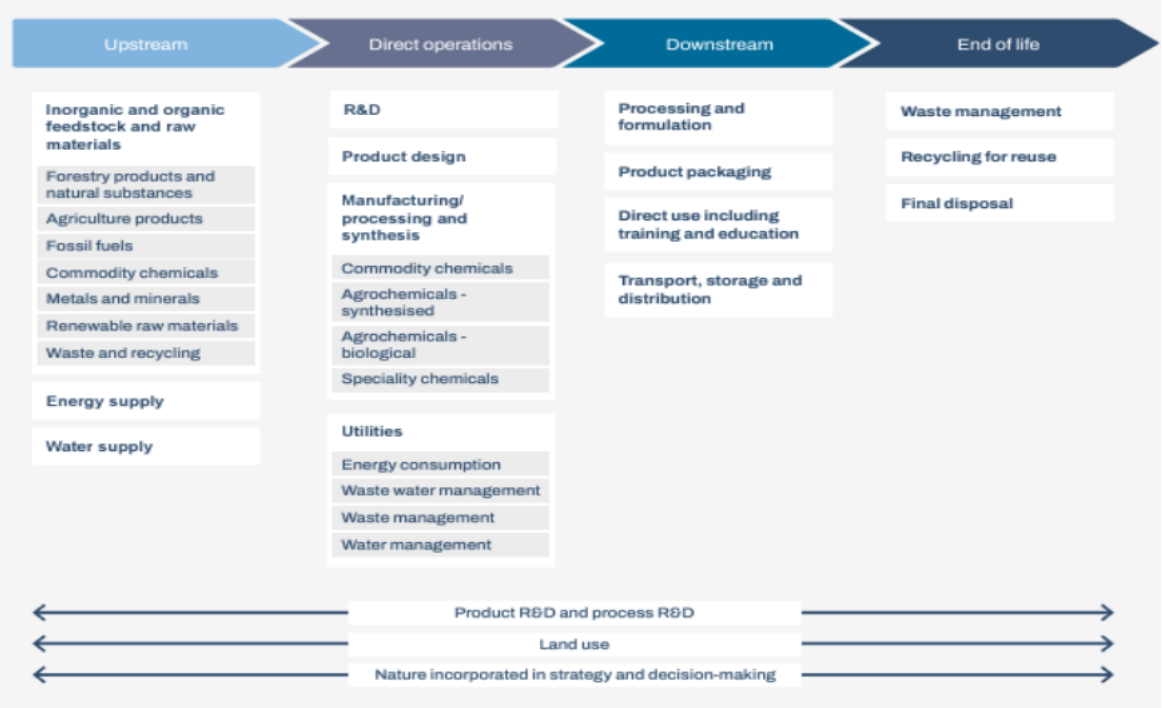


Figure 1: Illustrative Chemicals value chain (3)

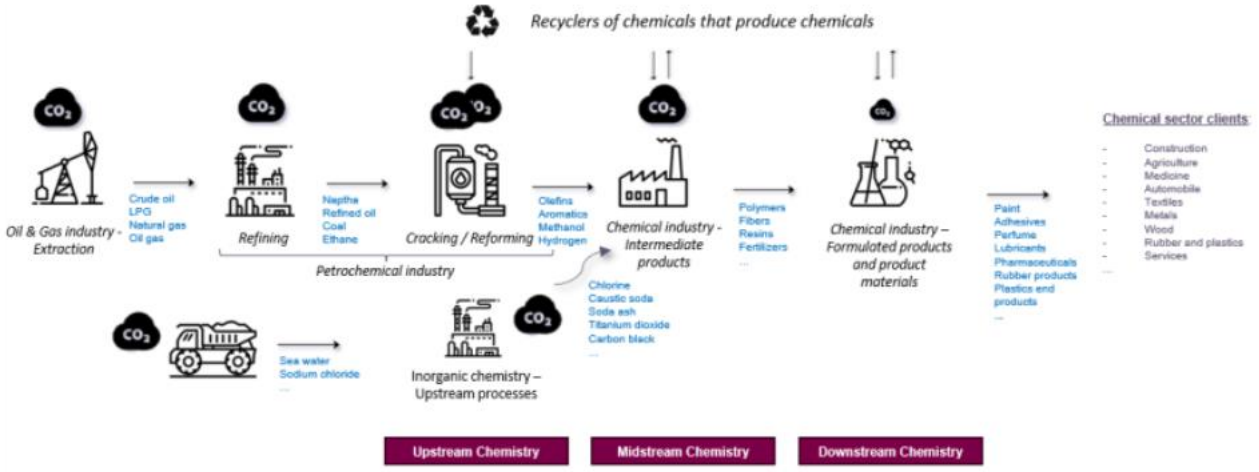


Figure 2: Chemicals sector value chain illustration (5)

- In the upstream value chain, the companies included in the scope here are the ones producing commodity chemicals. The other companies producing inorganic and organic feedstock and raw materials will fall in the relevant category to its associated category (Agricultural producers, Fossil Fuel company, Forestry) i.e. in NACE – 20 - 21 - 22
- The companies operating in the direct operations are included in the scope of the ACT Biodiversity Chemicals specific indicators. It will have an important impact and dependencies on biodiversity through their upstream activities.
- In the downstream value chain, the manufacture of chemical products ranging from NACE - 20.30 to 20.60, as well as NACE - 21 (*Manufacture of basic pharmaceutical products and pharmaceutical preparations*) can be included in ACT Biodiversity Chemicals specific indicators given the impact of their upstream activities.
- Excluded: NACE – 22, *Manufacturing of rubber and plastics products*, as such activities are more related to engineering than to the chemicals sector. NACE – 19.20, *Manufacturing of refined petroleum products* is partly covered by the ACT Biodiversity Energy specific indicators. The other products can be accounted for using the ACT Biodiversity generic indicators. Indeed, refined petroleum products are not part of the chemicals industry. All manufacturing NACE codes except for those mentioned.

Extraction and mining of raw materials will be covered by a future ACT Resources & Circular Economy. As much as separating these activities from the rest of the chemicals sector is acknowledged to be difficult, mining activities are not covered because the processes are extremely different to chemical production processes.

More precisely, companies which activity falls into one of the NACE codes below may be in scope of the methodology:

Categories	NACE Group
Manufacture of industrial gases	20.11
Manufacture of dyes and pigments	20.12
Manufacture of other inorganic basic chemicals	20.13
Manufacture of other organic basic	20.14
Manufacture of fertilizers and nitrogen compounds	20.15
Manufacture of plastics in primary forms	20.16
Synthetic rubber fabrication	20.17
Manufacture of pesticides and other agrochemical products	20.20
Paint fabrication	20.30
Soap and cleaner products fabrication	20.41

Perfume and other beauty products fabrication	20.42
Explosive products fabrication	20.51
Adhesive products fabrication	20.52
Essential oil fabrication	20.53
Other chemical products fabrication	20.59
Artificial fibers and synthetics fabrication	20.60
Manufacture of basic pharmaceutical products and pharmaceutical preparations	21

CONSTRUCTION (TO BE PUBLISHED LATER ON)

The present methodology refers to construction companies and not real estate companies. The activities of the Construction sector include:

- **41**: Construction of buildings
- **42**: Civil engineering
- **43**: Specialized construction activities (excluded)

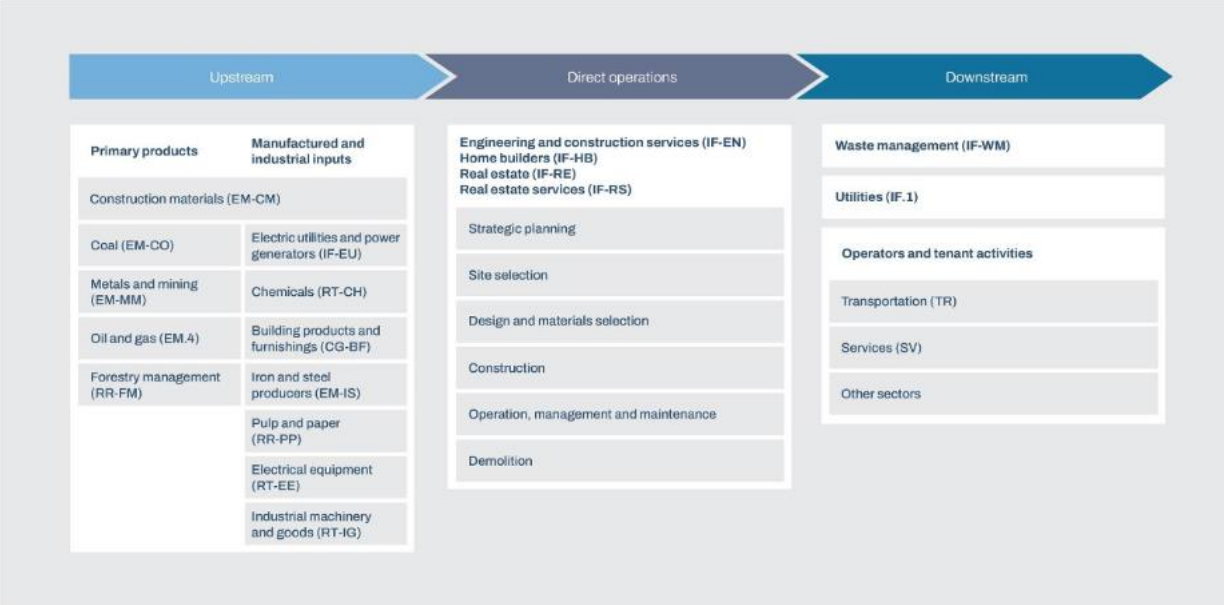


Figure 3: Typical industries in the value chain of the engineering, construction and real estate sector (6)

Here, the direct operations companies will be assessed through ACT Biodiversity construction specific indicators. Upstream and downstream operations are tied to other sector activities.

Categories	NACE Group
Development of building projects	41.1
Construction of residential and non-residential buildings	41.2
Construction of roads and railways	42.1
Construction of roads and motorways	42.11

Construction of railways and underground railways	42.12
Construction of bridges and tunnels	42.13
Construction of utility projects	42.2
Construction of utility projects for fluids	42.21
Construction of utility projects for electricity and telecommunications	42.22
Construction of other civil engineering projects	42.9
Construction of water projects	42.91

ENERGY

- *Electric utilities and power generator*

Organizations in the electric utilities and power generation sector often operate across multiple sites and engage with a wide network of suppliers and consumers, resulting in significant potential dependencies and impacts on nature throughout their value chains. To establish a practical and focused starting point, these organizations might consider narrowing their scope initially. This could involve prioritizing a small number of key sites or value chain areas where nature-related dependencies, impacts, risks, and opportunities are most critical.

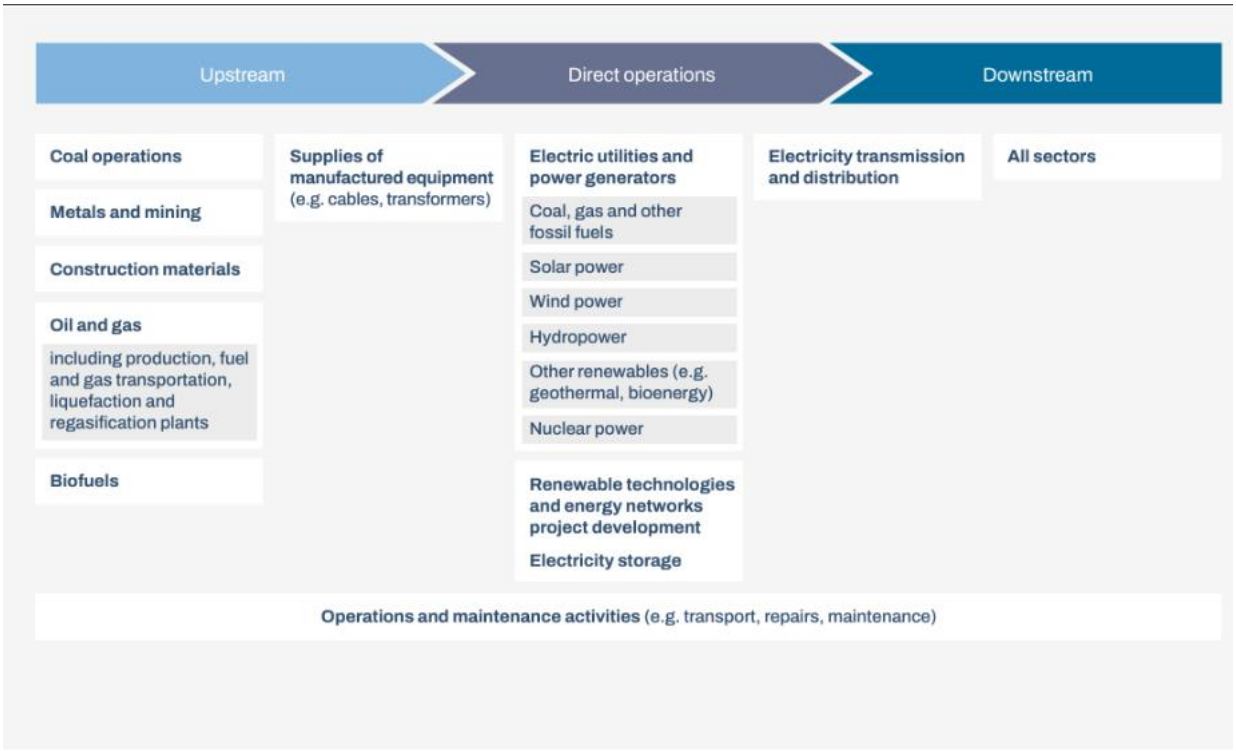


Figure 4: Overview of the electric utilities and power generators value chain (8)

Here, the companies targeted by the ACT biodiversity energy specific indicator are the ones operating in the direct operations value chain.

Some companies of the upstream value chain should fit in the Oil & Gas specific indicators category.

Categories	NACE Group
Electric Energy Production – Combustion (Biomass, Coal, Gas, Nuclear, Oil) (to be published V2)	**35.11**

Electric Energy Production – Geothermal Energy (to be published V2)	**35.11**
Electric Energy Production – Hydropower (to be published V2)	**35.11**
Electric Energy Production – Solar, Wind	**35.11**
Oil & Gas Extraction (to be published V2)	**06.10** (Extraction of crude petroleum), **06.20** (Extraction of natural gas)

FORESTRY, PULP & PAPER (TO BE PUBLISHED WITH SPECIFIC INDICATORS IN V2)

Each company's context, location, and interactions with nature are unique. Companies are encouraged to consult additional relevant sources, including scientific references and industry standards or best practice guides, and to conduct thorough assessments to identify and evaluate their specific dependencies, impacts, risks, and opportunities related to nature.

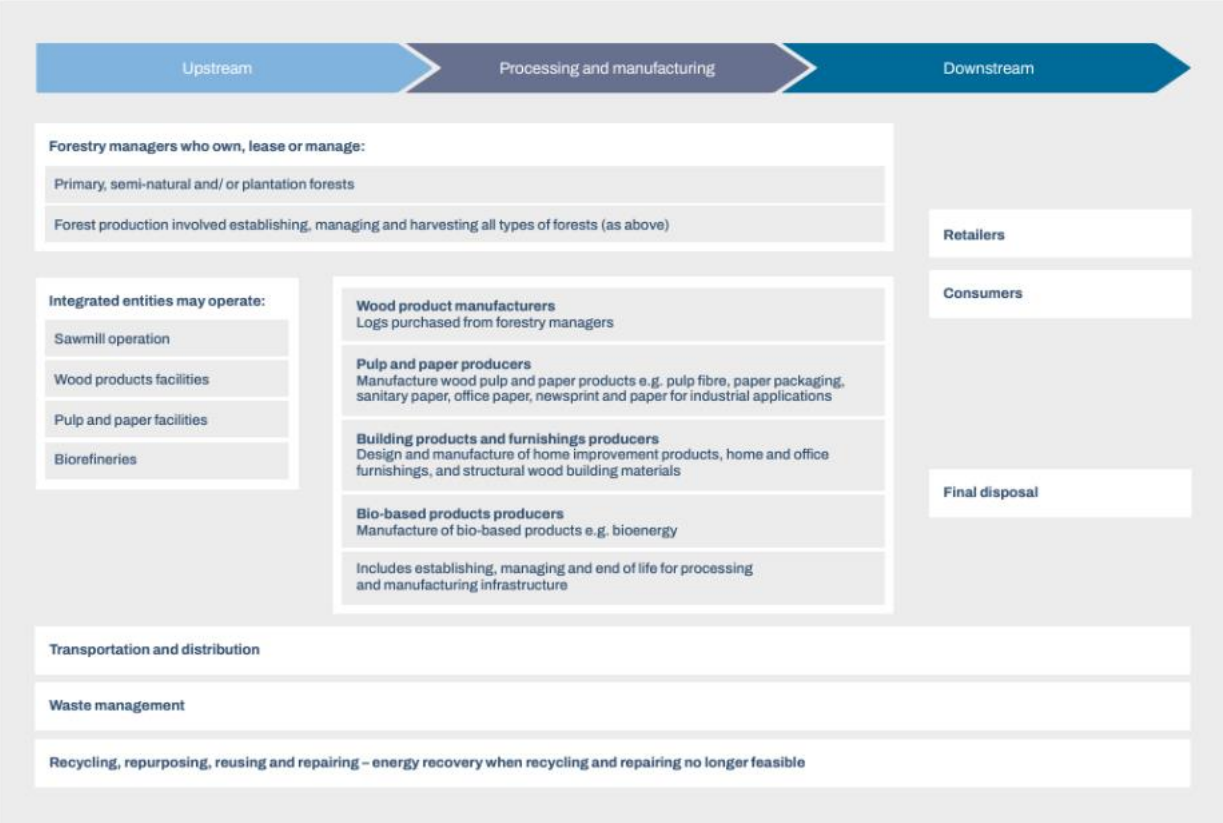


Figure 6: Typical business activities in the value chain of the forestry, pulp and paper sector (10)

Here, main upstream companies and direct operations companies on this value chain can benefit from specific indicators on Forestry.

Categories	NACE Group
Silviculture and other forestry activities (includes forest tending, reforestation, and forest conservation)	02.10
Logging (includes the harvesting of timber and other forest products)	02.20

Sawmilling and planing of wood (includes production of woodchips as part of sawmilling activities)	16.10
Manufacture of wooden containers (if woodchips are prepared as intermediate products for packaging)	16.24
Manufacture of other products of wood; manufacture of articles of cork, straw, and plaiting materials (may include specific activities related to woodchip production for various uses)	16.29
Manufacture of pulp	17.11
Manufacture of paper and paperboard	17.12
Manufacture of corrugated paper and paperboard and of containers of paper and paperboard	17.21
Manufacture of household and sanitary goods and of toilet requisites	17.22
Manufacture of paper stationery	17.23
Manufacture of wallpaper	17.24
Manufacture of other articles of paper and paperboard.	17.29

For now, Forestry, Pulp & Paper sector can follow the ACT biodiversity generic indicators

3.3 REPORTING BOUNDARIES

The reporting boundaries specify which parts of the value chain are included in this methodology.

According to the SBTN (2020) methodology, ACT Biodiversity identifies 3 spheres of influence:

- **Direct operations** represent all activities and sites (e.g., buildings, farms, mines, retail stores) over which the enterprise has operational or financial control. This includes majority-owned subsidiaries or associates, joint ventures, subsidiaries or any undertaking or asset the company has operational control on. It represents the sphere of control.

- **Upstream** operations represent all activities associated with suppliers (e.g., production or cultivation, sourcing of commodities of goods), as well as transportation of commodities to manufacturing facilities.

- **Downstream** operations cover all activities that are linked to the sale of products and services produced by the company. This includes the use and reuse of the product and its end of life to include recovery, recycling, and final disposal.

The downstream operations are not strictly included in this first version of the methodology due to the lack of standardization on this subject and the lack of operational indicators to rigorously quantify activities on the downstream value chain. Nevertheless, the methodology also assesses the company's commitment through the evaluation of its strategy and actions to reduce biodiversity impacts.

FIGURE 3 SPHERES OF INFLUENCE (SBTN, 2020)

3.4 RATIONALE

The aim of the methodology is to assess the biodiversity strategy of a company, with a focus on how the company is reducing its pressures on biodiversity, and what it is doing to protect it. Reducing pressures on biodiversity thereby reduces the company's exposure to biodiversity-related risks.

Some prerequisites to the use and suitability of the methodology are described in this section.

A company must have carried out **an analysis of its impacts and dependencies on biodiversity** before implementing an ACT Biodiversity assessment. It should also have a clear vision of its materiality and establish a maturity matrix. It is also necessary to have a **nature transition plan**, or at least a biodiversity strategy, and have a global vision of the state of nature (current situation of ecosystems) of its different sites (on direct operations and if possible, on upstream) without having to carry out a complete fauna flora inventory of its different sites. Nevertheless, it is preferable to know the threatened and protected species present, and their threat and protection status. The methods for obtaining these data are free to choose, and no constraints are imposed by ACT. If a CSRD reporting is available, it will be used as well.

This methodology can be used regardless of the company's sector. The framework of performance indicators is similar for all the companies assessed by the ACT Biodiversity methodology. The weightings differ depending on the sector (agriculture-agrifood, chemicals, energy, construction, other sectors) through the materiality analysis and on the specific levers of each sector depending on their hotspots in terms of biodiversity impacts.

A company can be assessed by ACT Biodiversity regardless of its size. However, given the complexity of the method, it is more suitable for large companies (> 250 employees). In addition, the company must have already reached a minimum maturity, meaning having (i) a materiality analysis (ii) a biodiversity/nature transition plan and (iii) associated actions as well as track record of implemented actions.

A company can only start an ACT Biodiversity assessment if at least **one of these three pressures has been identified as material for the company (direct operations) or its upstream value chain**:

- Land/sea use change;
- Direct exploitation;
- Pollution.

If climate change is the only material pressure for the company or its upstream value chain, the ACT Biodiversity assessment won't provide relevant insights. The company may consider instead to perform an ACT Climate assessment (mitigation and/or adaptation depending on associated biodiversity impact/dependencies).

If invasive alien species are the only material pressure, ACT Biodiversity will not be suitable either, given the lack of standardization.

If the company is not yet mature on biodiversity topics (no materiality analysis, no transition plan, no actions implemented, size too small...), it may refer to the Nature Transition Plan framework (WWF) to develop a biodiversity roadmap. A step-by-step version of ACT Biodiversity will also be made available in the future for companies at an

early stage of their journey. WBA Nature's Benchmark can also provide useful guidelines for initiating transition planning

3.5 TEMPORAL BOUNDARIES

The temporal boundaries specify which timelines are included in this methodology.

- **Past events** fall within the scope of the methodology, since they can help the analyst to understand the company's impacts on biodiversity. However, past events are considered within a 5-year limit, and the theoretical reference state in which the ecosystem would be if the company had not existed is not considered.
- **Current biodiversity** actions are also within its scope, since the biodiversity is already declining, and this is beginning to influence company's activity.
- However, this methodology is strongly **future-orientated** and assesses the progress the company and its value chain intends to make towards a biodiversity-friendly economy with equal regard to biodiversity transition plan, on the one hand, and biodiversity protection, on the other hand.

4. Construction of the data infrastructure

4.1 DATA SOURCES

In order to carry out a company level assessment, many data points need to be gathered from various sources. Principally, ACT relies on the voluntary provision of data by the companies, including information on operations, supply chains, and biodiversity-related initiatives. External data sources are also consulted where this would streamline the process, ensure fairness, and provide additional value for checking, validation and preparation of the assessment narrative.

The ACT assessment uses the data sources listed in Table 5.

TABLE 5: ACT ASSESSMENT DATA SOURCES

DATA SOURCE	MAIN USE
Company data from surveys	Calculation of performance indicators score
Non-financial and sustainability reports (GRI, CDP, TNFD, etc.)	Calculation of performance indicators score
Company data from models and simulations	Calculation of performance indicators score
Company data from life cycle assessment (LCA) and biodiversity footprints	Calculation of performance indicators score
Company data from economic and operational data	Calculation of performance indicators score
Contextual and financial information on company and events related to the company that could impact the ACT assessment from contextual and financial information database sources (e.g. online and press news, RepRisk, WBA benchmarks…)	Calculation of narrative indicators score

Where indicators refer to third-party data sources as the default option, reporting companies may provide their own data if they can provide a justification for doing so along with information about its verification status, any assumptions used and the calculation methodology.

4.2 COMPANY DATA REQUEST

The data included in Table 6 are requested from companies to conduct an ACT assessment. This description is high-level, for further details please refer to section named **Weightings**.

TABLE 6: DATA REQUESTED FOR ACT BIODIVERSITY ASSESSMENT

		DATA REQUESTED TO THE COMPANY
PRELIMINARY DATA		Biodiversity materiality analysis on impacts and dependencies *(mandatory)*
		Nature transition plan *(preferable)* or biodiversity strategy *(mandatory)*
		Information about state of nature of all sites *(preferable)*
1. TARGETS		Biodiversity pressures reduction targets
2. DIRECT OPERATIONS	**No conversion of natural ecosystem**	Location of all sites where high-impact commodities are produced Areas converted after base year (km² or ha)
	Land footprint reduction target	Statistical (non-spatial) data on quantities of land-based products produced, and statistical or spatial data allowing for calculation of total surface area of working lands producing those products
	Natural Cover Land	Location and delineated area of production units that they own or manage Operational site areas (e.g., farms, mines, retail locations, infrastructure, and construction sites) that they own or manage.
	Soil Organic Carbon	Location of all production units Identified land use types within each production unit Time period of land use per land use type Sources and Emissions of NH3, NOx, and SOx (kg) Land use and duration by location and intensity (ha*yr)
	Soil Erosion	
	Terrestrial acidification	
	Landscape engagement	Baseline and measure progress based on selected ecological and social metrics
	Reduction of water withdrawal	Direct water withdrawals: volume per year e.g. ML/year (data sources: water meter) Models selected and stakeholders consulted information

	Reduction of quantity of wild species extracted from natural habitats for commercial purposes	Information about reduction of wild species extracted from natural habitats for commercial purposes (especially commercial fishing in saltwater, bycatch, aromatic and medicinal plants) in direct operations
	Reduction of excess nutrients lost to the environment	Annual quantity of limiting nutrients (nitrogen or phosphorus) bought or used by the company (kg bought or used) Models selected and stakeholders consulted information
	Reduction of toxic chemicals	Information about reduction of pesticides and highly hazardous chemicals in direct operations
	Reduction of plastic pollution	Virgin plastic used by the company per year (kg or tons) in direct operations
	Alignment of scope 1+2 emissions reduction targets	GHG emissions of direct operations
	Invasive alien species management plan	Information on the protocols put in place to prevent and manage IAS
	Production practices	Information about production practices
	CAPEX	Nature frien CAPEX
3. INTANGIBLE INVESTMENTS		R&D in nature-preserving technologies
4. UPSTREAM	**No conversion of natural ecosystem**	Sourcing area of where high-impact commodities purchased Volume of high-impact commodities purchased disaggregated per commodity and per traceability level
	Land footprint reduction target	Statistical (non-spatial) data on quantities of land-based products purchased Locations (e.g., countries and/or subnational jurisdictions) if known Yield (output per hectare) of each product purchased for each location
	Natural Cover Land	Upstream location and delineated area of production units that they own or manage Operational site areas (e.g., farms, mines, retail locations, infrastructure, and construction sites) that they own or manage.
	Soil Organic Carbon	(Optional) Location of all sourcing units Identified land use types within each sourcing unit Time period of land use per land use type Sources and Emissions of NH3, NOx, and SOx (kg) Land use and duration by location and intensity (ha*yr)
	Soil Erosion	
	Terrestrial acidification	
	Landscape engagement	Baseline and measure progress based on selected ecological and social metrics

	Reduction of water withdrawal	Upstream water withdrawals: volume per year e.g. ML/year if available or blue-water footprint (m"/year)
	Reduction of quantity of high-impact commodities sourced from land/ocean/ freshwater	Information about reduction of quantity of high-impact commodities sourced from land/ocean/freshwater in upstream operations
	Reduction of excess nutrients lost to the environment	Upstream limiting nutrients loads: annual quantity of limiting nutrients (nitrogen or phosphorus) bought or used by the upstream companies (kg bought or used) if available or greywater footprint (m"/year)
	Reduction of toxic chemicals	Upstream pesticides and highly hazardous pesticides purchased or used
	Reduction of plastic pollution	Type of plastic bought by the company and quantity of each raw materials bought (kg or tons) including plastics
	Alignment of scope 3 emissions reduction targets	GHG emissions of upstream operations
	Invasive alien species	Information on the protocols put in place to prevent and manage IAS
5. MANAGEMENT		Biodiversity policy and details regarding governance
		Management incentives
		Biodiversity plan transition (or action plan in favor of biodiversity)
		Biodiversity surveys
6. SUPPLIER ENGAGEMENT		List of environmental/CSR contract clauses in purchasing & suppliers' selection process
		List of initiatives implemented to influence suppliers to reduce their impacts on biodiversity, green purchase policy or track record, supplier code of conduct
7. CLIENT ENGAGEMENT		Client policy
		List of initiatives implemented to influence client behaviour to reduce their impacts on biodiversity
8. POLICY ENGAGEMENT		Company policy on engagement with associations, alliances, coalitions or thinktanks
		Position of the company on significant biodiversity policies (public statements, etc.)
9. BUSINESS MODEL		List and turnover or invested capital (or other financial KPI) of activities in new businesses related to biodiversity business models

	Current position of the company towards the identified biodiversity business models
	Projects and actions related to Nature based solutions and restoration on sites, in the value chain or elsewhere

4.3 COMPANY GENERAL INFORMATION

In addition to action plans, targets, and biodiversity indicators, companies are expected to provide general contextual information that supports the ACT Biodiversity assessment. This information helps evaluators understand the maturity of the company across different dimensions of the methodology, and to put them into perspective considering both regulatory obligations and voluntary initiatives. The aim is also to consolidate all relevant documents and data sources that can support the evaluation.

Voluntary initiatives and external frameworks: Companies should indicate which external frameworks or voluntary initiatives have been integrated into their strategy. Examples include TNFD, SBTn, Act4Nature, “Entreprises Engagées pour la Nature”, ECOCERT or other sectoral references. The company should specify when such initiatives were adopted and how they influence current biodiversity practices.

Regulatory obligations: Companies should describe the regulatory frameworks to which they are subject, and how these influence biodiversity-related actions. Examples include CSRD requirements, ICPE obligations, ISO 14001 certification, impact assessments, emission thresholds (air, soil, water), or site-specific permits and prefectural decrees.

Compliance and ambition: Companies should clarify whether they strictly apply regulations on their sites or go beyond compliance.

Organisational scope and governance: Companies should indicate whether biodiversity initiatives are implemented at site level, activity level, or group wide. This includes reporting on governance, accountability, and allocation of responsibilities for biodiversity within the organisation.

Materiality analysis: Companies should describe how materiality has been assessed, both for direct and upstream operations. They should also explain whether the approach is based on tools such as ENCORE or SBTn, and whether a critical review has been performed. Links with the double materiality analysis conducted under CSRD should also be specified. Under CSRD, biodiversity is typically addressed as a single consolidated topic; the ACT Biodiversity methodology, by contrast, structures the analysis around the five IPBES pressure drivers, which provides a more granular assessment of the company's impacts and dependencies

4.4 PERFORMANCE INDICATORS

The performance indicators have been conceived following the main principles described in Table 7: Performance indicators.

TABLE 7: PERFORMANCE INDICATORS

	MODULE	PAST	PRESENT	FUTURE
	1. TARGETS	BIO 1.3 Achievement of previous and current targets		BIO 1.1 Alignment of biodiversity impact reduction targets in direct operations BIO 1.2 Alignment of biodiversity impact reduction targets in upstream operations
CORE BUSINESS PERFORMANCE	2. DIRECT OPERATIONS	BIO 2.1 Trend in past biodiversity impacts BIO 2.2 Production practices		BIO 2.3 Biodiversity CAPEX
	3. INTANGIBLE INVESTMENT	BIO 3.1 R&D in biodiversity protection BIO 3.2 Investments human capital		
	4. UPSTREAM	BIO 4.1 Trend in past upstream biodiversity impacts		BIO 4.2 Sourcing requirements & upstream production practices
	5. MANAGEMENT		BIO 5.1 Oversight of biodiversity loss issues BIO 5.2 Biodiversity loss oversight capability BIO 5.3 transition plan	BIO 5.4 Biodiversity management incentives BIO 5.5 Nature scenarios and pathways
INFLUENCE	6. SUPPLIER	BIO 6.2 Activities to influence suppliers to reduce their impact on biodiversity		BIO 6.1 Strategy to influence suppliers to reduce their impact on biodiversity
	7. CLIENT	BIO 7.2 Activities to influence customer to reduce their impact on biodiversity		BIO 7.1 Strategy to influence customer behaviour to reduce their impact on biodiversity

	8. POLICY ENGAGEMENT		BIO 8.1 Company policies on engagement with trade associations BIO 8.2 Associations, alliances, coalitions and thinktanks supported do not have climate-negative activities or positions BIO 8.3 Position on significant biodiversity policies BIO 8.4 Collaboration with local communities and indigenous people	
	9. BUSINESS MODEL			BIO 9.1 Changes to business model BIO 9.2 Nature Based Solutions BIO 9.3 Restoration action

ACT Biodiversity uses maturity matrices which are scaled until five levels, from “Basic” (lowest level) to “Biodiversity Aligned” (highest level). Each level is associated with a score, as highlighted below. Some performance indicators are based on maturity matrices with a single question (or “subdimension"), whereas other indicators are based on multi-subdimension matrices. In the latter case, each subdimension is associated with a weighting which is taken into account to calculate the overall indicator score. Most matrices in the methodology make use of the full five-level matrix structure, although some may only use 2, 3 or 4 of the available maturity levels.

TABLE 8: ACT MATURITY LEVELS

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned
Score	0	0.25	0.5	0.75	1

Module 1: Targets

Module 1, “Targets” assesses the company’s commitments to reduce its impact on biodiversity pressure levers. Targets provide a goal with which the company can align its strategy, business decisions, capital expenditure (CAPEX) and research and development (R&D) to transition.

The objective of this module is to assess whether companies are in line with the reduction of pathways for the main impact factors. The references used in this assessment are derived from a specific benchmarking and alignment exercise, ensuring consistency with targets defined under robust scientific regulatory and voluntary frameworks, including the Science-Based Targets for Nature (SBTN).

Module 1 is expected to evolve over time, in line with scientific progress on impact reduction pathways. In its first version, the module includes both locally defined targets, where scientific evidence allows, particularly those based on local ecological thresholds, and more global targets, depending on the issue addressed and the level of scientific knowledge available.

This module is directly link to the materiality results. Companies will be assessed through the pressures identified as material according to their business model (from medium level). The higher the materiality level is, the higher the weighting will be according to the indicator addressed. Not all of the following subdimensions on Targets will be relevant for every company.

The module includes three indicators. The first assesses whether the company’s targets are aligned with reduction pathways for material pressures on direct operations. The second applies the same assessment on upstream operations. The third evaluates the achievement of past targets meaning the % of completion of the target so far, looking at the progress made from the target base year and the reporting year of the company, out of the target date year.

Pressures category:

The methodology is based on the five drivers of biodiversity loss identifies by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) (6) : land, water and sea use change, direct exploitation, pollution, climate change and invasive alien species. These drivers are structured into dimensions covering key natural-related topics. *Table 1* lists the targets which companies are expected to align, along with the associated reference frameworks. *Table 2* maps the coverage of the method against the five drivers of biodiversity loss identified by IPBES, indicating which drivers are addressed by the method. It also indicates the current availability of scientific evidence for each topic and the scope covered by the methodology at this stage.

To make the method easier to understand, the various dimensions covered will be grouped by colour, with each colour corresponding to one of the pressures on biodiversity. The table below describes the different categories.

Table 1; Targets and their associated pressure lever coverage according to the IPBES classification

Pressure on biodiversity	Dimension		Source	Biome	Type of metrics
Land/water/sea use change	1	No conversion of natural ecosystem	EUDR & SBTN	Terrestrial ecosystem use	Qualitative & Quantitative
	2	Land area footprint reduction target	SBTN	Terrestrial ecosystem use	Quantitative
	3	Land area Natural Cover Land	SBTN	Terrestrial ecosystem use	Quantitative
	4	Land quality Target : SOC	SBTN	Terrestrial ecosystem use & Soil pollutants	Quantitative
	5	Land quality Target: Soil erosion	SBTN	Terrestrial ecosystem use	Quantitative
	6	Land quality Target: Terrestrial acidification	SBTN	Terrestrial ecosystem use & Soil pollutants	Quantitative
	7	Landscape engagement	SBTN	Terrestial and water use change	Quantitative
Direct exploitation	8	Reduction of water withdrawal (direct & upstream)	SBTN	Resource exploitation	Qualitative
	9	Reduction of wild species extracted from natural habitats for commercial purposes (direct)	SBTN	Resource exploitation	Qualitative
		Reduction of quantity of high-risk natural commodities sourced from land/ocean/ freshwater (upstream)	SBTN	Resource exploitation	Qualitative
Pollution	10	Reduction of water pollution | Nutrients (direct & upstream)	SBTN	Pollution	Qualitative
	11	Reduction of pollution | Toxic chemicals (direct and upstream)	SBTN, GBF	Pollution	Qualitative
	12	Reduction of plastic use (direct and upstream)	Plastic European Act	Pollution	Quantitative
Climate change	13	Alignment of scope 1+2 emissions reduction targets (direct)	SBTi	Climate change	Quantitative
		Alignment of scope 3 emissions reduction targets (upstream)	SBTi	Climate change	Quantitative
Invasive alien species	14	Not covered in Module 1 in this first version	V2	Invasive and others	V2

Table 2 : IPBES pressure levers coverage by ACT biodiversity | Table to be used for 1.1, 1.2, 2.1 and 4.1

	Nature-related issue / Pressure category	ACT Biodiversity coverage	Details
Land/Water/sea use change	Terrestrial ecosystem use		Complete coverage with SBTN framework covering both quantity and quality target along with landscape engagement (possible as well about wide basin i;e. freshwater ecosystem use)
	Freshwater ecosystem use		Partial, landscape engagement address if relevant
	Marine ecosystem use		SBTN ocean targets
Resource exploitation	Water use		Complete, SBTN framework, putting priority on local models on defining targets and performance but possibility to use global model
	Other resource use		Partial, covering only wild species extraction
Climate change	GHG emissions		Complete | ACT Climate
Pollution	Non-GHG air pollutants		No covereage to date
	Water pollutants		Complete, covering nutrients pollution and toxic chemicals through STBN framework
	Soil pollutants		Almost complete because indirect through land quality target + direct tagerts on toxic chemicals and
	Solid waste		Partial through plastic reduction (downstream radioactive waste not included for instance)
Invasive alien species	Disturbances (noise / light)		Included but no targets on it
	Biological alterations / interferences		Included but no targets on it

Covered

Partially

Not adressed

How the assessment will be done

For each qualitative dimension (i.e. 1, 7, 8, 10, 11), the assessment will be done thanks to a maturity matrix presented in the description of each dimension.

For each quantitative dimension (i.e. Dimension 2,3, 4, 5, 6, 9, 12), the assessment will compare the trend of the company's target pathway to the trend of the company's benchmark pathway (whether relative or absolute) thus identify the gap between both pathways at the target year. This is expressed as the company's commitment gap. The analysis will be done as follow:

The analysis is based on a trend ratio between the company's dimension reduction target and the company benchmark (benchmark of the dimension reduction). Trends are computed between base year and the longest time horizon of the target.

The company's target pathway is the reduction of the dimension over time, defined by the company's dimension reduction target. To compute it, a straight line is drawn between the starting point of the analysis (i.e. reporting year) and the company's target endpoint. The company's reference pathway is the pathway it should follow according to the benchmark. The company achieves the maximum score if the company's target pathway and the company benchmark pathway are aligned (commitment gap = 0).**Erreur ! Source du renvoi introuvable.Erreur ! Source du renvoi introuvable.**

1) Trend ratio

The score is calculated by dividing the company's dimension reduction trend by the specific benchmark of dimension reduction trend between the reporting year and the target year through the trend ratio:

$$Trend\ ratio = \frac{Company's\ target\ trend}{Benchmark\ pathway\ trend} = \frac{XX_C(TY) - XX_C(BY)}{XX_B(TY) - XX_C(BY)}$$

Where:

- $XX_c(TY)$ is the company dimension data at **target year**
- $XX_c(BY)$ is the company dimension data at **base year**
- $XX_B(TY)$ is the **company's benchmark** dimension data at target year

The commitment gap of the company is equal to (1- trend ratio). Thus, when the company's target pathway is aligned on the company's benchmark, the trend ratio is equal to 1 and the commitment gap is 0 (see Figure 1).

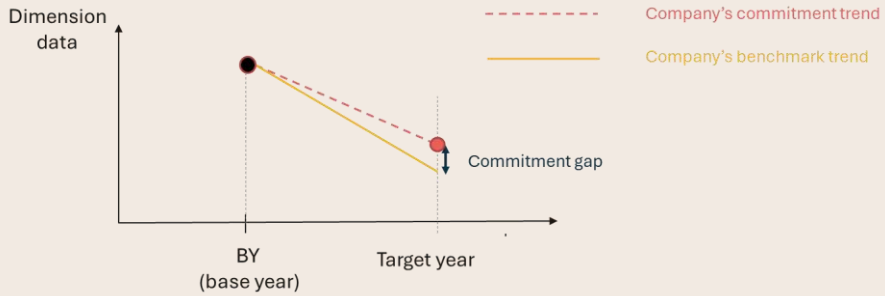


FIGURE 1 TREND RATIO AND COMMITMENT GAP

2) Calculation of the score

The final score assigned to the indicator is calculated as follows:

Final score = trend ratio score x 80% + timeline score x 20%

- Trend ratio score

Conditions	Score
$Company's\ target\ trend > 0$ Increase in company's dimension	0%
$Company's\ target\ trend \leq 0$ $0 \leq trend\ ratio \leq 1$ Decrease in company's dimension but company's commitment does not go beyond the company's benchmark ambition	$Trend\ ratio$
$Company's\ target\ trend < 0$ $trend\ ratio > 1$ Decrease in company's dimension and company's commitment equals or exceeds the company's benchmark ambition	100%

- Timeline score

Conditions	Score
'No target before 2030 included.	0%

'At least one target before 2030 included. AND No target after 2030	20%
Target year more than five years (10 years for land footprint reduction) from the base year but before 2030 (2050 for land footprint reduction)	40%
'At least one target before 2030 included. AND at least one target after 2030	60%
'One short, one mid and one long term target. At least one target before 2028 AND at least one target before 2035 AND at least one target after 2045 included -10% if no 2030 target and -10% if no 2050 target	80%
Succession of short- to mid-term and mid- to long-term targets From the base year, at least one target every 5 years until 2030 included AND at least one target every 10 years from the last target before 2030 included to 2050 AND at least one target after 2045 included -10% if no 2030 target and -10% if no 2050 target	100%

Company must set each target for each material locations. If the company has set several targets for its different locations, the final score is given as the **average final score for all targets assessed.**

1.1 ALIGNMENT OF BIODIVERSITY IMPACT REDUCTION TARGETS IN DIRECT OPERATIONS

PRELIMINARY NOTICE

This indicator assesses the degree of alignment or gap between the company's pathways and the corresponding reference pathway for its direct operations. This indicator is applied to each relevant impact pressure that have been assessed during the materiality assessment

Precisions regarding the land quality materiality:

Review the Materiality Screening Tool and the High Impact Commodities (7) list to identify the most relevant land quality category for the company's operations.

Companies that produce commodities with material terrestrial use or soil pollution are required to set one or more targets according to the following:

• Terrestrial use AND soil pollution are material: select one or more of soil organic carbon, soil erosion or terrestrial acidification for target-setting.

• Terrestrial use is material only: select either soil organic carbon or soil erosion or both for target setting.

• Soil pollution is material only: select terrestrial acidification for target setting.

*Key aspects of the methodology include:

○ Scope of assessment – including how boundaries were determined for landscape/seascapes, proportion of operations and value chain covered and how prioritised

○ Data sources, age of data and any ground-truthing performed

○ Baseline year and approach

○ Granularity level, calculations performed or published methodology followed

○ Any key assumptions or estimations made[1]

STATE OF NATURE IMPROVEMENT

[1] https://www.naturepositive.org/app/uploads/2026/02/Supporting-Information_Draft-Measurement-Guidance-Executive-Summary_Feb2026.pdf

IMPORTANT: This matrix applies to each target linked to material pressures and accounts for 20% of the "Targets" module score.

Halting and reversing biodiversity loss requires a dual approach: reducing pressures and improving the state of nature in priority areas. The following matrix is designed to ensure that companies embed nature state indicators into their strategies, covering both ecosystems and species. The goal here is not to measure a direct response of nature's condition to pressure-reduction targets. Rather, it is to track over the long term, using indicators that are as granular and ecologically relevant as possible how the state of nature evolves, so that strategies can be adjusted accordingly and drive gradual improvement.

Indicators used must meet the following criteria: grounded in recognized scientific frameworks (science-based); sensitive to ecological change (responsive); adaptable to local contexts (flexible); consistent with international reference frameworks (aligned); practically and economically feasible (accessible and affordable); and verifiable by third parties (auditable).

Given the wide range of existing nature state indicators, the specific contexts of individual companies, and varying measurement objectives, we propose a generic, progressive matrix that recognizes and rewards efforts at each stage of integration into the assessment.

State of nature maturity matrix:

Evaluation level	Basic	Advanced	Biodiversity aligned	Weighting
Target	The company does not have any nature state indicators on the associated pressure target	The company monitors changes in the state of nature with only ONE robust indicator linked to pressure target. The metrics used cover the state of ecosystems OR species associated	The company monitors changes in the state of nature with SEVERAL robust indicators linked to pressure target The metrics used cover the state of ecosystems AND species associated	20%
Score	**0**	**0.5**	**1**	

1.1.1 NO CONVERSION OF NATURAL ECOSYSTEMS

SHORT DESCRIPTION OF THE INDICATOR

This indicator assesses a company's compliance with Deforestation and Conversion Free (DCF) across all sites and/or products linked to deforestation or the conversion of natural ecosystems

DATA REQUIREMENTS

The relevant data for this indicator are:

- Location of all sites x hotspots
- Surface area of sites x hotspots
- Number of all sites
- Number of DCF compliant sites
- Volume of all products/commodities
- Volume of DCF compliant commodities
- Traceability information (volumes must be disaggregated per level of traceability, production unit, sourcing area, jurisdiction, subnational level, country of origin)
- Conversion free target date
- Deforestation conversion date
- Value chain position
- Base year
- Target information

HOW THE ASSESSMENT WILL BE DONE

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting
Target	'The company has no commitment about conversion or deforestation of natural ecosystems (land and sea) OR The company has a Deforestation Conversion Free	The company has a commitment about conversion of natural ecosystems (land and sea) that does not meet the zero conversion of natural ecosystems targets by 2025 on the EUDR commodities AND	The company has a commitment about conversion of natural ecosystems (land and sea) that does not meet the zero conversion of natural ecosystems targets by 2025 on the EUDR commodities AND	The company has a commitment that meets the zero conversion or deforestation of natural ecosystems (land and sea) targets no later than 2025 for EUDR commodities and 2027 for all sites and all conversion-driving commodities	'The company already commit to a Deforestation and Conversion Free 2025 target date in their direct operations on all EUDR commodities and HIC commodities AND	100 %

	commitment but later than 2027 in its direct operations	This commitment is NOT covering all hotspots in which it shall set a Deforestation, Conversion Free targets	This commitment is covering all hotspots in which it shall set a Deforestation, Conversion Free targets	(high impact commodities). BONUS: +/- 5% depending on the earliest date	the implementation of mitigation measures where significant impacts/risks are identified	
Score	**0**	**0.25**	**0.5**	**0.75**	**1**	

RATIONALE OF THE DIMENSION

Land use change is the direct driver with the largest relative impact on terrestrial and freshwater ecosystems. The “No conversion of Natural Ecosystems” target is to avoid the wholesale change of a natural ecosystem to another land use or a profound change in natural ecosystem’s species composition, structure, or function (8)

Companies should eliminate any production or sourcing of commodities associated with the conversion of natural ecosystems, and especially deforestation according with the EUDR. (deforestation is included as one of many types of natural ecosystem conversion, which includes all natural, terrestrial ecosystems). By combining geospatial data on business units with accurate land cover data, the company can identify whether its activities have caused the conversion of natural ecosystems since the cut-off date.

Depending on the company’s position in the value chain, hotspots conversion areas have to be prioritised. These places correspond to areas where pressures have driven the conversion of natural land classes to non-natural land classes between 2000 and 2020 (SBTN Land V2). Producers and buyers are encouraged to focus first on High Impact Commodities (HICs - reference) to achieve deforestation and conversion free compliance (See table 6 SBTN V2)

To identify the conversion driving-commodities list, please refer Annex 1: No Conversion of Natural Ecosystems (8)
To understand how to set a “No conversion of natural ecosystem” target, please refer to SBTN Land V2 2025.

1.1.2 LAND AREA | LAND FOOTPRINT REDUCTION

SHORT DESCRIPTION OF THE INDICATOR

This indicator assesses the gap between the land footprint reduction rate set by the company (in ha/year), and the corresponding reference rate.

DATA REQUIREMENTS:

- Total amount of agricultural land used in a year
- Total volumes of commodities produced or purchased
- Statistical data on quantities of land-based products produced
- Target information
- Base year and target year
- Whether the company has a material link to agriculture through direct or sourcing agricultural commodities

Information guiding questions for companies

- Has the company set a target to reduce its land footprint? What is the base year and target year?
- What types of land use are linked to the company's activities (owned sites, operations, supply chain)?
- What is the total land area concerned (ha or km²) at the base year?
- What production or activity data can be used to estimate land use over time?
- How is land use monitored or reported today (internal data, suppliers, external sources)?

HOW THE ASSESSMENT WILL BE DONE

Trend ratio

$$Trend\ ratio = \frac{Company's\ target\ trend}{Benchmark\ pathway\ trend} = \frac{XX_C(TY) - XX_C(BY)}{XX_B(TY) - XX_C(BY)}$$

Where:

- $XX_c(TY)$ is the company land footprint at target year
- $XX_c(BY)$ is the company land footprint at base year
- $XX_B(TY)$ is the company's benchmark land footprint at target year

The objective is to reach, in absolute term, a linear land footprint reduction rate of 0.35% per year, or by 3.5% by 2030, from a 2020 base year, and by 10.6% by 2050 from a 2020 base year.

SBTN provides flexibility for companies to choose between the two Land area targets (Land footprint reduction or Natural land cover) depending on their land use profile and operational realities. For example, companies operating in extensive, rain-fed, or low-yield systems (e.g. pastoralism, rangelands) may find it difficult to reduce land footprint without significant ecological or social risks (p.52)

RATIONALE OF THE DIMENSION:

This indicator can tend to encourage companies to intensify their production (produce more or the same thing on smaller surfaces). To avoid this phenomenon, safeguards will be put in place, especially in the "production practices" indicator of modules 2 and 4. This point will also be the subject of a specific assessment in the narrative score, to ensure that the choices made by the company do not force it to intensify its production.

This indicator focuses on the spatial extension aspects rather than intensity or quality.

The Land footprint reduction target is specifically designed for companies with material links to agriculture, either through direct production or sourcing of agricultural commodities. Global models indicate that agricultural land footprint reduction of the scale required to achieve global nature goals is possible through a combination of sustainable crop and livestock productivity gains where there are yield gaps, reduced food loss and waste across value chains, more circular use of natural resources, and in high income countries, shift towards healthier, more sustainable and less-land-intensive diets. Companies that set this target need to carefully manage potential trade-offs and avoid unintended consequences that can arise as a result of efforts to reduce the global agricultural land footprint. Companies setting this target will also be assessed on the Land quality targets on the same production units to avoid unsustainable intensification and safeguards will be put in place, especially in the "production practices" indicator of modules 2 and 4 (SBTN Land V2)

“Land footprint” for the purpose of this target refers to the amount of agricultural land required per year to produce the products that the company itself produces or which it sources (reported in hectares per year).

1.1.3 LAND AREA | NATURAL LAND COVER

SHORT DESCRIPTION OF THE INDICATOR

This indicator assesses the extent of natural area coverage present across company sites

DATA REQUIREMENTS:

- Point or polygon spatial data of each site/production unit
- Area of each site/production unit
- Natural land cover percentage of each site/production unit
- If needed: statistical (non-spatial) data on quantities of land-based products produced, and statistical or spatial data allowing for calculation of total surface area of working lands producing those products at base year

HOW THE ASSESSMENT WILL BE DONE: TREND RATIO

For companies that have natural land cover below 25% per km2 within a production unit: it commits to increasing natural land cover to 25% per km2 by a minimum of 5 years within [production unit] from no earlier than 2020

For companies that have natural land cover above 25% per km2 within a production unit: [Company name] commits to maintain natural land cover to at least [baseline natural land cover value] per km2 within [production unit].

Companies concerned: all companies for whom terrestrial ecosystem use or change is material, regardless of the sector

$$Trend\ ratio = \frac{Company's\ target\ trend}{Benchmark\ pathway\ trend} = \frac{XX_C(TY) - XX_C(BY)}{XX_B(TY) - XX_C(BY)}$$

Where:

- $XX_c(TY)$ is the company land footprint at target year
- $XX_c(BY)$ is the company land footprint at base year
- $XX_B(TY)$ is the company's benchmark land footprint at target year

RATIONALE OF THE DIMENSION:

Natural Land Cover aims to increase or maintain semi-natural habitat within working landscapes. This reflects a land sharing approach – one that integrates biodiversity, Nature's Contributions to People (NCP), ecological processes, and carbon stocks into working lands.

Nature and biodiversity contribute to human well-being and economic prosperity. These contributions include services such as climate regulation, food production and clean air and water, but also less tangible benefits such as recreation, tourism, and culture. A Natural Land Cover target works to increase the quantity of natural and seminatural lands across landscapes to support delivery of these contributions. The scientific basis for this target comes from a body of evidence demonstrating that increasing natural and semi-natural land increases the delivery of Nature's Contributions to People (NCP). It specifically draws on work demonstrating that in highly human modified landscapes the provision of NCP significantly declines when the quantity of (semi-)natural habitat cover per km2 falls below 20-25% (SBTN Land V2 cf.p.48)

1.1.4 LAND QUALITY | SOIL ORGANIC CARBON

SHORT DESCRIPTION OF THE INDICATOR

Measures the amount of carbon stored in soils. It reflects soil fertility, ecological health, and carbon-sequestration capacity. A decline indicates soil quality degradation.

DATA REQUIREMENTS

Location of each production unit

Land use type and intensity at each production unit

- Land footprint per land use type at each production unit
- Time period under a given land use type per location each year
- SOC (or estimated) for all production units in C/ha^-1, yr-1
- Maps of ecoregions
- Thresholds data
- Land use and duration by location and intensity (ha*yr)

HOW THE ASSESSMENT WILL BE DONE

For companies that have exceeded the applicable threshold there is a commitment to increase the soil organic carbon stock by 10% above the current threshold in C/ha/yr, on average across this production unit in this ecoregion.

For companies that have not exceeded the applicable threshold there is a commitment to maintain the soil organic carbon stock above the current threshold C/ha/year within this production unit in this ecoregion

If terrestrial use and soil pollution are material companies must be assessed on at least one of the following targets: soil organic carbon, soil erosion or terrestrial acidification. If terrestrial use is material only, the assessment is done on either soil organic carbon or soil erosion or both. If soil pollution is material only, the assessment is done on terrestrial acidification.

Guidance: The assessor should verify the priority degree of the sites covered by this target as follows:

	First Priority	Second Priority	Third Priority	Fourth Priority
Ecoregion Baseline:	Threshold Exceeded	Threshold Not Exceeded	Threshold Exceeded	Threshold Not Exceeded
Production Unit Baseline:	Threshold Exceeded	Threshold Exceeded	Threshold Not Exceeded	Threshold Not Exceeded
Target Setting:	**Required**	**Required**	Recommended	Recommended
Target Type:	***Quality Improvement***	***Quality Improvement***	*Quality Maintenance*	*Quality Maintenance*

Companies are expected to start with the highest-priority sites and ensure that at least 10% of sites are covered by the target. Where 10% cannot be met, companies should focus on the next priority level and so on for the other levels. If 10% of coverage is not achieved, the score will be downgraded proportionally by the coverage figure below the 10%. For instance, if total coverage represents 6% then the score will experience an air cut of 40%.

RATIONALE OF THE DIMENSION

The Land quality targets complement the area-based target (land quantity). It aims to act as a safeguard, ensuring that land footprint reduction or intensification strategies do not undermine long-term ecosystem function and resilience.

Soil organic carbon is carbon stored in soil organic matter and can act as a proxy indicator for a variety of ecosystem services. Soil organic carbon is also a key indicator of soil quality. The Status of the World's Soil Resources Report notes that soil organic carbon loss is one of the ten major soil threats. Land use change and land management are two key drivers of soil organic carbon loss (SBTN Land V2).

This target is grounded in local ecological thresholds. Based on the classification of ecoregions[2], SBTN has developed a model[3] to derive threshold values at the ecoregion level. These thresholds are generated using indicators related to the loss of natural vegetation cover, loss of soil organic carbon, soil erosion, terrestrial acidification and eutrophication. For each land quality category, thresholds are defined at the ecoregion level and provide a science-based reference for what is required to maintain ecosystem integrity at this scale; They inform the level of ambition for each target by land quality category and ecoregion. These ecoregion-level thresholds therefore serve as guidance to maintain a safe distance (10%) from ecological tipping points, helping to avoid unintended impacts on ecosystem resilience as threshold points are approached. They also inform the scale of actions needed to support ecosystems in maintaining or restoring resilience, and in resuming proper functioning where thresholds have already been exceeded

The target depends on the threshold level of the relevant ecoregion. Companies should therefore refer to a robust database (and/or SBTN data base), after geolocating the relevant business units, to determine whether thresholds are exceeded at the ecoregion and site level (cf Table 12 SBTN land v2).

1.1.5 LAND QUALITY | SOIL EROSION

SHORT DESCRIPTION OF THE INDICATOR

Assesses the loss of soil caused by water, wind, or land-use practices. It indicates landscape vulnerability and impacts on productivity, biodiversity, and ecosystem stability. This indicator assesses whether the company maintains soil erosion within acceptable ecological threshold levels

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[2] (Ecoregions original map : Terrestrial Ecoregions of the World: A New Map of Life on Earth | BioScience | Oxford Academic ,Update 2017 : Ecoregion-Based Approach to Protecting Half the Terrestrial Realm | BioScience | Oxford Academic)

[3] (currently under review, see AGILE CH6. And p.92, 93)

DATA REQUIREMENTS

- Location of each production unit
- Land use type and intensity at each production unit
- Land footprint per land use type at each production unit
- Time period under a given land use type per location each year

HOW THE ASSESSMENT WILL BE DONE

If terrestrial use and soil pollution are material companies must be assessed on at least one of the following targets: soil organic carbon, soil erosion or terrestrial acidification. If terrestrial use is material only, the assessment is done either soil organic carbon or soil erosion or both. If soil pollution is material only, the assessment is on terrestrial acidification.

- **For companies that have exceeded the applicable threshold within a production unit commits to reduce the soil erosion rate by 10% below or equal to current threshold XX t/ha/year**
- **For companies that have not exceeded the applicable threshold within a production units commits to maintain the soil erosion rate by 10% below or equal to current threshold XX t/ha/year**

Guidance: Same approach as above. The assessor should verify the priority degree of the sites covered by this target.

Companies are expected to start with the highest-priority sites and ensure that at least 10% of sites are covered by the target. Where 10% cannot be met, companies should focus on the next priority level and so on for the other levels. If 10% of coverage is not achieved, the score will be downgraded proportionally by the coverage figure below the 10%. For instance if total coverage represents 6% then the score will experience an air cut of 40%.

RATIONALE OF THE DIMENSION

Erosion can be defined as the wearing away of the land surface by physical forces such as rainfall that abrade, detach, and remove soil or geological material from one point on the earth's surface to be deposit elsewhere. One of the principle agents responsible for soil erosion is water and this erosion pathway can be accelerated by a range of human activities, such as tillage practice. The loss of soil through erosion has a range of adverse impacts including declines in organic matter and nutrient content, the breakdown of soil structure, and severe impacts on species sensitive to freshwater or marine sedimentation. Soil erosion can also lead to a reduction in the available soil water stored, which can result in an increased risk of flooding and landslides in adjacent areas. Nutrient and carbon cycling can be altered as eroded soil may lose 75-80% of its carbon content, with consequent release of carbon. To mitigate the effects of soil erosion, soil and water conservation strategies are required. The focus of this target is to reduce soil erosion focusing on water as the mechanical force (see p.49 for reference). The target depends on the threshold level of the relevant ecoregion. Companies should therefore refer to a robust database (and/or SBTN data base), after geolocating the relevant business units, to determine whether thresholds are exceeded at the ecoregion and site level (cf Table 12 SBTN land v2).

1.1.6 LAND QUALITY | TERRESTRIAL ACIDIFICATION

SHORT DESCRIPTION OF THE INDICATOR

Describes the acidification of soils driven by atmospheric pollution, nitrogen deposition, or certain agricultural practices. It signals risks to ecosystem health, nutrient availability, and soil productivity. This indicator assesses whether the company maintains terrestrial acidification within acceptable ecological threshold levels

DATA REQUIREMENTS

- Location of each production unit
- Land use type and intensity at each production unit
- Land footprint per land use type at each production unit
- Time period under a given land use type per location each year
- Activity data to calculate ammonia (NH3), nitrogen oxides (NOX) and sulphur dioxide (SO2) emissions per production unit

HOW THE ASSESSMENT WILL BE DONE

Companies that have materials links to agriculture in connection with the land footprint reduction targets. If terrestrial use and soil pollution are material companies must be assessed on at least one of the following targets: soil organic carbon, soil erosion or terrestrial acidification. If terrestrial use is material only, the assessment is done either on soil organic carbon or on soil erosion or both. If soil pollution is material only, the assessment is done on terrestrial acidification.

- For companies that have exceeded the applicable threshold within a production unit commits to reduce the terrestrial acidification rate by 10% below or equal to current threshold in kgSO2-eq
- For companies that have not exceeded the applicable threshold within a production units commits to maintain the terrestrial acidification rate by 10% below or equal to current threshold in kgSO2-eq

Guidance: Same approach as above. The assessor should verify the priority degree of the sites covered by this target.

RATIONALE OF THE DIMENSION

Terrestrial Acidification - the process by which soil becomes more acidic. It is a change in soil chemical properties (e.g. decrease in soil pH) caused by the inputs and dissociation of compounds with acid-base 12 chemistry, such as oxides of sulfur or nitrogen. Terrestrial acidification can reduce soil fertility, and significantly impact plant diversity, species richness and the occurrence of native plant species. The primary pollutants that lead to terrestrial acidification are nitrogen (NH3 and NOX) and sulfur (SO2) emissions. The largest contributors to acidifying pollutants include fossil fuel combustion and agricultural activities. The focus of this target is on reducing terrestrial acidification through the reduction 17 of its key contributing pollutants – nitrogen and sulfur emissions.

The target depends on the threshold level of the relevant ecoregion. Companies should therefore refer to a robust database (and/or SBTN data base), after geolocating the relevant business units, to determine whether thresholds are exceeded at the ecoregion and site level (cf. Table 12 SBTN land v2)

1.1.7 LANDSCAPE ENGAGEMENT

SHORT DESCRIPTION OF THE INDICATOR

A qualitative indicator capturing a company's active participation and collaboration with local stakeholders to drive collective, landscape-level actions that improve biodiversity and ecosystem functioning.

DATA REQUIREMENTS

- Location of prioritized landscapes for engagement
- Selected landscape level metrics

HOW THE ASSESSMENT WILL BE DONE

Note: SBTN provides one recognised framework for engaging in landscape and collective initiatives but is not the only valid approach. Where a company has followed an alternative framework, the analyst shall adapt the assessment to align with the maturity levels defined in the matrix.

Subdimension 1: Scope, coverage and materiality (40% of this subindicator)

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting
General Boundary/Coverage	The company engaged neither in: • One landscape initiative that is equivalent to less than 10% coverage of the company's estimated land impact area footprint. * • One landscape initiative, regardless of their size, in materially relevant landscapes. Scores automatically 0 for all this submodule (if esteemed material)				The company engaged either in • One landscape initiative that is equivalent to a 10% coverage of the company's estimated land impact area footprint. AND/OR • Two landscape initiatives, regardless of their size, in	50%

					materially relevant landscapes.	
Selection of landscapes for engagement consistency with other material land pressure	Do not follow the following suitable guidance: The company has chosen landscapes for engagement in connection with SBTN Steps 1 & 2 and in connection with a Working Land Regeneration and Restoration target. -This approach should be followed by companies that are setting a Working Land Regeneration and Restoration target or have material impacts in their supply chains for one or more of the land quality categories. The company has chosen landscapes for engagement in connection with a No Conversion of Natural Ecosystems target. This approach is suitable for companies with significant amounts of conversion within their operations or supply chain.				The company has chosen landscapes for engagement in connection with SBTN Steps 1 & 2 and in connection with a Working Land Regeneration and Restoration target and/or Target water withdrawal in line with priority wise basin. This approach should be followed by companies that are setting a Working Land Regeneration and Restoration target or have material impacts in their supply chains for one or more of the land quality and water quality categories. OR The company has chosen landscapes for engagement in connection with a No Conversion of Natural Ecosystems target. This approach is suitable for companies with significant amounts of conversion within their operations or supply chain.	50%
Score	**0**	**0.25**	**0.5**	**0.75**	**1**	

Guidance:

One landscape initiative that is equivalent to a 10% coverage of the company's estimated land impact area footprint.

The 10% coverage is recommended following the SBTN Step 2 Guidance, which recommends companies to use the outcome of their land-use target boundary rankings (combined with biodiversity) and to address the top 10% of areas within the target boundaries for land use or change and/or soil pollution.

The prioritized list of Step 2 should include, for each target boundary, sites that cover at least 10% of the total direct operations and upstream target boundaries (respectively). Two landscape initiatives, regardless of their size, in materially relevant landscapes. As noted in target validation requirements, when the percentage of coverage is 10% or more of the total land use area, then the requirement on coverage is satisfied. Otherwise, a company must engage in an additional landscape initiative, for a total of two, and will satisfy the requirement regardless of the coverage.

Subdimension 2: Consistency and credibility of the landscape initiative(s): 40%

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting
Operation at the scale of a landscape or jurisdiction	Area of initiative is limited to specific sourcing plots/ plantations of company interest, covers several geographically distinct and separate boundaries, or does not describe any boundary.		Scale of initiative corresponds to a recognized geographic, administrative, or ecological boundary. E.g., the initiative works in a subnational jurisdiction partnership between three municipalities that support the management of a watershed.		Scale of initiative corresponds to a recognized geographic, administrative, or ecological boundary. E.g., the initiative works in a subnational jurisdiction partnership between three municipalities that support the management of a watershed. Criteria: The boundary that the landscape initiative is aiming to exert influence over follows the boundary of either a jurisdiction, watershed, ecoregion or another area considered to be of ecological or socio-economic importance. When the area is not defined following	20%

					ecological, jurisdictional, or water-basin boundaries, then the area must be at least 10,000 ha.	
Multi-stakeholder process/platform	Only the reporting company is involved in the initiative. No additional stakeholder groups participate in the initiative.		Some stakeholder groups are involved. E.g., the company collaborates with an NGO that is supporting the landscape partnership, with no local representation or collaboration with government.	Several local stakeholder groups (civil and government) are organized and involved in the design, implementation, and monitoring. Gender, age, and local and Indigenous community representativity is ensured and effectively included. E.g., NGOs, local and Indigenous communities, local governments, and the private sector regularly meet to collaborate and discuss the progress and next steps. Criteria that must be fulfilled are one of the two: a. At least three stakeholder groups have participated in one or more phases of the landscape initiative. b. A written collaboration agreement has been developed and signed by participating landscape stakeholders to formalize the partnership.	Several local stakeholder groups (civil and government) are organized and involved in the design, implementation, and monitoring. Gender, age, and local and Indigenous community representativity is ensured and effectively included. E.g., NGOs, local and Indigenous communities, local governments, and the private sector regularly meet to collaborate and discuss the progress and next steps. Criteria that must be fulfilled are: a. At least three stakeholder groups have participated in one or more phases of the landscape initiative. b. A written collaboration agreement has been developed and signed by participating landscape stakeholders to formalize the partnership.	20%

Collective goals and actions	Only internal company objectives are included, or holistic goals have not yet been determined. E.g., selected goals and qualitative responses only address production/ productivity goals.		Only internal company objectives are included, or holistic goals have not yet been determined. E.g., selected goals and qualitative responses only address production/ productivity goals.	Stakeholders have defined collective goals related to human wellbeing, sustainable production (e.g., of high- impact commodities), biodiversity, and landscape conservation. Collective actions and investments are making progress against the defined goals. E.g., the landscape stakeholders have agreed on their collective goals and actions for sustainable development, using collaborative workshops for goal and target setting in early project stages. Criterion fulfilled are one the following two: a. At least three landscape objectives have been identified, including at least one environmental objective and one social objective. Each objective includes a specific, measurable milestone that the initiative aims to achieve by a specific date b. A collective action plan that aims to contribute to meeting the defined landscape objectives has been developed and is publicly available.	Stakeholders have defined collective goals related to human wellbeing, sustainable production (e.g., of high-impact commodities), biodiversity, and landscape conservation. Collective actions and investments are making progress against the defined goals. E.g., the landscape stakeholders have agreed on their collective goals and actions for sustainable development, using collaborative workshops for goal and target setting in early project stages. Criterion are: a. At least three landscape objectives have been identified, including at least one environmental objective and one social objective. Each objective includes a specific, measurable milestone that the initiative aims to achieve by a specific date b. A collective action plan that aims to contribute to meeting the defined landscape objectives has been developed and is publicly available.	20%

Transparent reporting or information system	Only the reporting company carries out monitoring and internal reporting for its own goals; there is no collective information system in place.	Actions are reported by some stakeholders. AND/OR 'Assessment baseline and progress at the landscape scale is tracked by several involved stakeholders and is publicly reported through an information system. E.g., the company supported the establishment of an assessment baseline using a recognized global assessment and is now supporting an independent monitoring system for the initiative that transparently tracks progress against the collective goals. Here are transparent reporting and presentation/information systems sharing the actions/investments made in the initiative. The company complies with 1 out 4 criteria*	Assessment baseline and progress at the landscape scale is tracked by several involved stakeholders and is publicly reported through an information system. E.g., the company supported the establishment of an assessment baseline using a recognized global assessment and is now supporting an independent monitoring system for the initiative that transparently tracks progress against the collective goals. Here are transparent reporting and presentation/information systems sharing the actions/investments made in the initiative. The company complies with 2 out 4 criteria*	Assessment baseline and progress at the landscape scale is tracked by several involved stakeholders and is publicly reported through an information system. E.g., the company supported the establishment of an assessment baseline using a recognized global assessment and is now supporting an independent monitoring system for the initiative that transparently tracks progress against the collective goals. Here are transparent reporting and presentation/information systems sharing the actions/investments made in the initiative. The company complies with 3 out 4 criteria*	Assessment baseline and progress at the landscape scale is tracked by several involved stakeholders and is publicly reported through an information system. E.g., the company supported the establishment of an assessment baseline using a recognized global assessment and is now supporting an independent monitoring system for the initiative that transparently tracks progress against the collective goals. Here are transparent reporting and presentation/information systems sharing the actions/investments made in the initiative*	20%
Score	**0**	**0.25**	**0.5**	**0.75**	**1**	

a. Regular reports are produced to describe the progress and setbacks in implementing the activities included in the action plan.

b. A baseline assessment of the ecological and social condition of the landscape has been conducted and is publicly available. This should include at least one indicator that is relevant to each landscape goal.

c. A time-series including at least two results (the baseline result and one more-recent result) is publicly available for all indicators included in the baseline assessment.

d. All results included in the baseline assessment of landscape performance, or subsequent assessments of landscape performance, have been validated by an entity with some degree of independence from those involved in conducting the assessment and the landscape initiative.

Subdimension 3: action plan and commitment (20%)

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting
Commit to a substantial improvement	Do not commit to a substantial improvement of the ecological and social condition and metrics of the landscape.				Commit to a substantial improvement of the ecological and social condition and metrics of the landscape. Informations enable the assessor that: Companies commit to substantially increasing ecological (including through relevant state of nature metric(s)) and social conditions at the landscape level for the selected landscapes using recommended metrics and stakeholder-defined landscape initiative objectives. Calculating the baseline information on selected landscapes is not a requirement for setting a Landscape Engagement target but it is necessary to demonstrate progress on this target.	50%

Develop an action plan for engagement in the landscape(s).	'Develop an action plan for engagement in the landscape(s). Actions include none of the following information: Companies commit to develop and/or contribute to collective actions within landscape initiatives. Companies assess the potential negative social or environmental impacts from their potential engagement in the landscape. Companies should choose appropriately aligned indicators to measure and track progress in their landscape initiative	'Develop an action plan for engagement in the landscape(s). Actions include ***one*** of the three options after: Companies commit to develop and/or contribute to collective actions within landscape initiatives. Companies assess the potential negative social or environmental impacts from their potential engagement in the landscape. Companies should choose appropriately aligned indicators to measure and track progress in their landscape initiative		'Develop an action plan for engagement in the landscape(s). Actions include ***two*** of the three options after: Companies commit to develop and/or contribute to collective actions within landscape initiatives. Companies assess the potential negative social or environmental impacts from their potential engagement in the landscape. Companies should choose appropriately aligned indicators to measure and track progress in their landscape initiative	Develop an action plan for engagement in the landscape(s). Actions include : Companies commit to develop and/or contribute to collective actions within landscape initiatives. Companies assess the potential negative social or environmental impacts from their potential engagement in the landscape. Companies should choose appropriately aligned indicators to measure and track progress in their landscape initiative	50%
Score	**0**	**0.25**	**0.5**	**0.75**	**1**	

➔ **Complete the assessment for one or two landscape initiative, depending on the results of the maturity matrix about the boundary/coverage of the landscape engagement.**

RATIONALE OF THE DIMENSION

Rather than measuring a company's internal performance alone, Landscape Engagement focuses on **collaboration with external stakeholders** (e.g., producers, communities, governments, NGOs) to support **landscape-scale biodiversity and ecosystem restoration, conservation, and regenerative practices**.

Purpose: To ensure that actors operating within a landscape contribute to **collective, place-based improvements in biodiversity condition and ecosystem function**, particularly where individual actions alone cannot achieve meaningful nature outcomes.

1.1.8 REDUCTION OF WATER WITHDRAWALS | SURFACE WATER & GROUNDWATER

SHORT DESCRIPTION OF THE INDICATOR

This indicator assesses the robustness of the water withdrawal or consumption reduction targets set by the company, by ensuring that these are grounded in local hydrological realities.

The approach is based on alignment with ecological flow requirements, aiming to determine the level of water withdrawal reduction needed to maintain or restore the hydrological conditions required to sustain aquatic ecosystems. This principle applies to both surface water and groundwater, with groundwater requiring particular attention to groundwater–surface water and groundwater–ecosystem interactions, as well as explicit differentiation between the two resource types.

Based on the research conducted to develop this framework, it was observed that water management does not lend itself to a macro-level approach. Water stress thresholds are determined by local hydrological dynamics (precipitation patterns, streamflow rates, groundwater levels, and related factors, etc.) which vary considerably from one watershed to another. A relevant target for a company operating in a region experiencing chronic water deficit will necessarily differ from that of a company located in an area with abundant water resources. To date, no comprehensive database appears to exist that consolidates all watershed-level data at a sufficiently granular scale. In this context, no reference pathways exist against which a commitment gap could be measured.

For this reason, the framework does not evaluate the target by comparing it against a global benchmark, but rather by assessing the quality of the target-setting process itself (consultation with relevant local stakeholders, use of recognized and robust hydrological models, and adherence to the specific thresholds of the watershed in question, etc.).

The indicator also incorporates an assessment of the pathway associated with the target. This assessment is carried out by the evaluator based on the local hydrological thresholds that the company must be able to document, provided it has properly defined its target. The underlying rationale is that a robustly defined target should yield a pathway aligned with the effective reduction of pressure on the local water resource.

DATA REQUIREMENTS:

The relevant data for this indicator are:

- Site's locations
- List of watersheds
- Withdrawal volumes/site
- If applicable, difference between surface water and groundwater
- Type of model used
- List of stakeholders
- Targets information about reduction of direct freshwater withdrawals in direct operations
- Base year and target year
-

HOW THE ASSESSMENT WILL BE DONE:

The maturity matrix used for this dimension is the following : Module1_target.xlsx . It is adapted from the SBTN “Freshwater quantity”target

The assessment criteria are as follows:

- Hydrological model selection
- Establishment of a robust baseline
- Definition of the ecological threshold
- Alignment with required reduction

RATIONALE OF THE DIMENSION:

This indicator was chosen because water resources are becoming increasingly scarce, and human activities are having a major impact on them. Enough water in freshwater ecosystems is essential for maintaining both aquatic and terrestrial biodiversity.

A company for which this pressure is material should establish a robust target through engagement with relevant stakeholders. It may also strengthen its approach by participating in broader watershed-level initiatives alongside other basin actors to more effectively reduce pressure on water resources,

1.1.9 REDUCTION OF QUANTITY OF WILD SPECIES EXTRACTED FROM NATURAL HABITATS FOR COMMERCIAL PURPOSES

SHORT DESCRIPTION OF THE INDICATOR:

Commitment regarding fishing activities reduction in stock status pressure in hotspots.

DATA REQUIREMENTS:

The relevant data for this indicator are:

- Targets information about reduction of wild species extracted from natural habitats for commercial purposes (especially commercial fishing in saltwater, bycatch, aromatic and medicinal plants) in direct operations
- Base year and target year

In this first version of the methodology, only saltwater fisheries and collection of medicinal and aromatic plants can be assessed with this dimension.

HOW THE ASSESSMENT WILL BE DONE FOR FISHERIES:

The maturity matrix used for this dimension is the following:

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting
Reduction of fisheries	The company has no commitment about reducing the quantity of fish extracted from the ocean	The company has a commitment about reducing the quantity of fish extracted from the ocean, but this commitment is not clearly determined (quantity, timescale)	The company has a commitment to fish at the catch limits set at Maximum Sustainable Yield (MSY) only for endangered species but without considering spawning biomass or with less than 50% of spawning biomass present relative to the unfished stock	The company has a commitment to fish at the catch limits set at Maximum Sustainable Yield (MSY) for all species but without considering spawning biomass or with less than 50% of spawning biomass present relative to the unfished stock	The company has a commitment to fish well below the catch limits set at Maximum Sustainable Yield (MSY) for all species with at least 50% of spawning biomass present relative to the unfished stock status	80 %
Bycatch	The company has no commitment about reducing bycatch	The company has a commitment about reducing bycatch, but this commitment is not clearly determined (quantity, timescale)	The company has a commitment about reducing bycatch with a threshold mortality rate >1% for all species	-	The company has a commitment of eliminating bycatch with a threshold mortality rate from incidental sea birds and small cetaceans' bycatch <1% and close to non-existent for other species	20%
Score	0	0.25	0.5	0.75	1	

The **Maximum Sustainable Yield (MSY)** is the largest quantity of biomass that can be extracted on average over the long term from a fish stock under existing environmental conditions without affecting the reproductive process (definition from FAO).

If MSY is not available, for inland fisheries for instance, the principle remains the same. In this case, a management strategy evaluation at the fishery level is required to check the robustness of available reference points, proxies and harvest control rules with the implementation of a road map for the next five years in an adaptive framework to gather information on stock status. In this context, ecosystem-based approach to fisheries management must be considered. Indirect indicators such as constant landings, no fluctuation

in Catch per unit effort (CPUE), no decrease in the more frequent total length of the target species, can be used as reference points to build a management evaluation in a management plan (EU Taxonomy, 2022).

HOW THE ASSESSMENT WILL BE DONE FOR MEDICINAL AND AROMATIC PLANTS:

The maturity matrix used for this dimension is the following:

Evaluation level	Basic	Advanced	Biodiversity aligned	Weighting
Target	The company has no commitment about reducing the quantity of medicinal or aromatic plants used	The company has a commitment about reducing the quantity of medicinal or aromatic plants used/bought, but this commitment is not clearly determined	The company has a commitment about reducing the quantity of medicinal or aromatic plants used/bought and this commitment is clearly determined	100 %
Score	**0**	**0.5**	**1**	

RATIONALE OF THE DIMENSION

Worldwide, 91 million tonnes of fish are caught every year (FAO, 2021) (9), while 60-90% of medicinal and aromatic plants are harvested from the wild (Wild at home, 2018) (10). It is therefore essential to consider the exploitation of resources, which has a major impact on biodiversity. However, as there is currently no pathway to quantify the reduction in resource use for companies, we have chosen to use maturity matrices in this first version. As soon as a benchmark is developed, these will be replaced by quantitative indicators.
In the case of fishing, the decision was made to use the thresholds of the European Taxonomy (11) as a reference, to develop a semi-quantitative maturity matrix with a few standards to respect for companies.
In this first version, only 2 activities are covered: sea fishing and the collection of aromatic and medicinal plants. Deforestation and forestry are covered in the “No conversion of natural ecosystem” dimension, and aquaculture will be covered in a future version. Hunting has not been considered, as it is little or not an activity practiced by companies. Wildlife tourism has not been considered because, although it involves the use of wild species, they are not extracted from their natural environment. Finally, the illegal trade in animal species will be studied in the narrative score with the “Reputation” indicator.

The impact of marine heat waves on fish populations is not yet known but will have to be considered in the years to come.

1.1.10 ALIGNMENT OF SCOPE 1+2 EMISSIONS REDUCTION TARGETS

DATA REQUIREMENTS:

The relevant data for this indicator are:

- Targets information for each relevant scope 1+2 GHG emissions sources (Target year, emission reduction between reporting year and target year, coverage)

Share of scope 1+2 emission sources in total scope 1+2 emissions [%]

TREND RATIO:

$$Trend\ ratio = \frac{Company's\ target\ trend}{Benchmark\ pathway\ trend} = \frac{XX_C(TY) - XX_C(BY)}{XX_B(TY) - XX_C(BY)}$$

Where:

- $XX_c(TY)$ is the company's scope 1+2 absolute emissions at target year
- $XX_c(BY)$ is the company's scope 1+2 absolute emissions at base year
- $XX_B(TY)$ is the company's benchmark scope 1+2 absolute emissions at target year

See above ("How the assessment will be done" part) to know how to calculate the score.

If several scope 1+2 targets are assessed (different timeline), final score will be the average of scores.

RATIONALE OF THE DIMENSION:

ACA approach, **different from ACT mitigation** – starting at BY (which in not the case currently in ACT mitigation methodologies).

1.1.11. REDUCTION OF NUTRIENTS EXCESS

SHORT DESCRIPTION OF THE INDICATOR

This indicator assesses the robustness of corporate targets to reduce impacts on water quality, particularly nutrient discharges. As with water quantity targets, the indicator focuses on the quality and scientific robustness of the target-setting process itself.

Water quality target-setting is based on alignment with local ecological thresholds. The objective is to determine the level of pollutant load reduction needed to maintain or restore an acceptable ecological condition in the receiving aquatic environment. This requires selecting an appropriate hydrological model, preferably local, or global, where no suitable local

model exists. The model must explicitly link the company's pollutant loads to concentrations in the receiving environment. It should then support the definition of a reduction target aligned with the ecological threshold of the relevant watershed.

The framework therefore evaluates several key dimensions: the robustness of the model selection process, including stakeholder consultation, scientific relevance, and watershed appropriateness; the rigor of ecological threshold definition; and the transparency of the target calculation.

(12) (13)**DATA REQUIREMENTS:**

The relevant data for this indicator are:

- Site's locations
- List of watersheds
- Inventory of nutrients loads
- Inventory of pesticides used
- Inventory of direct discharge points
- Concentration of pollutants in watersheds
- Type of model used
- List of stakeholders
- Targets information about reduction of direct freshwater withdrawals in direct operations
- Base year and target year

HOW THE ASSESSMENT WILL BE DONE

The maturity matrix used for this dimension is the following : Module1_target.xlsx . It is adapted from the SBTN "Freshwater quantity"target

The assessment criteria are as follows:

Nutrients

- Water quality model selection
- Establishment of a robust baseline
- Definition of the ecological threshold
- Alignment with required reduction

Toxic chemicals:

- Pesticides identification

- Local consultation on threshold exceedances
- Target for Highly Hazardous Pesticides (HHPs) cessation
- Target for non-HHPs reduction
- Target for discharges reduction from toxic point sources

RATIONALE OF THE DIMENSION:

Water quality is a major pressure on aquatic ecosystems, with well-documented effects. Nutrient discharges—particularly nitrogen and phosphorus from agricultural and industrial activities—are the primary drivers of eutrophication in freshwater and coastal ecosystems. This leads to aquatic biodiversity loss and disruption of biogeochemical cycles.

These pressures are directly linked to corporate activities, particularly in the agricultural and agri-food sectors, which rely heavily on chemical inputs and generate nutrient- and toxic substance-laden effluents. While water quality impacts are locally shaped by the characteristics of the receiving watershed, companies have a real and direct capacity to reduce the pollutant loads they generate.

A company for which this pressure is material should establish a robust target through engagement with relevant stakeholders. It may also strengthen its approach by participating in broader watershed-level initiatives alongside other basin actors to more effectively reduce pressure on water quality

1.1.12. REDUCTION OF TOXIC CHEMICALS

SHORT DESCRIPTION OF THE INDICATOR

This indicator assesses the robustness of corporate targets aimed at reducing the ecotoxicological impacts of chemical substances used in direct operations and across the supply chain. It covers three sub-dimensions: the identification and classification of pesticides in use, the progressive elimination of highly hazardous pesticides (HHPs), the reduction of non-HHP pesticides, and the control of toxic discharges from point sources.

The framework evaluates the quality of the target-setting process itself: completeness of inventories, rigour of classification, consultation with local stakeholders, and alignment with recognised international reference frameworks (the FAO/WHO HHP concept as compiled by PAN, the EU Pesticides Database, and the OSHA list of highly hazardous chemicals).

Ecotoxic pesticides are those listed on the PAN International List of Highly Hazardous Pesticides — specifically substances toxic to bees (LD50 < 0.1 mg/l), persistent, bioaccumulative, or highly toxic to aquatic organisms (LC/EC50 Daphnia spp. < 0.1 mg/l). Highly hazardous chemicals are those defined on the OSHA List of Highly Hazardous Chemicals, Toxics and Reactives, used by the company at or above OSHA threshold quantities.

DATA REQUIREMENTS

The relevant data for this indicator are:

- Site locations and list of relevant catchments
- Inventory of pesticides used in direct operations (name, CAS number, HHP/non-HHP classification)
- Inventory of pesticides used by direct suppliers for main sourced crops
- Inventory of direct discharge points into surface waters
- Discharge volumes and toxic substance concentrations per discharge point
- List of classification reference frameworks used and date of last update
- Target information: base year, target year, intermediate milestones
- Documentation of consultations with competent local authorities (basin authorities, water management agencies)

HOW THE ASSESSMENT WILL BE DONE

The maturity matrix used for this dimension is the following : Module1_target.xlsx . It is adapted from the SBTN “Freshwater quantity”target and GBF Target 7

The assessment criteria are as follows:

Toxic chemicals:

- Pesticides identification
- Local consultation on threshold exceedances
- Target for Highly Hazardous Pesticides (HHPs) cessation
- Target for non-HHPs reduction
- Target for discharges reduction from toxic point sources

RATIONALE OF THE DIMENSION

Toxic chemicals pesticides and industrial point-source discharges exert documented ecotoxicological pressures on aquatic and terrestrial organisms, affecting species reproduction, behaviour, and survival. These effects are distinct from the eutrophication mechanisms associated with nutrient discharges and warrant separate assessment.

These pressures are directly linked to corporate activities, particularly in the agricultural and agri-food sectors, which rely heavily on chemical inputs. HHPs, due to their properties of persistence, bioaccumulation, and acute toxicity, are subject to a progressive phase-out target by 2035. Non-HHP pesticides are subject to an impact reduction target of at least 50%,

consistent with Target 7b of the Kunming-Montreal Global Biodiversity Framework. Point-source discharges are subject to a non-exceedance target based on thresholds defined by competent basin authorities.

Companies for which this pressure is material shall establish robust targets in consultation with relevant local stakeholders. They may further strengthen their approach by participating in collective initiatives at the catchment scale, complementing the territorial engagement assessed under the Landscape Engagement dimension.

1.1.13 REDUCTION OF PLASTIC USE

SHORT DESCRIPTION OF THE INDICATOR:

Commitment regarding the reduction of plastic use, aligning with the EU plastic act.

DATA REQUIREMENTS:

The relevant data for this indicator are:

- Targets information about reduction of plastic use in direct operations (kg or tons)
- Base year and target year
- Plastic used by the company per year (kg or tons) in direct operations at base year

TREND RATIO:

$$Trend\ ratio = \frac{Company's\ target\ trend}{Benchmark\ pathway\ trend} = \frac{XX_C(TY) - XX_C(BY)}{XX_B(TY) - XX_C(BY)}$$

Where:

- $XX_c(TY)$ is the company's plastic use at target year
- $XX_c(BY)$ is the company's plastic use at base year
- $XX_B(TY)$ is the company's benchmark plastic use at target year

See above ("How the assessment will be done" part) to know how to calculate the score.

Target year should not exceed five years from the base year.

RATIONALE OF THE DIMENSION:

This dimension quantifies the reduction of the company's virgin plastic use. The target is aligned with the European Plastics Pact, which set a first milestone of a 20% reduction in virgin plastic by 2025 compared to a 2017 baseline. The long-term horizon extends to 2030, with a quantified target to be determined once a consolidated benchmark becomes available.

This dimension considers all types of plastic, not just virgin plastic, as the main impact on biodiversity concerns pollution linked to the end-of-life of plastic (waste in land/ocean), whatever the type of plastic. Anyway, it is important to encourage companies to use recycled plastic.

1.1.14 REDUCTION OF SURFACE COVERED BY INVASIVE ALIEN SPECIES | NOT COVERED IN THIS VERSION FOR MODULE 1

1.2 ALIGNMENT OF BIODIVERSITY IMPACT REDUCTION TARGETS IN UPSTREAM OPERATIONS

SHORT DESCRIPTION OF THE INDICATOR

A measure of the alignment of the company’s reduction impact on biodiversity targets with its biodiversity-integrated pathway.

This indicator is divided in 9 dimensions, presented individually bellow.

DESCRIPTION OF THE DIMENSIONS

STATE OF NATURE IMPROVEMENT

IMPORTANT: This matrix applies to each target linked to material pressures and accounts for 20% of the "Targets" module score.

Halting and reversing biodiversity loss requires a dual approach: reducing pressures AND improving the state of nature in priority areas. The following matrix is designed to ensure that companies embed nature state indicators into their strategies, covering both ecosystems and species. The goal here is not to measure a direct response of nature's condition to pressure-reduction targets. Rather, it is to track — over the long term, using indicators that are as granular and ecologically relevant as possible — how the state of nature evolves, so that strategies can be adjusted accordingly and drive gradual improvement. This monitoring is just as important for upstream operations as it is for direct operations

Indicators used must meet the following criteria: grounded in recognized scientific frameworks (science-based); sensitive to ecological change (responsive); adaptable to local contexts (flexible); consistent with international reference frameworks (aligned); practically and economically feasible (accessible and affordable); and verifiable by third parties (auditable).

Given the wide range of existing nature state indicators, the specific contexts of individual companies, and varying measurement objectives, we propose a generic, progressive matrix that recognizes and rewards efforts at each stage of integration into the assessment.

Evaluation level	Basic	Advanced	Biodiversity aligned	Weighting
Target	The company does not have any nature state indicators on the associated pressure target	The company monitors changes in the state of nature with only ONE robust indicator linked to pressure target. The metrics used cover the state of ecosystems OR species associated	The company monitors changes in the state of nature with SEVERAL robust indicators linked to pressure target The metrics used cover the state of ecosystems AND species associated	20 %
Score	**0**	**0.5**	**1**	

1.2.1 NO CONVERSION OF NATURAL ECOSYSTEMS

SHORT DESCRIPTION OF THE INDICATOR:

Deforestation and conversion free commitments (aligning as well with EUDR) in the upstream operations/activities.

DATA REQUIREMENTS:

The relevant data for this indicator are:

- Targets information about conversion of natural ecosystems in upstream operations
- Sourcing area of where high-impact commodities are purchased
- Volume of high-impact commodities purchased disaggregated per commodity and per traceability level at base year

Base year and target year

This indicator must be completed only if the company is using high-impact commodities (See SBTN High-impact commodity list (14))**.**

HOW THE ASSESSMENT WILL BE DONE:

The maturity matrix used for this dimension is the following. It is adapted from the SBTN “No conversion of natural ecosystems” target.

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned
Target	The company has no commitment about conversion or deforestation of natural ecosystems (land and sea) OR The company has a Deforestation Conversion Free commitment but later than 2027 in its upstream operations	The company has a commitment about conversion of natural ecosystems (land and sea) because it is sourcing high impact commodities, but it complies with two of these three biases: - it does not meet the zero conversion of natural ecosystems targets by 2025 - it is not covering 100% of high impact commodities -it is not covering all hotspots of these conversion driving commodities	The company has a commitment about conversion of natural ecosystems (land and sea) because it is sourcing high impact commodities, but it complies with only one of these three biases: - it does not meet the zero conversion of natural ecosystems targets by 2025 - it is not covering 100% of high impact commodities -it is not covering all hotspots of these conversion driving commodities	Natural forests and conversion hotspots 2025: 100% Deforestation-free and DCF in conversion hotspots for soy, cattle, oil palm, wood, cocoa, coffee, and rubber All natural lands 2027: 100% DCF in all natural lands for all other conversion-driving commodities	Natural forests and conversion hotspots 2025: 100% Deforestation-free and DCF in conversion hotspots for soy, cattle, oil palm, wood, cocoa, coffee, and rubber All natural lands 2027: 100% DCF in all natural lands for all other conversion-driving commodities AND Companies can and should define target dates that are more ambitious than those required, should they be able to meet the requirements in less time, if a regional or place-based initiative has a more ambitious target date, or should globally progress on conversion-free commitments for a specific commodity exceed these target requirements. For example, if a company has an existing zero-deforestation commitment and/or are working in support of the Accountability Framework initiative's 2025 target date ambition for high-risk commodities.

RATIONALE OF THE DIMENSION

This dimension was selected because land/sea use change and deforestation are among the greatest threats to biodiversity, and it is essential to reduce our land/sea use in order to regain more natural land/sea. The choice was made to assess this dimension thanks to a maturity matrix because of the lack of maturity of the companies on this topic. Furthermore, the SBTN target is a binary one (a company must 100% of volumes of conversion-driving commodities from areas known to be conversion-free to be compliant, any other percentage is non-compliant) so it is easier to assess thanks to a maturity matrix.

In this indicator, the company's upstream operations are assessed via the conversion-driving commodities. The maturity matrix has been adapted from the SBTN target.

1.2.2 LAND AREA | LAND FOOTPRINT REDUCTION

SHORT DESCRIPTION OF THE INDICATOR

Commitment regarding the reduction of the land footprint through the upstream activities/sourcing of the company

DATA REQUIREMENTS:

The relevant data for this indicator are:

- Targets information about reduction of land footprint in upstream operations
- Statistical (non-spatial) data on quantities of land-based products purchased at base year
- Locations (e.g., countries and/or subnational jurisdictions) if known at base year
- Yield (output per hectare) of each product purchased for each location at base year

Base year and target year

This indicator must be completed **only for companies with an agricultural upstream, meaning conversion-=driving commodities**. The land footprint of these companies is the sum of the land footprint of each product purchased.

TREND RATIO

$$Trend\ ratio = \frac{Company's\ target\ trend}{Benchmark\ pathway\ trend} = \frac{XX_C(TY) - XX_C(BY)}{XX_B(TY) - XX_C(BY)}$$

Where:

- $XX_c(TY)$ is the company's land footprint at target year
- $XX_c(BY)$ is the company's land footprint at base year
- $XX_B(TY)$ is the company's benchmark land footprint at target year

See above ("How the assessment will be done" part) to know how to calculate the score.

RATIONALE OF THE DIMENSION

This indicator is different from the others because, when used alone, it can tend to encourage companies to intensify their production (produce more or the same thing on smaller surfaces). To avoid this phenomenon, safeguards will be put in place, especially in the "production practices" indicator of modules 2 and 4. This point will also be the subject of a specific assessment in the narrative score, to ensure that the choices made by the company do not force it to intensify its production.

This indicator, like the "No conversion of natural ecosystem" indicator, is more concerned with the "spatial extension" aspect of land use change, and not so much with intensity. The intensity of land use will instead be taken into account in the "production practices" and "land management" indicators of modules 2 and 4. Nevertheless, spatial extension and land use intensity are two important components of the land use change impact driver, and it is possible that a specific indicator on land use intensity will be developed in later versions of the method. In the agricultural sector, farmers with biodiversity-friendly production practices but needing more space to achieve the same yield as with conventional methods will be let down by this dimension. This is a bias of the method. However, this indicator aims to evaluate only the spatial footprint and does not consider production methods.

This indicator applies only to companies with an agricultural upstream, such as agri-food companies. A company with no agricultural input should not fill in this indicator. Furthermore, if the company produces agricultural products, but is only a producer and does not buy agricultural products upstream, it will not need to answer this indicator either.

- **Formula:**

$$\text{Land footprint (ha)} = \frac{\text{Volume purchased (t)}}{\text{Yield (t/ha)}}$$

Example: 100 t of soy, yield 2 t/ha → 50 ha land footprint.
If 60% of that comes from SBTN conversion hotspot → 30 ha “at-risk” footprint.

Company shall do this for each commodity and each subnational region, then sum across regions to get the total upstream footprint per commodity.

It can also track:

  - % footprint at risk (forests + hotspots)
  - % footprint in other natural lands

This total becomes the 20XX baseline, which is the reference for applying absolute reduction targets (e.g., 0.35% per year, 3.5% by 2030 from the 2020 base year).

1.2.3 LAND AREA | NATURAL LAND COVER UPSTREAM

(Optional) Companies can follow the direct operations approach if they have the requisite traceability and data

1.2.4.5.6 LAND QUALITY | SOIL ORGANIC CARBON, SOIL EROSION AND TERRESTRAIL ACIDIFICATION

(‘Optional) Companies can follow the direct operations approach if they have the requisite traceability and data

1.2.7 LANDSCAPE ENGAGEMENT TARGET

SHORT DESCRIPTION OF THE INDICATOR

Commitment regarding the upstream activities impact on the landscape where the commodities have been sourced.

Note: SBTN provides one recognised framework for engaging in landscape and collective initiatives but is not the only valid approach. Where a company has followed an alternative framework, the analyst shall adapt the assessment to align with the maturity levels defined in the matrix.

DATA REQUIREMENTS

- Location of prioritized landscapes for engagement
- Selected landscape level metrics

HOW THE ASSESSMENT WILL BE DONE

Subdimension 1: Scope, coverage and materiality (40% of this subindicator)

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting
General Boundary/Coverage	'The company engaged neither in • One upstream landscape initiative that is equivalent to less than 10% coverage of the company’s estimated land impact area footprint. * • One upstream landscape initiative, regardless of their size, in materially relevant landscapes. 'Scores automatically 0 for all of this submodule (if esteemed material)				The company engaged either in • One upstream landscape initiative that is equivalent to a 10% coverage of the company’s estimated land impact area footprint. AND/OR • Two upstream landscape initiatives, regardless of their size, in materially relevant landscapes.	50%

Selection of landscapes for engagement consistency with other material land pressure	'Do not follow the following suitable guidance: The company has chosen landscapes for engagement in connection with SBTN Steps 1 & 2 and in connection with a Working Land Regeneration and Restoration target. -This approach should be followed by companies that are setting a Working Land Regeneration and Restoration target or have material impacts in their supply chains for one or more of the land quality categories. The company has chosen landscapes for engagement in connection with a No Conversion of Natural Ecosystems target. This approach is suitable for companies with significant amounts of conversion within their operations or supply chain.				The company has choosen landscapes for engagement in connection with SBTN Steps 1 & 2 and in connection with a Working Land Regeneration and Restoration target or water quantity.quality target. This approach should be followed by companies that are setting a Working Land Regeneration and Restoration target or have material impacts in their supply chains for one or more of the land quality and water categories. OR The company has chosen landscapes for engagement in connection with a No Conversion of Natural Ecosystems target. This approach is suitable for companies with significant amounts of conversion within their operations or supply chain.	50%
Score	**0**	**0.25**	**0.5**	**0.75**	**1**	

Guidance:

One upstream landscape initiative that is equivalent to a 10% coverage of the company’s estimated upstream land impact area footprint.

The 10% coverage is recommended following the SBTN Step 2 Guidance, which recommends companies to use the outcome of their land-use target boundary rankings (combined with 38 biodiversity) and to address the top 10% of areas within the target boundaries for land use or 39 change and/or soil pollution.

The prioritized list of Step 2 should include, for each target boundary, sites that cover at least 10% of the total direct operations and upstream target boundaries (respectively). Two landscape initiatives, regardless of their size, in materially relevant landscapes. As noted in target validation requirements, when the percentage of coverage is 10% or more of the total land use area, then the requirement on coverage is satisfied. Otherwise, a company must engage in an additional landscape initiative, for a total of two, and will satisfy the requirement regardless of the coverage.

Subdimension 2: Consistency and credibility of the landscape initiative(s): 40%

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting
Operation at the scale of a landscape or jurisdiction	'Area of initiative is limited to specific sourcing plots/ plantations of company interest, covers several geographically distinct and separate boundaries, or does not describe any boundary.		'Scale of initiative corresponds to a recognized geographic, administrative, or ecological boundary. E.g., the initiative works in a subnational jurisdiction partnership between three municipalities that support the management of a watershed.		Scale of initiative corresponds to a recognized geographic, administrative, or ecological boundary. E.g., the initiative works in a subnational jurisdiction partnership between three municipalities that support the management of a watershed. Criteria : The boundary that the landscape initiative is aiming to exert influence over follows the boundary of either a jurisdiction, watershed, ecoregion or another area considered to be of ecological or socio-economic importance. When the area is not defined following ecological, jurisdictional, or water-basin boundaries, then	25%

					the area must be at least 10,000 ha.	
Multi-stakeholder process/platform	'Only the reporting company is involved in the initiative. No additional stakeholder groups participate in the initiative.		'Some stakeholder groups are involved. E.g., the company collaborates with an NGO that is supporting the landscape partnership, with no local representation or collaboration with government.	'Several local stakeholder groups (civil and government) are organized and involved in the design, implementation, and monitoring. Gender, age, and local and Indigenous community representativity is ensured and effectively included. E.g., NGOs, local and Indigenous communities, local governments, and the private sector regularly meet to collaborate and discuss the progress and next steps. Criteria that must be fulfilled are one of the two: a. At least three stakeholder groups have participated in one or more phases of the landscape initiative. b. A written collaboration agreement has been developed and signed by participating landscape stakeholders to formalize the partnership.	Several local stakeholder groups (civil and government) are organized and involved in the design, implementation, and monitoring. Gender, age, and local and Indigenous community representativity is ensured and effectively included. E.g., NGOs, local and Indigenous communities, local governments, and the private sector regularly meet to collaborate and discuss the progress and next steps. Criteria that must be fulfilled are: a. At least three stakeholder groups have participated in one or more phases of the landscape initiative. b. A written collaboration agreement has been developed and signed by participating landscape stakeholders to formalize the partnership.	25%

Collective goals and actions	'Only internal company objectives are included, or holistic goals have not yet been determined. E.g., selected goals and qualitative responses only address production/ productivity goals.		'Only internal company objectives are included, or holistic goals have not yet been determined. E.g., selected goals and qualitative responses only address production/ productivity goals.	'Stakeholders have defined collective goals related to human wellbeing, sustainable production (e.g., of high-impact commodities), biodiversity, and landscape conservation. Collective actions and investments are making progress against the defined goals. E.g., the landscape stakeholders have agreed on their collective goals and actions for sustainable development, using collaborative workshops for goal and target setting in early project stages. Criterion fulfilled are one the following two: a. At least three landscape objectives have been identified, including at least one environmental objective and one social objective. Each objective includes a specific, measurable milestone that the initiative aims to achieve by a specific date b. A collective action plan that aims to contribute to meeting the defined landscape objectives has been developed and is publicly available.	Stakeholders have defined collective goals related to human wellbeing, sustainable production (e.g., of high-impact commodities), biodiversity, and landscape conservation. Collective actions and investments are making progress against the defined goals. E.g., the landscape stakeholders have agreed on their collective goals and actions for sustainable development, using collaborative workshops for goal and target setting in early project stages. Criterion are : a. At least three landscape objectives have been identified, including at least one environmental objective and one social objective. Each objective includes a specific, measurable milestone that the initiative aims to achieve by a specific date b. A collective action plan that aims to contribute to meeting the defined landscape objectives has been developed and is publicly available.	25%

Transparent reporting or information system	'Only the reporting company carries out monitoring and internal reporting for its own goals; there is no collective information system in place.	'Actions are reported by some stakeholders. AND/OR 'Assessment baseline and progress at the landscape scale is tracked by several involved stakeholders and is publicly reported through an information system. E.g., the company supported the establishment of an assessment baseline using a recognized global assessment and is now supporting an independent monitoring system for the initiative that transparently tracks progress against the collective goals. Here are transparent reporting and presentation/information systems sharing the actions/investments made in the initiative. The company complies with 1 out 4 criteria*	Assessment baseline and progress at the landscape scale is tracked by several involved stakeholders and is publicly reported through an information system. E.g., the company supported the establishment of an assessment baseline using a recognized global assessment and is now supporting an independent monitoring system for the initiative that transparently tracks progress against the collective goals. Here are transparent reporting and presentation/information systems sharing the actions/investments made in the initiative. The company complies with 2 out 4 criteria*	'Assessment baseline and progress at the landscape scale is tracked by several involved stakeholders and is publicly reported through an information system. E.g., the company supported the establishment of an assessment baseline using a recognized global assessment and is now supporting an independent monitoring system for the initiative that transparently tracks progress against the collective goals. Here are transparent reporting and presentation/information systems sharing the actions/investments made in the initiative. The company complies with 3 out 4 criteria*	Assessment baseline and progress at the landscape scale is tracked by several involved stakeholders and is publicly reported through an information system. E.g., the company supported the establishment of an assessment baseline using a recognized global assessment and is now supporting an independent monitoring system for the initiative that transparently tracks progress against the collective goals. Here are transparent reporting and presentation/information systems sharing the actions/investments made in the initiative*	25%
Score	**0**	**0.25**	**0.5**	**0.75**	**1**	

*

a. Regular reports are produced to describe the progress and setbacks in implementing the activities included in the action plan.

b. A baseline assessment of the ecological and social condition of the landscape has been conducted and is publicly available. This should include at least one indicator that is relevant to each landscape goal.

c. A time-series including at least two results (the baseline result and one more-recent result) is publicly available for all indicators included in the baseline assessment.

d. All results included in the baseline assessment of landscape performance, or subsequent assessments of landscape performance, have been validated by an entity with some degree of independence from those involved in conducting the assessment and the landscape initiative.

Subdimension 3: action plan and commitment (20%)

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting
Commit to a substantial improvement	Do not commit to a substantial improvement of the ecological and social condition and metrics of the landscape.				Commit to a substantial improvement of the ecological and social condition and metrics of the landscape. Informations enable the assessor that: Companies commit to substantially increasing ecological and social conditions at the landscape level for the selected landscapes using recommended metrics and stakeholder-defined landscape initiative objectives. Calculating the baseline information on selected landscapes is not a requirement for setting a Landscape Engagement target but it is necessary to demonstrate progress on this target.	50%

Develop an action plan for engagement in the landscape(s).	'Develop an action plan for engagement in the landscape(s). Actions include none of the following information: Companies commit to develop and/or contribute to collective actions within landscape initiatives. Companies assess the potential negative social or environmental impacts from their potential engagement in the landscape. Companies should choose appropriately aligned indicators to measure and track progress in their landscape initiative	'Develop an action plan for engagement in the landscape(s). Actions include one of the three options after: Companies commit to develop and/or contribute to collective actions within landscape initiatives. Companies assess the potential negative social or environmental impacts from their potential engagement in the landscape. Companies should choose appropriately aligned indicators to measure and track progress in their landscape initiative		'Develop an action plan for engagement in the landscape(s). Actions include two of the three options after: Companies commit to develop and/or contribute to collective actions within landscape initiatives. Companies assess the potential negative social or environmental impacts from their potential engagement in the landscape. Companies should choose appropriately aligned indicators to measure and track progress in their landscape initiative	Develop an action plan for engagement in the landscape(s). Actions include : Companies commit to develop and/or contribute to collective actions within landscape initiatives. Companies assess the potential negative social or environmental impacts from their potential engagement in the landscape. Companies should choose appropriately aligned indicators to measure and track progress in their landscape initiative	50%
Score	**0**	**0.25**	**0.5**	**0.75**	**1**	

➔ **Complete the assessment for one or two landscape initiative, depending on the results of the maturity matrix about the boundary/coverage of the landscape engagement.**

RATIONALE OF THE DIMENSION

Rather than measuring a company's internal performance alone, Landscape Engagement focuses on **collaboration with external stakeholders** (e.g., producers, communities, governments, NGOs) to support **landscape-scale biodiversity and ecosystem restoration, conservation, and regenerative practices**.

Purpose: To ensure that actors operating within a landscape contribute to **collective, place-based improvements in biodiversity condition and ecosystem function**, particularly where individual actions alone cannot achieve meaningful nature outcomes.

Companies shall commit to substantially increasing ecological and social conditions at the landscape level for the selected landscapes using recommended metrics and stakeholder-defined landscape initiative objectives.

Important: Calculating the baseline information on selected landscapes is not a requirement for setting a Landscape Engagement target but it is necessary to demonstrate progress on this target.

The goal here is to promote and assess the development of an action plan for engagement in the landscape(s).

Actions include:

i. Companies commit to develop and/or contribute to collective actions within landscape initiatives.
ii. Companies assess the potential negative social or environmental impacts from their potential engagement in the landscape.
iii. Companies should choose appropriately aligned indicators to measure and track progress in their landscape initiative

1.2.8 REDUCTION OF WATER WITHDRAWALS | SURFACE WATER & GROUNDWATER

SHORT DESCRIPTION OF THE INDICATOR

This indicator assesses whether the company has established a water withdrawal reduction target for its upstream operations, and whether that target covers a sufficiently representative share of its material sourced volumes.

Upstream withdrawals and consumption are carried out by suppliers, particularly agricultural suppliers. In practice, upstream targets should be grounded in the company's sourcing of high-impact commodities as defined by SBTN's High Impact Commodity List (HICL), localized to the basin level where these commodities are produced. This indicator first evaluates the scope of the commitment itself. A target that covers only a marginal fraction of material sourced volumes cannot be considered robust. It then assesses the quality of the target by verifying, among other factors, whether it is aligned with the ecological deficit of the relevant priority basins. Finally, the framework examines how progress is monitored and disclosed across the most impactful suppliers, as this is essential to the long-term credibility of the commitment.

DATA REQUIREMENTS:

The relevant data for this indicator are :

- Volumes of material supplied by watershed
- Localisation of relevant suppliers
- Targets information about reduction of direct freshwater withdrawals in direct operations
- Base year and target year

HOW THE ASSESSMENT WILL BE DONE

The maturity matrix used for this dimension is the following : Module1_target.xlsx . It is adapted from the SBTN “Freshwater quantity”target

The assessment criteria are as follows:

- Target coverage
- Alignment with the required reduction
- Monitoring, reporting and verification

RATIONALE OF THE DIMENSION

This indicator was chosen because water resources are becoming increasingly scarce, and human activities are having a major impact on them. Enough water in freshwater ecosystems is essential for maintaining both aquatic and terrestrial biodiversity.

Companies must address this pressure not only within their direct operations, but also across their supply chains. Setting upstream reduction targets therefore requires identifying which commodities are most water-intensive and in which basins they are produced, using SBTN's High Impact Commodity List as a basis for scoping. This requires setting reduction targets that primarily cover the most impactful sourced volumes, particularly those originating from basins facing ecological deficits or from highly water-intensive crops.

To date, the framework recognizes the structural constraints of upstream operations, which justify a less granular approach than direct operations, particularly regarding data precision and traceability. In this context, the framework prioritizes an assessment focused on the scope of the commitment—verifying that the target covers a sufficiently representative share of material sourced volumes—and on principle-based alignment with local ecological deficits, without requiring the same level of traceability and granularity expected for a company’s own operations.

These targets can be strengthened by participating in broader watershed-level initiatives alongside other basin actors to more effectively reduce pressure on water resources, cf. Landscape Initiative.

1.2.9 REDUCTION OF QUANTITY OF HIGH-IMPACT COMMODITIES SOURCED FROM LAND/OCEAN/FRESHWATER

DESCRIPTION OF THE INDICATOR

Commitment regarding the quantity of high impact commodities sourced from land/ocean/freshwater.

DATA REQUIREMENTS

The relevant data for this indicator are:

Targets information about reduction of quantity of high-impact commodities material on resource use and sourced from land/ocean/freshwater in upstream operations

- Base year and target year

This indicator must be completed only if the company is using high-impact commodities materials on resource use (see **ERREUR ! SOURCE DU RENVOI INTROUVABLE.**)

HOW THE ASSESSMENT WILL BE DONE:

The maturity matrix used for this dimension is the following:

Evaluation level	Basic	Advanced	Biodiversity aligned	Weighting
Target	The company has no commitment about reducing the quantity of high-impact commodities material on resource use and sourced from land/ocean/freshwater	The company has a commitment about reducing the quantity of high-impact commodities materials on resource use and sourced from land/ocean/freshwater, but this commitment is not clearly determined	The company has a commitment about reducing the quantity of high-impact commodities materials on resource use and sourced from land/ocean/freshwater and this commitment is clearly determined	80%
Timeline of the targets	The company has no timeline	The company has a timeline later than 2030	The company has a 2030 timeline or before	20%
Score	**0**	**0.5**	**1**	

RATIONALE OF THE DIMENSION:

There is no benchmark for quantifying the reduction of commodities materials on resource use and sourced from land, ocean and freshwater so we decided to use a simple maturity matrix for this indicator, in the absence of a reference.

As soon as a more precise benchmark has been scientifically validated, the indicator will be revised to align with it.

The impact of marine heat waves on fish populations is not yet known, but will have to be taken into account in the years to come.

1.2.10 ALIGNMENT OF SCOPE 3 EMISSIONS REDUCTION TARGETS

SHORT DESCRIPTION OF THE INDICATOR

Commitment regarding scope 3 emissions reduction

DATA REQUIREMENTS:

The relevant data for this indicator are:

- Targets information for each relevant scope 3 GHG emissions sources (Target year, emission reduction between reporting year and target year, coverage)
- Share of scope 3 emission sources in total scope 3 emissions [%]. Minimum of 67% GHG coverage.

TREND RATIO:

$$Trend\ ratio = \frac{Company's\ target\ trend}{Benchmark\ pathway\ trend} = \frac{XX_C(TY) - XX_C(BY)}{XX_B(TY) - XX_C(BY)}$$

Where:

- $XX_c(TY)$ is the company's scope 3 emissions intensity at target year
- $XX_c(BY)$ is the company's scope 3 emissions intensity at base year
- $XX_B(TY)$ is the company's benchmark scope 3 emissions intensity at target year

See above ("How the assessment will be done" part) to know how to calculate the score.

RATIONALE OF THE DIMENSION:

This dimension is derived from the ACT sectoral methodologies for climate change mitigation.

1.2.11 REDUCTION OF NUTRIENTS EXCESS

SHORT DESCRIPTION OF THE INDICATOR

This indicator assesses whether the company has established water pollution reduction targets for its upstream operations, including both nutrient discharges and the use of toxic substances, and whether these targets cover a sufficiently representative share of its material sourced volumes.

Nutrient discharges of use in upstream operations are primarily driven by suppliers, particularly agricultural suppliers, over whom the company generally has only indirect influence. For nutrients, the framework first evaluates the scope of the commitment, then the quality of the target by assessing its alignment with the applicable ecological thresholds in the relevant priority basins for the identified limiting nutrient (nitrogen or phosphorus). The credibility of the commitment also depends on how progress is monitored and disclosed across the most impactful suppliers.

DATA REQUIREMENTS:

The relevant data for this indicator are:

- Volumes of materials supplied by watershed
- Priority upstream supliers location
- Targets information about reduction of direct freshwater withdrawals in direct operations
- Base year and target year

HOW THE ASSESSMENT WILL BE DONE

The maturity matrix used for this dimension is the following : Module1_target.xlsx . It is adapted from the SBTN “Freshwater quantity”target

The assessment criteria are as follows:

- Target coverage
- Alignment with required reduction

RATIONALE OF THE DIMENSION:

Water quality is a major pressure on aquatic ecosystems, with well-documented effects. Nutrient discharges—particularly nitrogen and phosphorus from agricultural and industrial activities—are the primary drivers of eutrophication in freshwater and coastal ecosystems. This leads to aquatic biodiversity loss and disruption of biogeochemical cycles.

Companies with material agricultural sourcing must address these pressures by setting reduction targets that primarily cover their most impactful volumes and commodities—particularly those originating from degraded basins or from crops with high chemical input intensity. Addressing this pressure only within direct operations, without engaging the supply chain, often means overlooking the majority share of water quality impacts.

This indicator nevertheless recognizes that upstream structural constraints justify a less granular approach than for direct operations. It therefore focuses on the scope of the commitment and its alignment with local ecological thresholds, without requiring the same level of documentation expected for a company’s own operations. These commitments may also be strengthened through participation in collective watershed-level initiatives that bring together relevant local actors to more effectively reduce overall pressure on water quality.

1.2.12. REDUCTION OF TOXIC CHEMICALS

SHORT DESCRIPTION OF THE INDICATOR

This indicator assesses the robustness of corporate targets aimed at reducing the ecotoxicological impacts of chemical substances used across the upstream supply chain. It covers three sub-dimensions: the identification and classification of pesticides used by suppliers for sourced crops, the progressive elimination of highly hazardous pesticides (HHPs) within the supply base, the reduction of non-HHP pesticides, and the control of toxic discharges from point sources at supplier sites.

The framework evaluates the quality of the target-setting process itself: completeness of supplier-level inventories, rigour of classification, engagement with upstream stakeholders, and alignment with recognised international reference frameworks (the FAO/WHO HHP concept as compiled by PAN, the EU Pesticides Database, and the OSHA list of highly hazardous chemicals).

Ecotoxic pesticides are those listed on the PAN International List of Highly Hazardous Pesticides — specifically substances toxic to bees (LD50 < 0.1 mg/l), persistent, bioaccumulative, or highly toxic to aquatic organisms (LC/EC50 Daphnia spp. < 0.1 mg/l). Highly hazardous chemicals are those defined on the OSHA List of Highly Hazardous Chemicals, Toxics and Reactives, used at or above OSHA threshold quantities.

DATA REQUIREMENTS

The relevant data for this indicator are:

- List of priority sourcing areas and associated catchments
- Inventory of pesticides used by direct suppliers for main sourced crops (name, CAS number, HHP/non-HHP classification)
- Inventory of direct discharge points into surface waters at supplier sites
- Discharge volumes and toxic substance concentrations per discharge point, collected from suppliers
- List of classification reference frameworks used and date of last update
- Target information: base year, target year, intermediate milestones
- Documentation of supplier engagement processes and upstream stakeholder consultations (basin authorities, producer organisations, certification schemes)
- Evidence of supplier support mechanisms (technical assistance, contractual requirements, sourcing criteria)

HOW THE ASSESSMENT WILL BE DONE

The maturity matrix used for this dimension is the following : Module1_target.xlsx . It is adapted from the SBTN “Freshwater quantity”target and GBF target 7

The assessment criteria are as follows:

- Target coverage
- Alignment with required reduction

RATIONALE OF THE DIMENSION

For companies operating in the agricultural and agri-food sectors, the majority of ecotoxicological pressures from chemical inputs arise upstream, in sourcing areas and at supplier production sites. Restricting the assessment to direct operations would systematically underestimate the company's actual impact footprint.

Pesticides — both HHPs and non-HHPs — and point-source toxic discharges exert documented ecotoxicological pressures on aquatic and terrestrial organisms, affecting species reproduction, behaviour, and survival throughout the supply chain. HHPs, due to their properties of persistence, bioaccumulation, and acute toxicity, are subject to a progressive phase-out target by 2035. Non-HHP pesticides are subject to an impact reduction target of at least 50%, consistent with Target 7b of the Kunming-Montreal Global Biodiversity Framework.

Companies for which this pressure is material in their upstream supply chain shall establish robust targets and deploy effective supplier engagement mechanisms — including contractual requirements, technical assistance, and sourcing criteria. They may further strengthen their approach by participating in collective initiatives at the catchment or landscape scale, complementing the territorial engagement assessed under the Landscape Engagement dimension.

1.2.13 REDUCTION OF PLASTIC USE

SHORT DESCRIPTION OF THE INDICATOR

Commitment regarding the reduction of plastic sourcing

DATA REQUIREMENTS

The relevant data for this indicator are:

- Targets information about reduction of plastic use in upstream operations
- Base year and target year

Type of plastic bought by the company and quantity of each raw materials bought (kg or tons) including plastics at base year

This indicator must be completed only if the company is using plastics.

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting
Purchasing	The company has no commitment about replacing plastic purchased with other less impactful materials	The company has a commitment about replacing 25 % of plastic bought with other less impactful materials	The company has a commitment about replacing 50 % of plastic bought with other less impactful materials	The company has a commitment about replacing 75 % of plastic bought with other less impactful materials and has a plastic exit scheme	The company has a commitment about replacing at least 90 % of plastic bought with other less impactful materials and has a plastic exit scheme	45 %
Recyclability	The company has no commitment about buying reusable or recyclable plastics	The company is committed to buying 25% recycled and, where possible, reusable plastics	The company is committed to buying 50% recycled and, where possible, reusable plastics	The company is committed to buying at least 90% recyclable and, where possible, reusable plastics.	The company has a commitment about buying at least 90% recycled and reusable plastics	35%
Score	**0**		**0.5**		**1**	

RATIONALE OF THE DIMENSION

This dimension assesses the upstream company's plastic production. The target chosen is aligned with the European Plastic Pact (design all single-use plastic packaging and products so that they are reusable wherever possible and, in all cases, recyclable by 2025). The aim is to encourage upstream companies to produce recycled and reusable plastic. There is also a need to give preference to processes that offer raw materials other than plastic.

Although this indicator is more closely linked to the impact of plastic waste on biodiversity, the best way to reduce this impact is to reduce the quantities of plastics produced upstream in the value chain. This prevents waste from ending up in nature, whether microplastic or macroplastic. Furthermore, the OECD states in its report "Towards the elimination of plastic pollution by 2040" (15). that "Focusing disproportionately on waste management measures waste management measures in relation to upstream interventions will be insufficient". It is therefore necessary to reduce plastic sourcing and production upstream of the value chain to effectively reduce the impact of this pollution on biodiversity.

This target will be modified and refined when better benchmark will exist.

1.2.14 REDUCTION OF SURFACE COVERED BY INVASIVE ALIEN SPECIES

NOT COVERED FOR MODULE 1 IN THIS FIRST VERSION

1.3 ACHIEVEMENT OF PAST AND CURRENT TARGETS

SHORT DESCRIPTION OF THE INDICATOR

A measure of the company's historic target achievements and current progress towards active biodiversity protection targets. All the scopes of the company are considered.

DATA REQUIREMENTS

The relevant data for this indicator are:

- Information about targets set by the company nowadays and in the past to reduce its impact on biodiversity, especially targets that aims to reduce impact drivers on biodiversity (land/sea use change, direct exploitation, climate change, pollution, invasive alien species)
- Base year of the targets
- Metric value at reporting year
- Target year of the targets

HOW THE ASSESSMENT WILL BE DONE

This indicator is calculated thanks to a maturity matrix about achievement of past and current targets in direct and upstream operations.

The maturity matrix assesses the presence of past and current targets for each of the 5 impact drivers on biodiversity. Thus, the same question is asked for each of the 5 impact drivers, depending on the company's materiality on the biodiversity pressure levers. A company should only answer the matrix for those impact drivers on which it is material.

If the company is not material in some impact drivers, then each question weight will be upgraded proportionally to reach 100%.

Maturity matrix to assess achievement of past and current targets:

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting
Land/sea use change	No past targets achieved		The company has started setting targets		The company has achieved several	**Dynamic | Function of materiality**

Direct exploitation	No targets running	No past targets achieved but the company is setting up targets for the future	2 years ago and these targets are still running	The company has achieved some targets during the last 5 years and has now several targets running on	targets during the last 10 years and has targets on all its material impacts on biodiversity. It is updated regularly according to the company development.	**Dynamic | Function of materiality**
Pollution						**Dynamic | Function of materiality**
Climate change						**Dynamic | Function of materiality**
Score	**0**	**0.25**	**0.5**	**0.75**	**1**	

RATIONALE OF THE INDICATOR

According to companies' lack of maturity about biodiversity, it was decided to set a qualitative analysis for this indicator using a maturity matrix. Indeed, most companies do not yet have any past targets about biodiversity, which would therefore make the calculation impossible.

In the years to come, as companies become more mature on the subject, it will be possible to modify this indicator by integrating a quantitative assessment, as can be done in other ACT Mitigation assessments.

The 5 impact drivers on biodiversity are considered independently to assess the company on each of them and see if it has already set targets on the driver impacts on which it knows it is material.

Module 2: Direct operations

Module 2, “Direct operations”, assesses actions to reduce pressure on biodiversity from the company’s assets and operations. Comparing the company’s trend in past and production practice with its ideal pathway provides a good measure of its transition progress. Comparing capital expenditure (CAPEX) allocated to biodiversity impact reduction against the total CAPEX provides an indication of future impact reductions. Assessing land management practices provides indication about the company's investment in the preservation and management of local biodiversity.

2.1 TREND IN PAST BIODIVERSITY IMPACTS

Short description of the indicator

A measure of the alignment of the past trend of the company’s biodiversity impacts in direct operations with its biodiversity benchmark pathways. The indicator will compare the gradient of this trend over a 5-year period to the reporting year (reporting year minus 5 years) with the biodiversity benchmark pathway trend over a 5-year period after the reporting year.

How the assessment will be done

For each qualitative dimension (i.e. 1, ,7, 11, 12), the assessment will be done thanks to a maturity matrix presented in the description of each dimension.

For each quantitative dimension (i.e. Dimension 2,3, 4, 5, 6, 7, 8, 9, 13), the assessment will compare the trend of the company’s recent pathway to the trend of the company’s future benchmark pathway. This is expressed as the company’s transition ratio. The analysis will be done as follow:

The analysis is based on the comparison between the company’s recent (RY-5) trend gradient (CR'_{XX}) and the company’s benchmark trend gradient (CB'_{XX}) in the short-term (RY+5).

CR'_{XX} is the gradient of the linear trend-line of the company’s recent pathway over time.

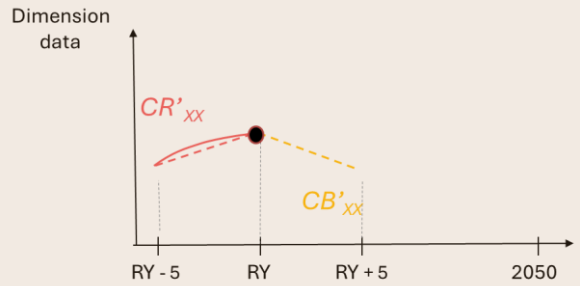
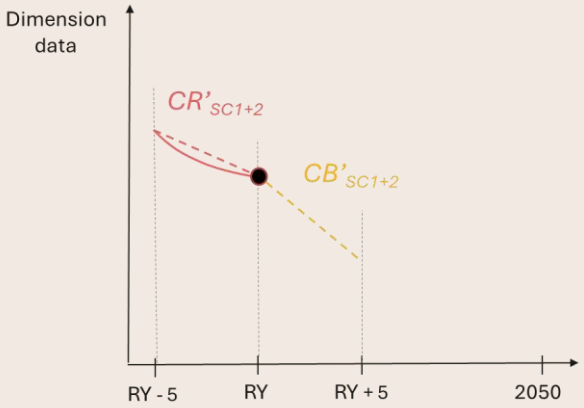
CB'_{XX} is the gradient of the linear trend-line of the company benchmark pathway. See section **Erreur ! Source du renvoi introuvable.**. **Erreur ! Source du renvoi introuvable.**for details on the computation of the company benchmark pathway.

The difference between CR'_{XX} and CB'_{XX} will be measured by their ratio (r). This is the transition ratio, which is calculated by the following equation:

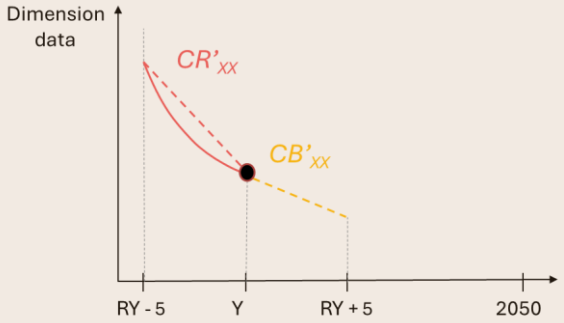
$$r = \frac{CR'_{XX}}{CB'_{XX}}$$

Three different cases are to be taken into consideration, as illustrated in Table 1:

TABLE 1: ILLUSTRATIVE GRAPHS FOR TREND IN PAST SCORING

Case #1	Case #2
	
$CR'_{XX} > 0$ Whatever the r value	$CR'_{XX} < 0$ $0 < r < 1$
Score = 0	**Score = r (%)**

Case #3



$CR'_{xx} < 0$

$r \geq 1$

Score = 100 %

Company's past trend

Company's benchmark future trend

Description of the dimensions

TRANSVERSAL APPROACH: STATE OF NATURE IMPROVEMENT

Likewise, the preliminary notice on the Module 1, this matrix assesses how companies monitor improvements in the state of nature across their priority areas. The aim here is not to measure performance against a pressure-reduction target. Instead, it is to document observed changes in nature state indicators over a five-year window — from RY-5 to the reporting year — in line with the principle of long-term monitoring.

The same quality requirements apply to the indicators used: science-based, responsive, flexible, aligned, accessible and affordable, and auditable.

The hereafter maturity matrix on state of nature will apply on each subdimension target and will represent 20% the total subdimension target aggregated scoring.

Evaluation level	Basic	Advanced	Biodiversity aligned
Target	The company shows no improvement in its nature state indicators on priority sites between RY-5 and the reporting year.	The company demonstrates a measurable improvement in nature state indicators on 10% of priority sites between RY-5 and the reporting year.	The company demonstrates a measurable improvement in nature state indicators across all priority sites between RY-5 and the reporting year
Score	**0**	**0.5**	**1**

2.1.1 NO CONVERSION OF NATURAL ECOSYSTEMS

SHORT DESCRIPTION OF THE INDICATOR

Current performance of the company regarding its no deforestation and conversion free commitment and policy

DATA REQUIREMENT

The relevant data for this indicator are:

- Hectares converted or deforested from base year (no later than 2020) to reporting year

HOW THE ASSESSMENT WILL BE DONE:

To assess whether land conversion has occurred, land use change events are considered over an assessment period lasting from the cut-off date (no longer than 2020) until the present according to the SBTN Land guidance (16). After the cut off dates, any conversion of natural ecosystems on a given site renders the materials produced on that site non-

compliant with a no-conversion benchmark, adapted from SBTN. As recommended by the Accountability Framework initiative (AFi), cutoff dates should align with existing sectoral or regional cutoff dates where they exist, such as the Amazon Soy Moratorium, and cutoff dates associated with certification should not be later than 2020."

In this dimension, we will work with the cutoff date (that cannot be later than 2020) and not with the base year or the RY-5 (reporting year minus 5 years), as in the other dimensions of this indicator.

According to the SBTN guidance (17), "Clearing of less than 5% of the total production unit size, or 20 hectares (whichever is stricter), is not considered to be conversion. This does not apply if the local law is stricter. Conversion shall be assessed cumulatively over time. Multiple small instances of conversion that in total exceed the threshold are considered non-compliant". Legal offsets are not taken into account.

The maturity matrix used for this dimension is the following. It is adapted from the SBTN target "No conversion of natural ecosystems".

Evaluation level	Basic	Standard	Advanced	Biodiversity aligned
Target	The company doesn't measure its land/sea conversion OR The number of hectares converted/deforested per year by the company has increased between cut off date and the reporting year	The company has done land/sea conversion between cut-off date and reporting year, but the number of hectares converted/deforested per year by the company has decreased between the cut-off date and the reporting year AND the company hasn't done any remediation	The company has done land/sea conversion between cut-off date and reporting year, but the number of hectares converted/deforested per year by the company has decreased between the cut-off date and the reporting year AND The company has done remediation on converted/deforested sites according to the SBTN's Remediation Guidance (not yet available). This remediation does not include mandatory offset and must not be	The company hasn't done any conversion/deforestation on its site between the cut-off date/base year assessment and the reporting year of the assessment (clearing of less than 5% of the total production unit size, or 20 hectares (whichever is stricter), is not considered to be conversion. This does not apply if the local law is stricter).

			used to justify new deforestation or conversion	
Score	**0**	**0.25**	**0.5**	**1**

RATIONALE OF THE DIMENSION

While ACT aims to be as future-oriented as possible, it does not want to rely solely on projections, in a way that would make the analysis too vulnerable to the uncertainty of those projections. Therefore, this measure forms part of a holistic view of company's reduction impact on biodiversity in the past, present, and future.
This indicator is future-relevant by providing information on the organizational capability of the company to reduce its deforestation and conversion and to remediate to its past conversion.

It is not possible to calculate a transition ratio for this dimension, as the target is very binary. It was therefore decided to assess this dimension using a maturity matrix based on the SBTN target and the EUDR (18) that says that a company should have done zero conversion/deforestation between the cut off date (no later than 2020) and the reporting year to be compliant. In the maturity matrix, there is deliberately no level rated at 0.75, to be strict with companies that fail to meet the target, without however rating them at 0 if they nevertheless make efforts on the subject.

2.1.2 LAND AREA | LAND FOOTPRINT REDUCTION

SHORT DESCRIPTION OF THE INDICATOR

Measurement of the performance of the company regarding its commitment on its land footprint reduction on its direct operations

DATA REQUIREMENTS

The relevant data for this indicator are:

- Land footprint from RY-5 to reporting year (ha)

See above ("How the assessment will be done" part) to know how to calculate the score.

RATIONALE OF THE DIMENSION:

Trend in past land footprint shows the speed at which the company has been reducing its land footprint over the recent past.
This indicator focuses on the spatial extension aspects rather than intensity or quality.

This indicator can tend to encourage companies to intensify their production (produce more or the same thing on smaller surfaces). To avoid this phenomenon, safeguards will be put in place, especially in the "production practices" indicator of modules 2 and 4. This point will also be the subject of a specific assessment in the narrative score, to ensure that the choices made by the company do not force it to intensify its production.

In the agricultural sector, farmers with biodiversity-friendly production practices but needing more space to achieve the same yield as with conventional methods will be let down by this dimension. This is a bias of the method. However, this indicator aims to evaluate only the spatial footprint and does not take into account production methods.

2.1.3 LAND AREA | NATURAL LAND COVER

SHORT DESCRIPTION OF THE INDICATOR

Measuring trend in past on the natural land cover commitment.

DATA REQUIREMENTS

The relevant data for this indicator are:

- Natural land cover on priority sites from RY-5 to reporting year (%)

See above (“How the assessment will be done” part) to know how to calculate the score.

Coverage shall be 10% of total ecoregion so the score here shall be weighted by the comprehensiveness of this coverage: measuring the distance to 10% as a 100 basis and then computing it with the trend score.

RATIONALE OF THE DIMENSION:

This dimension captures whether natural ecosystems within priority areas are being maintained, restored, or further degraded over time. Tracking trends in natural land cover provides an essential signal of landscape integrity, ecosystem functioning, and the effectiveness of conservation or land-use practices. Because ecological resilience depends on preserving a minimum share of natural habitat within each ecoregion, the indicator also integrates the extent of spatial coverage (toward the 10% target). Combining trend and coverage allows a more accurate assessment of whether the company’s actions are contributing to stabilizing or improving natural habitat conditions in the areas that matter most for biodiversity.

2.1.4.5.6 LAND QUALITY | SOIL ORGANIC CARBON, SOIL EROSION & TERRESTRIAL ACIDIFICATION

SHORT DESCRIPTION OF THE INDICATOR

Measurement of the performance on the mentioned indicator

DATA REQUIREMENTS

The relevant data for this indicator are:

- Soil organic carbon on priority sites from RY-5 to reporting year (%)

- Soil organic carbon, soil erosion and terrestrial acidification data on priority sites from RY-5 to reporting year (%)

See above ("How the assessment will be done" part, and refer to Module 1) to know how to calculate the score.

Remember that Soil Organic Carbon: whether maintain or increase ; Soil erosion : decrease or maintain and Terrestrial acidification : decrease or maintain. Targets shall have been set on priority ecoregion.

	First Priority	Second Priority	Third Priority	Fourth Priority
Ecoregion Baseline:	Threshold Exceeded	Threshold Not Exceeded	Threshold Exceeded	Threshold Not Exceeded
Production Unit Baseline:	Threshold Exceeded	Threshold Exceeded	Threshold Not Exceeded	Threshold Not Exceeded
Target Setting:	**Required**	**Required**	Recommended	Recommended
Target Type:	***Quality Improvement***	***Quality Improvement***	*Quality Maintenance*	*Quality Maintenance*

Coverage shall be 10% of total ecoregion so the score here shall be weighted by the comprehensiveness of this coverage: measuring the distance to 10% as a 100 basis and then computing it with the trend score (automatically done in the tool).

RATIONALE OF THE INDICATOR

For soil organic carbon, historical trends largely reflect long-term land-use and management choices. In many systems, sustained soil organic carbon losses driven by intensive tillage, residue removal and land conversion have led to persistent declines in soil biological activity and habitat quality, resulting in long-lasting biodiversity impacts. Where management practices have shifted towards soil cover, reduced disturbance or organic matter inputs, soil organic carbon trends may stabilise or increase, allowing for gradual biodiversity recovery, often with significant time lags.

For soil erosion, past trends capture changes in soil loss rates and landscape stability over time. Accelerating erosion, often linked to vegetation removal, inappropriate cultivation practices and landscape simplification, has resulted in the irreversible loss of topsoil and soil biodiversity, with additional downstream impacts on aquatic and terrestrial ecosystems. Conversely, stabilisation or reduction of erosion through conservation practices indicates a slowing of biodiversity degradation, although recovery remains constrained by the slow pace of soil formation.

In the case of terrestrial acidification, past trends reflect long-term nitrogen and sulphur inputs from atmospheric deposition and agricultural practices. While reductions in sulphur emissions have led to partial recovery in some regions, nitrogen-driven acidification often persists, continuing to alter soil chemistry, plant communities and soil organism assemblages. As a result, biodiversity impacts may remain chronic even where some pressures have declined.

Overall, this dimension focuses on the direction and consistency of change over time rather than short-term performance, recognising that historical degradation can continue to shape present biodiversity outcomes and that genuine recovery requires sustained improvements over extended periods.

2.1.7 LANDSCAPE ENGAGEMENT

SHORT DESCRIPTION OF THE INDICATOR

The purpose of landscape engagement is to support regenerative, restorative, and transformative actions within landscapes. In line with the Accountability Framework initiative (2024), these guidelines define a landscape initiative as a multi-stakeholder process operating within a specific landscape that aims to establish shared objectives, implement collective actions, and track progress toward improved social, environmental, and economic outcomes, while balancing diverse interests at the landscape scale.

Landscape-level metrics provide critical context for assessing the state of nature at site level and are essential to ensuring that biodiversity performance is interpreted accurately and comprehensively. They support the design of more effective site-level actions, foster collaboration at the ecological scale most relevant for achieving nature-positive outcomes, and offer a practical entry point for applying biodiversity metrics in value chains where site-level traceability remains limited. In addition, these metrics help external stakeholders better understand the significance of observed site-level trends and enable the identification of potential leakage effects, whereby environmental impacts are displaced from the site to surrounding areas.

DATA REQUIREMENTS:

- Location of prioritized landscapes for engagement
- Selected landscape level metrics
- **Area (absolute and percentage) of loss, gain and net change in extent of landscape/seascape natural ecosystems (ha, %)**
- **Value and change in structural and functional connectivity between natural ecosystems**
- **Species extinction risk measurement showing the contributions of the landscape to the global extinction risk of threatened species present**

HOW THE ASSESSMENT WILL BE DONE:

As mentioned in module 1, companies should choose appropriately aligned indicators to measure and track progress in their landscape initiative.

The analysis is based on the comparison between the company's recent (RY-5) trend gradient (CR'_{XX}) and the company's benchmark trend gradient (CB'_{XX}) in the short-term (RY+5).

CR'_{XX} is the gradient of the linear trend-line of the company's recent pathway over time.

CB'_{XX} is the gradient of the linear trend-line of the company benchmark pathway. See section **Erreur ! Source du renvoi introuvable.**. **Erreur ! Source du renvoi introuvable.**for details on the computation of the company benchmark pathway.

The difference between CR'_{XX} and CB'_{XX} will be measured by their ratio (r). This is the transition ratio, which is calculated by the following equation:

$$r = \frac{CR'_{xx}}{CB'_{xx}}$$

RATIONALE OF THE INDICATOR

This indicator evaluates whether a company's actions within priority landscapes are effectively contributing to a shift toward more sustainable ecological and socio-environmental outcomes. By comparing the company's recent performance trend with a science-based benchmark trend, the indicator measures how quickly the company is transitioning toward the desired landscape trajectory. This approach ensures that progress is assessed not only on absolute performance but also on alignment with the level of change required to secure resilient, well-managed landscapes. The transition ratio captures the pace and direction of change, helping to determine whether current landscape engagement efforts are sufficient, lagging, or exceeding expectations relative to what is needed for nature-positive outcomes.

2.1.8 REDUCTION OF WATER WITHDRAWALS | SURFACE WATER & GROUNDWATER

SHORT DESCRIPTION OF THE INDICATOR

Measurement of the performance on the reduction of the water consumption

DATA REQUIREMENTS

The relevant data for this indicator are :

- Direct water withdrawals from RY-5 to reporting year

HOW THE ASSESSMENT WILL BE DONE

The maturity matrix used for this dimension is the following It is adapted from the SBTN "Freshwater quality" target :

Evaluation level	Basic	Advanced	Biodiversity aligned
Target	The company has not reduced its water withdrawals in priority basins between RY-5 and the reporting year	The company has reduced its water withdrawals in priority basins between RY-5 and the reporting year, but the observed rate of reduction demonstrates its not on track to achieve the target it set at RY-5	The company has reduced its water withdrawals in priority basins between RY-5 and the reporting year, with an observed rate of reduction demonstrating it is on track to achieve the target it set at RY-5
Score	**0**	**0.5**	**1**

RATIONALE OF THE INDICATOR

Trend in past water withdrawals shows the speed at which the company has been reducing its water withdrawals over the recent past, contributing to the proper functionning of hydrological ecosystems and the preservation of water resources. Comparing this with the locally defined water withdrawal reduction pathway gives an indication of the speed of the change that needs to be made within the company to bring it onto a biodiversity-aligned pathway.

While ACT aims to be as future-oriented as possible, it does not want to rely solely on projections, in a way that would make the analysis too vulnerable to the uncertainty of those projections. Therefore, this measure forms part of a holistic view of company's reduction impact on biodiversity in the past, present, and future.
This indicator is future-relevant by providing information on the organizational capability to deliver biodiversity impact reductions that are aligned with the benchmark.

2.1.9 REDUCTION OF QUANTITY OF WILD SPECIES EXTRACTED FROM NATURAL HABITATS FOR COMMERCIAL PURPOSES

SHORT DESCRIPTION OF THE INDICATOR

Measurement of the performance regarding the reduction of direct resource extraction

DATA REQUIREMENTS

The relevant data for this indicator are:

- Quantity of wild species extracted from natural habitats for commercial purposes (especially commercial fishing in saltwater, bycatch, aromatic and medicinal plants) from RY-5 to reporting year

In this first version of the methodology, only saltwater fisheries and collection of medicinal and aromatic plants can be assessed with this dimension.

HOW THE ASSESSMENT WILL BE DONE FOR FISHERIES:

- The maturity matrix used for this dimension is the following:

Evaluation level	Basic	Advanced	Biodiversity aligned	Weighting

Reduction of fisheries	The company hasn't reduced its fisheries from RY-5 to reporting year OR The company has increased its fisheries from RY-5 to reporting	The company has reduced its fishing activities FOR SOME SPECIES ONLY from RY-5 to reporting year, with an annual percentage that will enable it to meet the 2030 target if it continues with the same annual percentage reduction from now until 2030 OR The company has reduced its fishing activities FOR SOME SPECIES ONLY from RY-5 to reporting year but with an annual percentage that can't enable it to meet the 2030 target if it continues with the same annual percentage reduction from now until 2030 OR The company has reduced its fishing activities FOR ALL SPECIES from RY-5 to reporting year but with an annual percentage that can't enable it to meet the 2030 target if it continues with the same annual percentage reduction from now until 2030	The company has reduced its fishing activities FOR ALL SPECIES from RY-5 to reporting year, with an annual percentage that will enable it to meet the 2030 target if it continues with the same annual percentage reduction from now until 2030	70 %
Bycatch	The company hasn't reduced its bycatch from RY-5 to reporting year OR The company has increased its bycatch from RY-5 to reporting	The company has reduced its bycatch FOR SOME SPECIES ONLY from RY-5 to reporting year, with an annual percentage that will enable it to meet the 2030 target if it continues with the same annual percentage reduction from now until 2030 OR The company has reduced its bycatch FOR SOME SPECIES ONLY from RY-5 to reporting year but with an annual percentage that can't enable it to meet the 2030 target if it continues with the same annual percentage reduction from now until 2030 OR The company has reduced its bycatch FOR ALL SPECIES from RY-5 to reporting year but	The company has reduced its bycatch FOR ALL SPECIES from RY-5 to reporting year, with an annual percentage that will enable it to meet the 2030 target if it continues with the same annual percentage reduction from now until 2030	30%

		with an annual percentage that can't enable it to meet the 2030 target if it continues with the same annual percentage reduction from now until 2030		
Score	**0**	**0.5**	**1**	

HOW THE ASSESSMENT WILL BE DONE

The maturity matrix used for this dimension is the following:

Evaluation level	Basic	Advanced	Biodiversity aligned
Target	The company hasn't reduced its quantity of aromatic/medicinal plants used from RY-5 to reporting year	The company has reduced its quantity of aromatic/medicinal plants used from RY-5 to reporting year, with an annual percentage that demonstrate it is not on track to achieve its target(s).	The company has reduced its quantity of aromatic/medicinal plants used from RY-5 to reporting year, with an annual percentage that demonstrate it is on track to achieve its target(s).
Score	**0**	**0.5**	**1**

RATIONALE OF THE DIMENSION

While ACT aims to be as future-oriented as possible, it does not want to rely solely on projections, in a way that would make the analysis too vulnerable to the uncertainty of those projections. Therefore, this measure forms part of a holistic view of company's reduction impact on biodiversity in the past, present, and future.

This indicator is future-relevant by providing information on the organizational capability to deliver biodiversity impact reductions that are aligned with the benchmark.

It is not possible to calculate a transition ratio for this dimension, as there is no quantitative target. It was therefore decided to assess this dimension using a maturity matrix based on the transition ratio principle. The annual percentage of decrease (or increase) in resource use between the RY-5 and the reporting year will be calculated by the consultant, and this result will then be extrapolated to assess whether, by following the trend of the last 5 years into the coming years, the company will be able to achieve its objectives in 2030. As there is no quantitative target, the intermediate case of reducing resource use without achieving the objectives cannot be quantified in detail. It was therefore decided to assign it an arbitrary score of 0.5, even if this entails a bias: a company will have the same score whether it is close to or far from achieving its reduction targets.

The impact of marine heat waves on fish populations is not yet known but will have to be taken into account in the years to come.

2.1.10 TREND IN PAST EMISSIONS SCOPE 1+2

SHORT DESCRIPTION OF THE INDICATOR

A measure of the alignment of the past trend of the company's scope 1 and 2 emissions with the low-carbon benchmark pathway. The indicator will compare the gradient of this trend over a 5-year period to the reporting year (reporting year minus 5 years) with the low-carbon benchmark pathway trend over a 5-year period after the reporting year.

DATA REQUIREMENTS:

The relevant data for this indicator are:

Total scope 1+2 emissions and activity from RY-5 to reporting year

See above ("How the assessment will be done" part) to know how to calculate the score.

RATIONALE OF THE DIMENSION:

Trend in past emissions shows the speed at which the company has been reducing its absolute emissions over the recent past. Comparing this to the decarbonization pathway gives an indication of the speed of the change that needs to be made within the company to bring it onto a low-carbon pathway. While ACT aims to be as future-oriented as possible, it does not want to rely solely on projections, in a way that would make the analysis too vulnerable to the uncertainty of those projections. Therefore, this measure, along with projected emissions intensity and absolute emissions, forms part of a holistic view of company emissions performance in the past, present, and future. This indicator is future-relevant by providing information on the organizational capability to deliver emissions reductions that are aligned with the benchmark (see section Benchmarks)

2.1.11 REDUCTION OF NUTRIENTS EXCESS

SHORT DESCRIPTION OF THE INDICATOR

Measurement of the performance regarding the eutrophication of the water quality.

DATA REQUIREMENTS

The relevant data for this indicator are:

- Nutrient load reduction target set at RY-5 and timeline

HOW THE ASSESSMENT WILL BE DONE

The maturity matrix used for this dimension is the following. It is adapted from the SBTN “Freshwater quality” target.

Evaluation level	Basic	Advanced	Biodiversity aligned
Target	The company has not reduced its nutrient loads (N and/or P) discharged into priority basins between RY-5 and the reporting year	The company has reduced its nutrient loads (N and/or P) discharged into priority basins between RY-5 and the reporting year, but the observed rate of reduction demonstrates its not on track to achieve the target it set at RY-5	The company has reduced its nutrient loads (N and/or P) discharged into priority basins between RY-5 and the reporting year, with an observed rate of reduction demonstrating it is on track to achieve the target it set at RY-5
Score	**0**	**0.5**	**1**

RATIONALE OF THE DIMENSION

Trend in past nutrient discharges shows the speed at which the company has been reducing its nutrient loads over the recent past, contributing to the prevention of eutrophication and the preservation of aquatic ecosystem functioning. Comparing this with the locally defined nutrient reduction pathway gives an indication of the speed of change needed within the company to bring it onto a biodiversity-aligned pathway.

While ACT aims to be as future-oriented as possible, it does not want to rely solely on projections, in a way that would make the analysis too vulnerable to the uncertainty of those projections. Therefore, this measure forms part of a holistic view of the company's reduction impact on biodiversity in the past, present, and future. This indicator is future-relevant by providing information on the organizational capability to deliver biodiversity impact reductions that are aligned with the benchmark.

2.1.12 REDUCTION OF TOXIC CHEMICALS

SHORT DESCRIPTION OF THE INDICATOR

Measurement of the performance regarding the reduction in pesticide pollution.

DATA REQUIREMENTS

The relevant data for this indicator are:

- Toxic chemical discharge reduction target set at RY-5 and timeline

HOW THE ASSESSMENT WILL BE DONE

The maturity matrix used for this dimension is the following. It is adapted from the SBTN “Freshwater quality” target and GBF Target 7.

Evaluation level	Basic	Advanced	Biodiversity aligned
Target reduction of toxic chemicals (non-HPP)	The company has not reduced its toxic chemical discharges into priority basins between RY-5 and the reporting year	The company has reduced its toxic chemical discharges into priority basins between RY-5 and the reporting year, but the observed rate of reduction demonstrates its not on track to achieve the target it set at RY-5	The company has reduced its toxic chemical discharges into priority basins between RY-5 and the reporting year, with an observed rate of reduction demonstrating it is on track to achieve the target it set at RY-5
Score	**0**	**0.5**	**1**
Evaluation level	**Basic**	**Advanced**	**Biodiversity aligned**
Phase-out of HPP	The company has not reduced its HPP discharges into priority basins between RY-5 and the reporting year	The company has reduced its HPP discharges into priority basins between RY-5 and the reporting year, but the observed rate of reduction demonstrates it is not on track to achieve full cessation by the deadline set in its target at RY-5	The company has reduced its HPP discharges into priority basins between RY-5 and the reporting year, with an observed rate of reduction demonstrating it is on track to achieve full cessation by the deadline set in its target at RY-5
Score	**0**	**0.5**	**1**

RATIONALE OF THE INDICATOR

Trend in past toxic chemical discharges shows the speed at which the company has been reducing its chemical pollution load over the recent past. Comparing this with the locally defined chemical discharge reduction pathway gives an indication of the speed of change needed within the company to bring it onto a biodiversity-aligned pathway.

2.1.13 REDUCTION OF PLASTIC USE

SHORT DESCRIPTION OF THE INDICATOR

Measurement of the reduction of plastic use in its direct operations

DATA REQUIREMENTS

- Plastic used or bought/produced since RY and RY-5

See above "How the assessment will be done" to know how to calculate the score.

RATIONALE OF THE DIMENSION:

Trend in past plastic use shows the speed at which the company has been reducing its plastic use over the recent past. Comparing this to the plastic use reduction pathway gives an indication of the speed of the change that needs to be made within the company to bring it onto a biodiversity-aligned pathway.
While ACT aims to be as future-oriented as possible, it does not want to rely solely on projections, in a way that would make the analysis too vulnerable to the uncertainty of those projections. Therefore, this measure forms part of a holistic view of company's reduction impact on biodiversity in the past, present, and future.

This indicator is future-relevant by providing information on the organizational capability to deliver biodiversity impact reductions that are aligned with the benchmark.

2.2 PRODUCTION PRACTICES

SHORT DESCRIPTION OF THE INDICATOR

This indicator assesses the extent to which the company has adjusted its production practices to reduce its impacts on biodiversity. It aims to verify that the target commitments assessed in Module 1, as well as the targets already achieved under 2.1, are effectively translated into concrete actions. These actions should contribute to reducing the biodiversity pressures generated by the company's activities. The indicator covers production practices that are either newly implemented or already in place during the reporting year.

The assessment is based on sector-specific maturity matrices. These matrices are built on the best practices currently identified in the scientific and technical literature and are structured around four performance levels: Basic, Standard, Advanced, and Next Practice / Biodiversity Aligned.

Each level reflects an increasing level of ambition and integration of biodiversity considerations into production practices. The scale ranges from the absence of specific biodiversity-related practices to the adoption of recognised leading practices considered to be the most beneficial for biodiversity.

DATA REQUIREMENTS

The relevant data for this indicator are:

- Information about production practices implemented for the reporting year

HOW THE ASSESSMENT WILL BE DONE

The maturity matrices used for this dimension are detailed in the "ACT Biodiversity Tools - MMs Production Practices" file. The company must choose the maturity matrix that fit the best, depending on its sector and its activity.

The maturity matrices available are the following:

- **For agri-agro sector:**
  - *Agricultural company (arboriculture, crops, market gardening, viticulture)*
  - *Aquaculture*
  - *The farm cooperative* shall conduct the assessment of an agricultural company as follows:
    i. *The top 10 companies by revenue within the cooperative or*
    ii. *The companies representing more than 80% of the cooperative's total GHG assessment*
    iii. *Guidance: shall perform the assessment and aggregate the results to derive the cooperative's overall assessment.*

- **For chemistry & construction sectors**: under consolidation
- **For energy sector:**
  - *Renewable energy: photovoltaic & onshore wind*
  - *Fossil fuel-based energy – under consolidation*

- **For other sectors:** a generic maturity matrix is available

RATIONALE OF THE INDICATOR

The production practices included in the different maturity matrices were selected based on the available scientific and technical literature, as well as recognised reference frameworks. These sources are detailed below for each matrix. The matrices may be updated if new scientific evidence or technical guidance becomes available.

Agriculture matrix

This matrix is based both on the Etude Biodivlabel from ADEME, IFREMER, INRAE and the French minister of agriculture and the IDEA[4] framework developed by INRAE. Where the former helped to highlight the most important production practices for biodiversity (whether positively or negatively), the latter provided a robust and operational agroecological indicators to assess these practices. The IDEA can be used easily since it uses data that is used in the subvention of the **common agricultural policy (CAP**). It provides a science-based foundation for identifying biodiversity-friendly practices with a high level of confidence.

The criteria cover, in particular, the integration of agroecological infrastructures and semi-natural habitats; crop rotation management; reduced tillage; organic fertilisation and soil biological quality; permanent soil cover; reduced use of synthetic plant protection products, including copper-based products; efficient water use and water quality management; genetic diversity of cultivated varieties and animal breeds; and management practices that support pollinators and beneficial insects.

The Agribest framework developed by EDUED was also used to complement certain agronomic criteria. The Demeter 2025 production standard was used as an additional source for reduced tillage practices and biodiversity area management as well as other resources from OFB. Thresholds related to pesticide and copper compound use are based on the technical recommendations of the EU Taxonomy, as set out in the Platform on Sustainable Finance report published in March 2022.

Renewable energy matrix

This matrix was developed based on work carried out by ADEME and OFB, and the CAT'EnR guide (2), Designing and assessing lower-impact photovoltaic and wind energy projects, published by ADEME. Generally speaking, many resources from the French Observatory of the renewable energies and biodiversity (developed by ADEME & OFB) (19) have been used and integrated through indicators and/or general approach.

It assesses the practices implemented by companies in the sector to reduce biodiversity impacts throughout the design, construction and operation phases of photovoltaic and wind farms.

Generic matrix

This matrix applies to any sector for which no specific matrix is available. It covers the pressures exerted on biodiversity by industrial and tertiary sites.

[4] https://hal.inrae.fr/hal-04152921**La méthode IDEA4. Indicateurs de Durabilité des Exploitations Agricoles. Principes & guide d'utilisation. Évaluer la durabilité de l'exploitation agricole**

It is based on several reference documents and frameworks, including the PIESO technical guide developed by Ecomed (20), which defines reference distances according to the level of habitat anthropisation and species' dispersal capacities, using 10 km as the average home range of the most mobile species. It also draws on the Biodivercity , in particular objectives 2.5.1 and 2.5.2, and the Effinature Evolution 2025 framework (21), the Biodivercity Life framework (22), and relevant work and guidance produced by OFB for these matrices.

The overall weight assigned to each pressure is determined by the materiality assessment — practices associated with a given pressure are only activated if that pressure is material for the company (for more details please refer to weighting part). This dynamic weighting ensures that the scoring reflects the company's actual impact profile. Pressure reduction accounts for 80% of the indicator score, with weightings varying by pressure. Biodiversity management accounts for the remaining 20%.

A company may implement biodiversity-positive practices not explicitly listed in the maturity matrices. In such cases, the analyst shall determine the appropriate performance level based on the practices implemented and their expected contribution to biodiversity

2.3 BIODIVERSITY CAPEX

SHORT DESCRIPTION OF THE INDICATOR

An analysis of the share of CAPEX that measurably reduce negative impacts on nature or increase positive contributions to ecosystems.

DATA REQUIREMENTS

The relevant data for this indicator are:

- Share of CAPEX in biodiversity-friendly technologies (out of total CAPEX, M$/M$) planned over the past 3 years.

HOW THE ASSESSMENT WILL BE DONE

The assessment will assign a maturity score based on the company's share of planned biodiversity-friendly CAPEX, expressed in a maturity matrix.

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned
Nature positive CAPEX ratio	Score is weighted as follow: % of NPCR/30%				NPCR is above 30%
Score	**0**	**0.25**	**0.5**	**0.75**	**1**

Guidance for Defining Nature-Positive CAPEX (Numerator)

- Only **CAPEX** can be included (excludes all R&D OPEX).
- Eligible CAPEX must show a **clear and primary contribution** to reducing at least one IPBES biodiversity pressure: land/sea-use change, direct exploitation, pollution, climate impacts on ecosystems, or invasive species.
- All CAPEX included must pass a **DNSH test** to ensure it does not significantly worsen another environmental dimension (cf ESRS environmental categories E1, E2, E3, E5).
- CAPEX whose purpose is purely compliance or routine efficiency is **not included**, unless it clearly goes beyond compliance and produces measurable nature benefits.

- R&D OPEX is **always excluded**, to maintain accounting consistency and avoid sectoral bias; only infrastructure-related R&D CAPEX is eligible under the same IPBES + DNSH rules.

In other word, CAPEX to be included are listed hereafter:

Nature-Positive CAPEX (numerator) should include **CAPEX that reduces pressures or rehabilitate**, through:

- Reducing land/sea-use change
- Reducing direct exploitation
- Reducing pollution
- Reducing climate stress on ecosystems
- Reducing invasive species risks
- Supporting nature-based solutions
- Supporting sustainable sourcing infrastructure
- Supporting biodiversity monitoring and risk management
- Supporting nature-positive R&D infrastructure (CAPEX only)

Excluded:

- All R&D OPEX
- All compliance-only CAPEX (unless going beyond compliance)
- CAPEX with unclear or indirect biodiversity benefits

This maturity matrix is indicative but does not show all possible options that can result in a particular score. Companies' responses will be scrutinized by the analyst and then placed on the level in the matrix where the analyst deems it most appropriate.

Guidance: to be categorized as nature positive CAPEX we esteem the latter shall follow the DNSH principle on the **protection and restoration of biodiversity and ecosystems**, as defined in the **EU Taxonomy Regulation** and its **Delegated Acts** (notably Delegated Regulation EU 2021/2139) and further guidance detailed after:

As so, each CAPEX spending shall respect the following verbatim: 'For sites/operations located in or near biodiversity-sensitive areas (including the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas, as well as other protected areas), an appropriate assessment, where applicable, has been conducted and based on its conclusions the necessary mitigation measures are implemented.'

RATIONALE OF THE INDICATOR

The thresholds selected in this indicator are the same that in the ACT Generic methodology for climate as the biodiversity-friendly technologies includes a lot of different things such as low-carbon technologies, systems to reduce water consumption, system for managing consumption of polluting products, optimized purchasing of high-impact commodities, systems to improve land management…A biodiversity-friendly technology can be implemented for other reasons than for reducing impact on biodiversity. They can be tools to improve the management and the efficiency of the company.

A nature positive CAPEX must be widely considered to contribute substantially to limit or reduce impact on biodiversity.

Module 3: Intangible investment

It is not enough for the company to only invest in its tangible or material assets. Module 3, “Intangible investment”, assesses the company’s investments in intangible assets such as research and development (R&D) and personal training. Companies in many sectors state that the development of new technologies or biodiversity-friendly products is essential for them to transition, and these indicators give an indication of the level of commitment to new technologies and work practices.

3.1 R&D SPENDING IN BIODIVERSITY PROTECTION

SHORT DESCRIPTION OF THE INDICATOR

A measure of the ratio of R&D costs/investments in technologies with no or less impacts on biodiversity (named nature positive in this indicator). The indicator identifies the ratio between the company’s R&D nature positive Opex and total R&D spendings. The compulsory compensation is not included.

DATA REQUIREMENTS

The relevant data for this indicator are:

- R&D costs/investments as nature positive
- Total R&D costs/investments of the company

HOW THE ASSESSMENT WILL BE DONE

R&D investment share: The assessment is based on the ratio of the company’s ‘R&D expenditure on biodiversity-friendly technologies over the last 3 years’ to the company’s ‘total capital expenditure in R&D over the last 3 years.

Defining Nature positive R&D:

Nature-positive R&D refers to all research and development activities—whether early-stage research, applied innovation, or pilot testing—whose primary purpose is to reduce direct pressures on biodiversity or to improve the state of ecosystems. These activities must demonstrably aim to mitigate at least one of the five IPBES pressures (land/sea-use change,

direct exploitation, pollution, climate impacts on ecosystems, invasive species), and must pass a Do No Significant Harm check to ensure they do not create significant adverse effects on other environmental dimensions.

Importantly, only capitalized R&D investments (e.g., pilot facilities, testing equipment, lab infrastructure) can be included in CAPEX-based indicators, while R&D OPEX remains outside the scope of CAPEX assessments. Thus, nature-positive R&D is defined by its intent (biodiversity benefit), its scientific alignment (IPBES pressures), and its safeguards (DNSH), and not simply by the fact that it belongs to a research budget.

Example

Included

- Research program on biodegradable or low-toxicity chemicals → reduces pollution
- R&D on water-efficient industrial processes → reduces ecosystem stress
- Development of new bio-based feedstocks that lower land-use or exploitation pressure
- Pilot plant investment for green chemistry innovation (capitalized R&D)

Excluded

- R&D on new products with no biodiversity benefit
- R&D improving efficiency or cost only, without reducing an IPBES pressure
- R&D that lowers pollution but significantly increases water withdrawals (fails DNSH)

FINAL SCORE

The ratio will be compared to the maturity matrix developed to guide the scoring and a greater number of points will be allocated for companies indicating a higher level of maturity, which means a higher share in R&D costs/investments in these technologies.

The maturity matrix is provided below:

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned
What is the share of R&D nature positive Opex compared to the total R&D costs/investments?	Below 5% of total R&D investments	Between 5% to 15% of total R&D investments	Between 15% to 25% of total R&D investments	Between 25% to 30% of total R&D investments	Above 30% of total R&D investments

Score	0	0.25	0.5	0.75	1

RATIONALE OF THE INDICATOR

Nature positive R&D is included in this methodology for the following reasons:

- To enable the transition, sectors that have a high impact on biodiversity relies heavily on the development of biodiversity-friendly solutions to replace its currently high impacting systems
- R&D is the main proactive action to develop these technologies and demonstrates commitment by companies
- R&D is also one of the main tools to reduce the costs of a technology in order to increase its market penetration
- Aside from technology, companies can also invest into R&D on operational practices to optimize the impact's reduction on biodiversity where they have direct responsibility

R&D spending—unlike CAPEX—reflects a company's **future product pipeline**, not its physical assets. In the biodiversity context, the ability to innovate (new materials, low-toxicity products, circularity, pollution-reducing technologies) is a major lever for transition.
So measuring biodiversity aligned R&D sends a signal about whether a company is:

- investing in future solutions,
- preparing to replace harmful chemicals or processes,
- shifting innovation spending toward nature-positive pathways.

As no benchmarks are available for assessing the share of R&D costs/investments in biodiversity-friendly technologies compared to the total R&D costs/investments, thresholds have been used instead.

Expenditures over the 3 last years are used for the indicator to consider that expenditure for major R&D projects may not be linear over years.

3.2 INVESTMENTS IN HUMAN CAPITAL - TRAINING

SHORT DESCRIPTION OF THE INDICATOR

This indicator is an assessment of the quality of the training framework of the company on biodiversity related issues.

DATA REQUIREMENTS

The relevant data for this indicator are:

- Total number of employees
- Number of employees receiving climate-related training
- Total costs of employees' training
- Costs of biodiversity-related training
- Biodiversity training nature (informative vs. certification, remote vs. presential)
- Pedagogical/biodiversity training capabilities roadmap
- Board members trained

HOW THE ASSESSMENT WILL BE DONE

Dimensions assessed:

- The share of employees receiving a biodiversity-related specific training
- The share of training costs relative to biodiversity-related training
- Biodiversity-related plan and upskilling program

Some examples of biodiversity-related trainings are given in the following list:

- Training on analysis of impacts and dependencies on biodiversity
- Training on key metrics to assess and appraise a credible and robust biodiversity strategy
- Training on biodiversity loss general issues. The best score is obtained if biodiversity related specific training is available broadly in the company for the majority of its employees
- Training on current and future regulations that apply to company on biodiversity.

The analyst will seek evidence of an ambitious biodiversity training strategy, in order to assess both biodiversity training quality and ambition. The ratio will be compared to the maturity matrix developed to guide the scoring and a greater number of points will be allocated for the company that indicate a higher level of maturity. The matrix is provided below:

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting

Share of employees receiving biodiversity-related specific training	Below 10% of employees	Between 10% and 20% of employees and must include Level 1 people	Between 20% and 30% of employees and must include level 1 people	Between 30% and 50% of employees and must include level 1 and 2 people	Above 50% of employees and most are level 1 and 2 people	30%
Share of training costs for specific biodiversity-related training, compared to total training costs	Below 5% of training costs	Between 5% and 10% of training costs	Between 10% and 15% of training costs	Between 15% and 20% of training costs	Above 20% of training costs	10%
Training schemes quality	None	Information provided show isolated exemples of quality training schemes as described in next levels	Training includes an assessment/verification process for the participants	Training includes an assessment/verification process for the participant AND provides applied learning experiences	Training leads to certification/label AND provides applied learning experiences	20%
Development plan	None	Has identified knowledge and skill gaps to address to drive the transition	Has a comprehensive development plan of capabilities including internal staff training, recruiting experts	Has a comprehensive development plan of capabilities including internal staff training, recruiting experts AND has allocated technical and	Has a comprehensive development plan of capabilities including internal staff training, recruiting experts AND Has allocated technical and	40%

				financial resources to it OR has reorganised teams if needed to better align biodiversity expertise and business lines specificities OR offers specific upskilling program to keep up/support the different business lines	financial resources to it AND Has reorganised teams if needed to better align biodiversity expertise and business lines specificities AND It offers specific upskilling program to keep up/support the different business lines	
Score	**0**	**0.25**	**0.5**	**0.75**	**1**	

Level 1

Highest level of accountability or decision-making within the organization, with responsibility for overall organizational or corporate strategic direction.

→ Examples: Board of management, sub-set of the Board, Chief Executive Officer (CEO)

Level 2

Person/committee that is one step in the corporate structure from the highest level of decision-making of the organization (i.e. reports to or is accountable to Level 1). Inputs into organizational strategy but does not make decisions on it

OR

May have responsibility and accountability for business unit strategy formation and implementation of one or more business units.

→ Examples: Vice President, Director, other C-Suite officer (e.g., Chief Financial Officer (CFO), Chief Procurement Officer (CPO), Chief Risk Officer (CRO), Chief Operating Officer (COO), Chief Sustainability Officer (CSO), other committee appointed by the Board, etc.

Level 3

Person/committee that is two steps in the corporate structure from the highest level of decision-making of the organization. May have responsibility and accountability for business unit strategy formation and implementation for one business unit.

→ Examples: Manager, Senior Manager

Level 4

Person/committee that is three or more steps in the corporate structure from the highest level of decision-making of the organization. No responsibility or accountability for business unit strategy development.

→ Examples: Officer, Senior Officer

RATIONALE OF THE INDICATOR

Investments in human capital are included in the ACT Biodiversity assessment for the following reasons:

- Companies need to onboard their teams in order to increase their probability of having impact through their business activities
- Reducing impact on biodiversity in the real economy can be obtained through a better understanding from all employees and the consequences (positive or negative) of their operations, and training is needed to change practices and mentalities
- Training teams on biodiversity-related subject can empower them to better operationalize the commitments made at the Board level
- Training should be available broadly in the company to engage everyone and build a common purpose within the company
- Not only at the Board level, but at all operational levels (front office), companies need important new capabilities through both upskilling and hiring

Module 4: Upstream activities

4.1 TREND IN PAST UPSTREAM BIODIVERSITY IMPACTS

STATE OF NATURE IMPROVEMENT

TRANSVERSAL APPROACH: STATE OF NATURE IMPROVEMENT

Likewise, the preliminary notice on the Module 1, this matrix assesses how companies monitor improvements in the state of nature across their priority areas. The aim here is not to measure performance against a pressure-reduction target. Instead, it is to document observed changes in nature state indicators over a five-year window — from RY-5 to the reporting year — in line with the principle of long-term monitoring.

The same quality requirements apply to the indicators used: science-based, responsive, flexible, aligned, accessible and affordable, and auditable.

The hereafter maturity matrix on state of nature will apply on each subdimension target and will represent 20% the total subdimension target aggregated scoring.

Evaluation level	Basic	Advanced	Biodiversity aligned
Target	The company shows no improvement in its nature state indicators on priority sites between RY-5 and the reporting year.	The company demonstrates a measurable improvement in nature state indicators on 10 % of priority sites between RY-5 and the reporting year.	The company demonstrates a measurable improvement in nature state indicators across all priority sites between RY-5 and the reporting year
Score	**0**	**0.5**	**1**

4.1.1 NO CONVERSION OF NATURAL ECOSYSTEMS

SHORT DESCRIPTION OF THE INDICATOR

A measure of the alignment of the past trend of the company's CDF commitment and policy.

DATA REQUIREMENTS

The relevant data for this indicator are:

- Sourcing area and volumes of conversion-driving commodities purchased/sourced
- Hectares converted or deforested from each area since cut-off date (no later than 2020) to reporting year

HOW THE ASSESSMENT WILL BE DONE:

- To assess whether land conversion has occurred, land use change events are considered over an assessment period lasting from a **base year** until the present according to the SBTN Land guidance . After the base year (named cut-off date in the SBTN guidance), the following commodities: cattle, cocoa, coffee, oil palm, rubber, soya, wood (i.e. products listed in Annex 1 of the Regulation on Deforestation-Free Products (EUDR)) shall be sourced from areas known to be conversion free. This base year **must not be later than 2020**. In this dimension, we will work with the base year (that cannot be later than 2020) and not with the reporting year, as in the other dimensions of this indicator.
-
- "As downstream companies do not have direct control over production units, a downstream the No Conversion target as long as 95% of their purchased commodity in a given year is sourced from areas that demonstrate no conversion".Conversion shall be assessed cumulatively over time. Multiple small instances of conversion that in total exceed the threshold are considered non-compliant. Mandatory offsets are not taken into account.
- The maturity matrix used for this dimension is the following. It is adapted from the SBTN target "No conversion of natural ecosystems".
-

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting
Performance	No data AND/OR More than 5% of the volume of commodities		The company is sourcing 100% of volumes of conversion-driving commodities* from areas known to be conversion-free from 2020 for commodities sourced from		The company is sourcing 100% of volumes of conversion-driving commodities* from areas known to be conversion-free from 2020 for commodities sourced from	70%

	sourced is coming from conversion hotspots AND/OR the company hasn't done any remediation		forest and conversion hotspots and for all other commodities. The company remains compliant whether 95% of their purchased commodity in a given year is sourced from areas that demonstrate no conversion BUT The company has been remediating partially past conversion occurring between 2020 cut-off date and the reporting year.		forest and conversion hotspots and for all other commodities. The company remains compliant whether 95% of their purchased commodity in a given year is sourced from areas that demonstrate no conversion AND the company has been remediating all past conversion occurring between 2020 and the reporting year.	
Monitoring (including due diligence), reporting, Verification (MRV)	Minimal due diligence processes, no systematic tracking or verification, no geolocation data collection, limited or no monitoring of deforestation risks, no public reporting, and no engagement or training for suppliers on compliance requirements.	Basic due diligence for key suppliers with some geolocation data collection, limited monitoring of deforestation and forest degradation risks, reliance on supplier-provided information for verification, initial public reporting on selected commodities, and limited engagement and training with key suppliers.	Comprehensive due diligence processes covering high-risk suppliers, geolocation data collection for 50-70% of supply chain, structured risk assessments for high-impact commodities, regular third-party verification, consistent public reporting on compliance progress, and regular engagement and training with 50-70% of	Robust due diligence and geolocation traceability covering 80-90% of supply chain, automated monitoring and risk assessment systems for high-impact commodities, comprehensive third-party verification and validation of compliance claims, detailed and frequent public reporting, and strong engagement with 80-90% of suppliers through standardized compliance training and collaboration.	The company is required to perform proper due diligence to guarantee that the imported high impact commodities is not linked to land deforested, or forest degraded after 31 December 2020, and that the sourcing and production of these commodities comply with relevant local regulations. This is valid both when the company directly imports or via third parties.	30%

			suppliers on deforestation compliance standards.		It means that the company is required to collect the geolocation of all plots of land and date/time range of production, among other information, to perform due diligence. The company will need an in-depth understanding of its supply chains on these HIC.	
Score	**0**	**0.25**	**0.5**	**0.75**	**1**	

*oil palm, cattle, soy, wood, cocoa, coffee, rubber

RATIONALE OF THE DIMENSION:

While ACT aims to be as future-oriented as possible, it does not want to rely solely on projections, in a way that would make the analysis too vulnerable to the uncertainty of those projections. Therefore, this measure forms part of a holistic view of company's reduction impact on biodiversity in the past, present, and future.
This indicator is future-relevant by providing information on the organizational capability of the company to reduce its deforestation and conversion and to remediate to its past conversion.
It is not possible to calculate a transition ratio for this dimension, as the target is very binary. It was therefore decided to assess this dimension using a maturity matrix based on the SBTN target and the EUDR (23) that says that a company should source 100% of volumes of commodities from areas known to be conversion-free from 2020.

4.1.2 LAND AREA |REDUCTION IN UPSTREAM LAND FOOTPRINT

SHORT DESCRIPTION OF THE INDICATOR

This indicator assesses the extent to which the company is reducing the land footprint associated with its upstream activities and supply chains over time. It evaluates how the company is helping to limit land conversion, habitat degradation, and ecological pressures linked to the production of raw materials, agricultural commodities, and other sourced inputs.

DATA REQUIREMENTS

The relevant data for this indicator are:

- Statistical (non-spatial) data on quantities of land-based products sourced, locations (e.g., countries and/or subnational jurisdictions) if known, and yield (output per hectare) of each product for each location
- Total land area in agriculture and/or forestry in sourcing area for upstream activities.
- Amount of land area in production for commodity of interest in sourcing area
- Total area of expansion of agriculture and/or forestry production in the upstream activities since cutoff date and in each year of the assessment period.
- Expansion of production area of commodity of interest in its upstream activities since cutoff date and in each year of the assessment period.

Land footprint from upstream impacts of high impact commodities from cut-off date to reporting year (ha)

HOW THE ASSESSMENT WILL BE DONE

See above ("How the assessment will be done" part) to know how to calculate the score.

RATIONALE OF THE DIMENSION:

Trend in past land footprint from upstream impacts shows the speed at which the company has been reducing its impact through its upstream activities over the recent past. Comparing this to the land footprint reduction pathway gives an indication of the speed of the change that needs to be made within the company value chain activities to bring it onto a biodiversity-aligned pathway.

While ACT aims to be as future-oriented as possible, it does not want to rely solely on projections, in a way that would make the analysis too vulnerable to the uncertainty of those projections. Therefore, this measure forms part of a holistic view of company's reduction impact on biodiversity in the past, present, and future.

This indicator is future-relevant by providing information on the organizational capability to deliver biodiversity impact reductions that are aligned with the benchmark.

4.1.3 LAND AREA | NATURAL LAND COVER

SHORT DESCRIPTION OF THE INDICATOR

Measuring trend in past on the natural land cover upstream priority sites of activities

DATA REQUIREMENTS

The relevant data for this indicator are:

- Natural land cover on priority sites from RY-5 to reporting year (%)
- See above (“How the assessment will be done” part) to know how to calculate the score.

Coverage shall be 10% of total ecoregion so the score here shall be weighted by the comprehensiveness of this coverage: measuring the distance to 10% as a 100 basis and then computing it with the trend score (automatically done in the tool).

RATIONALE OF THE DIMENSION:

This dimension captures whether natural ecosystems within priority areas are being maintained, restored, or further degraded over time through its value chain. Tracking trends in natural land cover provides an essential signal of landscape integrity, ecosystem functioning, and the effectiveness of conservation or land-use practices. Because ecological resilience depends on preserving a minimum share of natural habitat within each ecoregion, the indicator also integrates the extent of spatial coverage (toward the 10% target). Combining trend and coverage allows a more accurate assessment of whether the company’s actions are contributing to stabilizing or improving natural habitat conditions in the areas that matter most for biodiversity.

4.1.4.5.6 LAND QUANTITY | SOIL ORGANIC CARBON, SOIL EROSION & TERRESTRIAL ACIDIFICATION

Optional) Companies can follow the direct operations approach if they have the requisite traceability and data

4.1.7 LANDSCAPE ENGAGEMENT

SHORT DESCRIPTION OF THE INDICATOR

The purpose of landscape engagement is to support regenerative, restorative, and transformative actions within landscapes. In line with the Accountability Framework initiative (2024), these guidelines define a landscape initiative as a multi-stakeholder process operating within a specific landscape that aims to establish shared objectives, implement collective actions, and track progress toward improved social, environmental, and economic outcomes, while balancing diverse interests at the landscape scale.

DATA REQUIREMENTS

- Location of prioritized landscapes for engagement

- Selected landscape level metrics
- **Area (absolute and percentage) of loss, gain and net change in extent of landscape/seascape natural ecosystems (ha, %)**
- **Value and change in structural and functional connectivity between natural ecosystems**
- **Species extinction risk measurement showing the contributions of the landscape to the global extinction risk of threatened species present**

HOW THE ASSESSMENT WILL BE DONE

The purpose of landscape engagement is to support regenerative, restorative, and transformative actions within landscapes. In line with the Accountability Framework initiative (2024), these guidelines define a landscape initiative as a multi-stakeholder process operating within a specific landscape that aims to establish shared objectives, implement collective actions, and track progress toward improved social, environmental, and economic outcomes, while balancing diverse interests at the landscape scale.
As mentioned in module 1, companies should choose appropriately aligned indicators to measure and track progress in their landscape initiative.

The analysis is based on the comparison between the company's recent (RY-5) trend gradient (CR'_{XX}) and the company's benchmark trend gradient (CB'_{XX}) in the short-term (RY+5).

CR'_{XX} is the gradient of the linear trend-line of the company's recent pathway over time.

CB'_{XX} is the gradient of the linear trend-line of the company benchmark pathway. See section **Erreur ! Source du renvoi introuvable.**. **Erreur ! Source du renvoi introuvable.**for details on the computation of the company benchmark pathway.

The difference between CR'_{XX} and CB'_{XX} will be measured by their ratio (r). This is the transition ratio, which is calculated by the following equation:

$$r = \frac{CR'_{XX}}{CB'_{XX}}$$

RATIONALE OF THE DIMENSION

Landscape-level metrics provide critical context for assessing the state of nature at site level and are essential to ensuring that biodiversity performance is interpreted accurately and comprehensively. They support the design of more effective site-level actions, foster collaboration at the ecological scale most relevant for achieving nature-positive outcomes, and offer a practical entry point for applying biodiversity metrics in value chains where site-level traceability remains limited. In addition, these metrics help external stakeholders better understand the significance of observed site-level trends and enable the identification of potential leakage effects, whereby environmental impacts are displaced from the site to surrounding areas.

4.1.8 DIRECT EXPLOITATIONS: REDUCTION OF WATER WITHDRAWALS | SURFACE WATER & GROUNDWATER

SHORT DESCRIPTION OF THE INDICATOR

Measurement of the performance of the company through its upstream activities and their link/impact to water consumption.

DATA REQUIREMENTS

The relevant data for this indicator are:

- Upstream water withdrawals from RY-5 to reporting year

HOW THE ASSESSMENT WILL BE DONE

The maturity matrix used for this dimension is the following It is adapted from the SBTN “Freshwater qualitity” target :

Evaluation level	Basic	Advanced	Biodiversity aligned
Target	The company has not reduced its upstream water withdrawals in priority basins between RY-5 and the reporting year	The company has reduced its upstream water withdrawals in priority basins between RY-5 and the reporting year, but the observed rate of reduction demonstrates it is not on track to achieve the target it set at RY-5	The company has reduced its upstream water withdrawals in priority basins between RY-5 and the reporting year, with an observed rate of reduction demonstrating it is on track to achieve the target it set at RY-5
Score	**0**	**0.5**	**1**

RATIONALE OF THE DIMENSION

The rationale for focusing on upstream water withdrawals is that, for many sectors, the majority of water-related impacts occur within supply chains rather than in direct operations. Measuring changes in withdrawals over time therefore provides insight into the company’s ability to influence suppliers, improve sourcing practices, and reduce dependency on unsustainable water use.

The indicator is aligned with the logic of the Science Based Targets Network (SBTN) freshwater framework, which emphasizes: prioritization of water-stressed or ecologically sensitive basins, measurable reductions in water pressures, and alignment between observed performance and long-term science-based targets.

By comparing observed reductions against the trajectory required to meet previously established targets, the indicator evaluates not only current performance but also the robustness and implementation credibility of the company’s freshwater transition pathway.

4.1.9. REDUCTION OF HIGH IMPACT COMMODITIES

SHORT DESCRIPTION OF THE INDICATOR

This indicator assesses the extent to which the company is reducing the quantity of high-risk natural commodities sourced from terrestrial, freshwater, and marine ecosystems through its upstream value chain. It aims to evaluate the company's progress in decreasing its dependence on commodities associated with significant biodiversity pressures and ecosystem degradation.

DATA REQUIREMENTS

The relevant data for this indicator are:

- Targets information about reduction of quantity of high-impact commodities material on resource use and sourced from land/ocean/freshwater in upstream operations from RY-5 to reporting year

HOW THE ASSESSMENT WILL BE DONE FOR FISHERIES:

- The maturity matrix used for this dimension is the following:

Evaluation level	Basic	Advanced	Biodiversity aligned	Weighting
Reduction of fishes sourcing	The company hasn't reduced its procurement from fisheries activities from RY-5 to reporting year OR The company has increased its fisheries from RY-5 to reporting	The company has reduced its procurement from fishing activities FOR SOME SPECIES ONLY from RY-5 to reporting year, with an annual percentage that will enable it to meet the 2030 target if it continues with the same annual percentage reduction from now until 2030 OR The company has reduced its fishing activities FOR SOME SPECIES ONLY from RY-5 to reporting year but with an annual percentage that can't enable it to meet the 2030 target if it continues with the same annual percentage reduction from now until 2030 OR	The company has reduced its procurement from fishing activities FOR ALL SPECIES from RY-5 to reporting year, with an annual percentage that will enable it to meet the 2030 target if it continues with the same annual percentage reduction from now until 2030	70 %

Evaluation level	Basic	Advanced	Biodiversity aligned	Weighting
		The company has reduced its fishing activities FOR ALL SPECIES from RY-5 to reporting year but with an annual percentage that can't enable it to meet the 2030 target if it continues with the same annual percentage reduction from now until 2030		
Bycatch	The company/companies it is buying fish from hasn't reduced its bycatch from RY-5 to reporting year OR The company has increased its bycatch from RY-5 to reporting	The company/companies it is buying fish from has reduced its bycatch FOR SOME SPECIES ONLY from RY-5 to reporting year, with an annual percentage that will enable it to meet the 2030 target if it continues with the same annual percentage reduction from now until 2030 OR The company has reduced its bycatch FOR SOME SPECIES ONLY from RY-5 to reporting year but with an annual percentage that can't enable it to meet the 2030 target if it continues with the same annual percentage reduction from now until 2030 OR The company has reduced its bycatch FOR ALL SPECIES from RY-5 to reporting year but with an annual percentage that can't enable it to meet the 2030 target if it continues with the same annual percentage reduction from now until 2030	The company/companies it is has reduced its bycatch FOR ALL SPECIES from RY-5 to reporting year, with an annual percentage that will enable it to meet the 2030 target if it continues with the same annual percentage reduction from now until 2030	30%
Score	**0**	**0.5**	**1**	

HOW THE ASSESSMENT WILL BE DONE FOR MEDICINAL AND AROMATIC PLANTS:

- The maturity matrix used for this dimension is the following:

Evaluation level	Basic	Advanced	Biodiversity aligned	Weighting
Target	The company hasn't reduced its quantity of aromatic/medicinal plants bought from RY-5 to reporting year	The company has reduced its quantity of aromatic/medicinal plants bought from RY-5 to reporting year, with an annual percentage that can't enable it to meet the 2030 target if it continues with the same annual percentage reduction from now until 2030	The company has reduced its quantity of aromatic/medicinal plants bought from RY-5 to reporting year, with an annual percentage that will enable it to meet the 2030 target if it continues with the same annual percentage reduction from now until 2030	100%
Score	**0**	**0.5**	**1**	

Evaluation level	Basic	Advanced	Biodiversity aligned	Weighting
Reduction of HIC	The company has increased its sourcing of high impact commodities from RY-5 to reporting OR No data/disclosure	The company has reduced the quantity of high-impact commodities materials on resource use from land/ocean/freshwater in its upstream activities but with an annual percentage that can't enable it to meet its target if it continues with the same annual percentage reduction from now until target date	The company has reduced the quantity of high-impact commodities materials on resource use from land/ocean/freshwater in its upstream activities from RY-5 to reporting year, with an annual percentage that will enable it to meet its target if it continues with the same annual percentage reduction from now until the target date	100%
Score	**0**	**0.5**	**1**	

RATIONALE OF THE DIMENSION

While ACT aims to be as future-oriented as possible, it does not want to rely solely on projections, in a way that would make the analysis too vulnerable to the uncertainty of those projections. Therefore, this measure forms part of a holistic view of company's reduction impact on biodiversity in the past, present, and future.
This indicator is future-relevant by providing information on the organizational capability to deliver biodiversity impact reductions that are aligned with the benchmark.
It is not possible to calculate a transition ratio for this dimension, as there is no quantitative target. It was therefore decided to assess this dimension using a maturity matrix based on the transition ratio principle. The annual percentage of decrease (or increase) in resource use between the RY-5 and the reporting year will be calculated by the consultant, and this result will then be extrapolated to analyse whether, by following the trend of the last 5 years into the coming years, the company will be able to achieve its objectives in 2030. As there is no quantitative target, the intermediate case of reducing high impact commodities sourcing without achieving the objectives cannot be quantified in detail. It was therefore decided to assign it an arbitrary score of 0.5, even if this entails a bias: a company will have the same score whether it is close to or far from achieving its reduction targets.

4.1.10 TREND IN PAST EMISSIONS SCOPE 3

SHORT DESCRIPTION OF THE INDICATOR

A measure of the alignment of the past trend of the company's scope 3 emissions with the low-carbon benchmark pathway. The indicator will compare the gradient of this trend over a 5-year period to the reporting year (reporting year minus 5 years) with the low-carbon benchmark pathway trend over a 5-year period after the reporting year.

DATA REQUIREMENTS:

The relevant data for this indicator are:

Total scope 1+2 emissions and activity from RY-5 to reporting year

See above ("How the assessment will be done" part) to know how to calculate the score.

RATIONALE OF THE DIMENSION:

Trend in past emissions shows the speed at which the company has been reducing its absolute emissions over the recent past. Comparing this to the decarbonization pathway gives an indication of the speed of the change that needs to be made within the company to bring it onto a low-carbon pathway. While ACT aims to be as future-oriented as possible, it does not want to rely solely on projections, in a way that would make the analysis too vulnerable to the uncertainty of those projections. Therefore, this measure, along with projected emissions intensity and absolute emissions, forms part of a holistic view of company emissions performance in the past, present, and future. This indicator is future-relevant by providing information on the organizational capability to deliver emissions reductions that are aligned with the benchmark (see section Benchmarks).

4.1.11 REDUCTION OF NUTRIENTS EXCESS

SHORT DESCRIPTION OF THE INDICATOR

This indicator assesses the extent to which the company is reducing upstream freshwater pollution pressures linked to nutrient loads and toxic chemical discharges, particularly in priority basins where ecosystems are vulnerable to water quality degradation. It is based on the principle that nutrient pollution and hazardous chemical releases are among the main drivers of freshwater biodiversity loss and ecosystem dysfunction.

DATA REQUIREMENT

The relevant data for this indicator are:

- Upstream nutrient load reduction target set at RY-5 and timeline
- Upstream toxic chemical discharge reduction target set at RY-5 and timeline

HOW THE ASSESSMENT WILL BE DONE

NUTRIENTS

The maturity matrix used for this dimension is the following. It is adapted from the SBTN “Freshwater quality” target.

Evaluation level	Basic	Advanced	Biodiversity aligned
Target	The company has not reduced its upstream nutrient loads (N and/or P) in priority basins between RY-5 and the reporting year	The company has reduced its upstream nutrient loads (N and/or P) in priority basins between RY-5 and the reporting year, but the observed rate of reduction demonstrates it is not on track to achieve the target it set at RY-5	The company has reduced its upstream nutrient loads (N and/or P) in priority basins between RY-5 and the reporting year, with an observed rate of reduction demonstrating it is on track to achieve the target it set at RY-5
Score	**0**	**0.5**	**1**

4.1.12 REDUCTION OF TOXIC CHEMICALS

SHORT DESCRIPTION OF THE INDICATOR

This indicator assesses the extent to which the company is reducing ecotoxicological pressures from chemical substances used across its upstream supply chain. It is based on the principle that hazardous chemical releases — including highly hazardous pesticides and toxic point-source discharges — are among the main drivers of biodiversity loss and ecosystem dysfunction in both aquatic and terrestrial environments.

DATA REQUIREMENT

The relevant data for this indicator are:

- Upstream toxic chemical discharge reduction target set at RY-5 and timeline

HOW THE ASSESSMENT WILL BE DONE

The maturity matrix used for this dimension is the following. It is adapted from the SBTN “Freshwater quality” target.

TOXIC CHEMICALS

Evaluation level	Basic	Advanced	Biodiversity aligned
Target reduction of toxic chemicals (non-HPP)	The company has not reduced its upstream toxic chemical discharges into priority basins between RY-5 and the reporting year	The company has reduced its upstream toxic chemical discharges into priority basins between RY-5 and the reporting year, but the observed rate of reduction demonstrates it is not on track to achieve the target it set at RY-5	The company has reduced its upstream toxic chemical discharges into priority basins between RY-5 and the reporting year, with an observed rate of reduction demonstrating it is on track to achieve the target it set at RY-5
Score	**0**	**0.5**	**1**
Evaluation level	**Basic**	**Advanced**	**Biodiversity aligned**
Phase-out of HPP	The company has not reduced its upstream HPP discharges into priority basins between RY-5 and the reporting year	The company has reduced its upstream HPP discharges into priority basins between RY-5 and the reporting year, but the observed rate of	The company has reduced its upstream HPP discharges into priority basins between RY-5 and the reporting year, with an observed rate of

		reduction demonstrates it is not on track to achieve full cessation by the deadline set in its target at RY-5	reduction demonstrating it is on track to achieve full cessation by the deadline set in its target at RY-5
Score	**0**	**0.5**	**1**

4.1.13 REDUCTION OF UPSTREAM PLASTIC USE

SHORT DESCRIPTION OF THE INDICATOR:

Measurement of the performance regarding the reduction of plastic use, aligning with the EU plastic act.

DATA REQUIREMENTS:

The relevant data for this indicator are:

- Targets information about reduction of plastic use in direct operations (kg or tons)
- Base year and target year
- Plastic used by the company per year (kg or tons) in direct operations at base year

TREND RATIO:

$$Trend\ ratio = \frac{Company's\ target\ trend}{Benchmark\ pathway\ trend} = \frac{XX_C(TY) - XX_C(BY)}{XX_B(TY) - XX_C(BY)}$$

Where:

- $XX_c(TY)$ is the company's plastic use at target year
- $XX_c(BY)$ is the company's plastic use at base year
- $XX_B(TY)$ is the company's benchmark plastic use at target year

See above ("How the assessment will be done" part) to know how to calculate the score.

Target year should not exceed five years from the base year.

RATIONALE OF THE DIMENSION:

This dimension quantifies the reduction of the company's plastic sourcing.

This dimension takes into account all types of plastic, not just virgin plastic, as the main impact on biodiversity concerns pollution linked to the end-of-life of plastic (waste in land/ocean), whatever the type of plastic. Anyway, it is important to encourage companies to use recycled plastic.

4.2 UPSTREAM PRODUCTION PRACTICES

SHORT DESCRIPTION OF THE INDICATOR

Assessing indirectly the production practices of the commodities sourced through the considerations of various parameters, including KBA (Key Biodiversity Areas) or hotspots, certifications and labels, circularity of the commodities and the traceability/% of commodities covered.

DATA REQUIREMENTS

The relevant data for this indicator are:

- Relevant certification of commodities sourced Information
- Hotspots area associated with sourcing
- Traceability data, coverage and volume of high impact commodities sources

HOW THE ASSESSMENT WILL BE DONE

The maturity matrix used for this dimension has been outsourced in the "**ACT Biodiversity Tools - MMs Production Practices**" file. The company can only choose a generic approach since we focus here on the upstream commodities.

RATIONALE OF THE INDICATOR

The rationale behind this indicator is to highlight how early-stage production practices—such as raw material extraction, resource sourcing, and supply chain activities—can affect biodiversity. In these sectors, upstream practices often lead to habitat destruction, pollution, and depletion of natural resources, all of which have direct consequences on biodiversity. By evaluating these upstream activities, the indicator identifies opportunities for companies to mitigate biodiversity risks, such as by transitioning to sustainable sourcing, reducing emissions, or improving resource efficiency. Understanding and addressing biodiversity impacts at this stage ensures that companies manage their dependencies on ecosystems while fostering the regeneration and protection of natural habitats essential for long-term sustainability.

The production practices selected are the most relevant and effective for maintaining biodiversity, based on the literature. However, it is possible for a company to implement biodiversity-friendly production practices that are not listed in the maturity matrices. In this case, it will be up to the consultant's expertise to decide in which level the company falls into, thanks to the practices implemented. This makes the indicator less objective, but at this stage it is impossible to make an exhaustive inventory of all biodiversity-friendly production practices implemented in all sectors.

Module 5: Management

The Management Module within the ACT Biodiversity method is a critical component designed to assess and guide how companies manage their impacts on biodiversity. Given the accelerating rate of biodiversity loss and the increasing pressure from governments, stakeholders, and consumers for corporate responsibility in environmental matters, it is essential that businesses adopt comprehensive management strategies to minimize their negative impacts on nature.

5.1 OVERSIGHT OF BIODIVERSITY ISSUES

SHORT DESCRIPTION OF THE INDICATOR

The company discloses that responsibility for biodiversity issues within the company lies at the highest level of decision making within the company structure.

DATA REQUIREMENTS

The relevant data for this indicator are:

- Environmental policy and details regarding governance
- The reporter shall provide details on where the highest level of direct responsibility for biodiversity within the organization is
- External sources of data may also be used for the analysis of this indicator.

HOW THE ASSESSMENT WILL BE DONE

Steering and integrating biodiversity into the overall corporate strategy requires accountability to be placed at the top of the organizational hierarchy. The benchmark case is met when biodiversity governance is embedded within the company's highest decision-making body.

The position at which biodiversity is managed within the company structure is determined from the company data submission and accompanying evidence. For small companies, or for cases in which the corporate structure does not match the structure of the maturity matrix, the analyst should assign a score based on the company's specific hierarchy (i.e., if responsibility for biodiversity preservation lies at the highest level of decision-making within the organization, award "Biodiversity-aligned". If responsibility lies one level below the highest level, award "Next practice", etc.).

The maturity matrix used for the assessment is the following:

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting
What is the position of the employee/ committee with highest responsibility for biodiversity issues?	No one in charge of biodiversity issues	Level 4 (see guidance)*	Level 3 (see guidance)*	Level 2 (see guidance)*	Level 1 (see guidance)*	100 %

* Further guidance for each level of seniority is given below:
    - Level 1
        - Highest level of accountability or decision-making within the organization, with responsibility for overall organizational or corporate strategic direction.

          Examples: Board, sub-set of the Board, Chief Executive Officer (CEO)
    - Level 2
        - Person/committee that is one step in the corporate structure from the highest level of decision-making of the organization (i.e. reports to or is accountable to Level 1). Inputs into organizational strategy but does not make decisions on it. May have responsibility and accountability for business unit strategy formation and implementation of one or more business units.

          Examples: Vice President, Director, other C-Suite officer (e.g., Chief Financial Officer (CFO), Chief Procurement Officer (CPO), Chief Risk Officer (CRO), Chief Operating Officer (COO), Chief Sustainability Officer (CSO), etc.), other committee appointed by the Board

- Level 3
  - Person/committee that is two steps in the corporate structure from the highest level of decision-making of the organization. May have responsibility and accountability for business unit strategy formation and implementation for one business unit.

    Examples: Manager, Senior Manager
- Level 4
  - Person/committee that is three or more steps in the corporate structure from the highest level of decision-making of the organization. No responsibility or accountability for business unit strategy development.

    Examples: Officer, Senior Officer

RATIONALE OF THE INDICATOR

Successful change within companies, such as reducing biodiversity pressures, requires strategic oversight and buy-in from the highest levels of decision-making within the company. Evidence of how biodiversity is addressed within the top decision-making structures is a proxy for how seriously the company takes biodiversity, and how well integrated it is at a strategic level. High-level ownership also increases the likelihood of effective action to address nature loss. Changes in strategic direction are necessarily future-oriented, which fits with this principle of the ACT initiative. Managing oversight of biodiversity issues is considered as a good practice.

5.2 BIODIVERSITY ISSUES OVERSIGHT CAPABILITY

SHORT DESCRIPTION OF THE INDICATOR

The board or executive management holds expertise in ecology and natural sciences, including and understandinf of the policy, technological and consumption-related drivers that may affect biodiversity and disrupt current business models. This expertise is drawn upon to inform to inform strategic decision-making on biodiversity at the highest level of the company.

DATA REQUIREMENTS

The relevant data for this indicator are:

- Environmental policy and details regarding governance
- The reporter shall identify the position of the individual or name of the committee with this responsibility and outline their expertise regarding nature and biodiversity

- External sources of data may also be used for the analysis of this indicator.

HOW THE ASSESSMENT WILL BE DONE

The presence of expertise on topics relevant to nature and biodiversity at the level of the individual or committee with overall responsibility for it within the company is assessed. The presence of expertise is the condition that must be fulfilled for points to be awarded in the scoring.

The analyst determines if the company has expertise as evidenced through a named expert biography outlining capabilities. **A cross check is performed against 5.1 on the highest responsibility for biodiversity, the expertise should exist at the level identified. To be awarded Biodiversity aligned, the company must provide examples of how the individual or committee's expertise has informed strategic investment planning and/or decision-making processes.**

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting
Does the individual or committee with oversight of biodiversity issues (as reported in indicator 5.1) have relevant biodiversity related expertise* ?	The employee/committe e does not meet any of the characteristics of biodiversity related expertise*.	The employee/committe e meets 1 of the characteristics of biodiversity related expertise	The employee/committe e meets 2 of the characteristics of biodiversity related expertise*.	The employee/committe e meets 3 or more of the characteristics of biodiversity related expertise*.	The employee/committee meets 3 or more of the characteristics of biodiversity-related expertise*. Expertise systematically informs strategic investment planning/decision making processes.	100%

*Characteristics of “biodiversity transition-related expertise” include:

- Academic/professional qualification related to biodiversity or environmental management, including an understanding of the impacts and risks, and the solutions to implement (e.g., Bachelors, Masters, Doctorate, professional certification, diploma, etc.)
- Recent (i.e., within last 10 years) professional experience related to biodiversity transition or broader environmental strategy (e.g., previous employment in biodiversity, or with a biodiversity transition-related organisation, etc.)
- Recent (i.e., within last 10 years)/active membership of organisation(s) driving corporate knowledge and action on biodiversity or environmentall transition (e.g., World Business Council For Sustainable Development, Solar Energy Industry Association, etc.)
- Technical knowledge related to biodiversity or environmental transition, evidenced through recently (i.e., within last 10 years) published outputs written by the individual/committee (e.g., statements, reports, etc.)

Where the company provides evidence of expertise that does not fall within the characteristics listed above, the analyst shall assess its relevance and, if deemed appropriate, map it agains this framework to award credit accordingly.

RATIONALE OF THE INDICATOR

Effective management of the nature transition requires specific expertise related to biodiversity and its impacts, and their likely direct and indirect effects on the business. Presence of this capability within or closely related to the decision-making bodies that will implement nature transition both indicates company commitment to that transition and increases the chances of success.

Even if companies are managing biodiversity preservation at the Board level or equivalent level, a lack of expertise could be a barrier to successful management of transition.

5.3 NATURE TRANSITION PLAN

SHORT DESCRIPTION OF THE INDICATOR

This indicator assesses the quality and maturity of a company's nature transition plan, the concrete roadmap through which it adapts its business model to biodiversity-related challenges. It covers eight dimensions: scope, measures of success, financial content, short- and long-term actions, integration of scenario analysis results, timescale, and review and reporting processes.

A nature transition plan is the operational document that turns biodiversity commitments into specific, quantified, and time-bound actions.

DATA REQUIREMENTS

The relevant data for this indicator are:

- Environmental policy and details regarding governance
- The reporter should provide the following description of the transition plan including the following details:
  - Whether the transition plan exists in a documented form and whether that document is public
  - How the results of scenario testing influenced the transition plan
  - Timescale for implementation of the transition plan
  - Who has responsibility for its implementation (at the strategic, not operational, level)
  - How successful implementation of the plan will be measured and monitored. (Should include details of any linked targets, emissions reduction or energy efficiency targets, or KPIs.)

HOW THE ASSESSMENT WILL BE DONE

A nature transition plan is a component of an organisation's overall business strategy. According to the joint Business for Nature and TNFD guidance *What are Nature Strategies and Nature Transition Plans?* (2024), it sets out an organisation's goals, science-based targets, actions, accountability mechanisms and intended resources to respond and contribute to the transition implied by the Kunming-Montreal Global Biodiversity Framework (GBF). Prioritised actions include avoiding and reducing negative impacts; protecting, conserving and restoring nature; transforming the underlying systems driving nature loss; and engaging with Indigenous Peoples, Local Communities and stakeholders. Nature transition plans are more detailed and structured than high-level nature strategies, which provide directional guidance on a company's approach to the nature transition. Both tools are expected to mature as methodologies and practices evolve.

In sum, **a nature transition plan is a strategic document** that articulates clear time-bound actions and implementation strategies which cover how the entity understands, intends to manage, achieve and reports against its transition towards operating within planetary boundaries. The plan should outline how the entity will pivot its business operations and entire business model to ensure that it will meet its objectives and align with local, domestic, and international nature targets, and the best environmental scientific knowledge. For practical guidance on developing credible nature transition plans (covering foundations, metrics and targets, implementation strategy, engagement, governance, and monitoring) entities can refer to WWF's Catalysing Change: The Urgent Need for Nature Transition Plans (WWF France, December 2024), which provides structured recommendations and use cases across high-impact sectors.

This module sub-indicator aims to leverage existing nature transition frameworks, such as those outlined in the European Sustainability Reporting Standards (ESRS E4), the Glasgow Financial Alliance for Net Zero (GFANZ), the Science Based Targets for Nature, and CDP. By adopting these structures, it aligns with a broader vision that emphasizes the interconnectedness of climate and nature.

The analyst evaluates the description and evidence of the nature transition plan for the presence of best practice elements and consistency with the other reported management indicators. The company description and evidence are compared to the maturity matrix developed to guide the scoring, and a greater number of points are allocated for elements indicating a higher level of maturity.

Among the best practice elements identified to date are:

- The plan includes financial projections
- The plan should include cost estimates or other assessments of financial viability as part of its preparation
- The description of the major changes to the business is comprehensive, consistent, aligned with other indicators
- Quantitative estimates of how the business will change in the future are included
- Costs associated with the plan (e.g. write-downs, site remediation, contract penalties, regulatory costs) are included
- Potential “shocks” or stressors (sudden adverse changes) have been taken into consideration
- Relevant region-specific considerations are included
- The plan’s measure of success is SMART, contains targets or commitments with timescales to implement them, is time-constrained or the actions anticipated are time-constrained
- The plan’s measure of success is quantitative
- The description of relevant testing/analysis that influenced the transition plan is included
- The plan is consistent with reporting against other ACT indicators
- The scope should cover entire business, and is specific to that business, or, at the very least, the activities with the most significant impact on biodiversity
- The plan should cover the short, medium and long terms. From now or the near future <5 years, until at least 2035 and preferably beyond (2050)
- The plan contains details of actions the company realistically expects to implement (and these actions are relevant and realistic)
- The plan is approved at the strategic level within the organisation
- Discussions about the potential impacts of a nature transition on the current business have been included
- The company has been carrying out a diagnosis of biodiversity impacts and identified related material risks

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting

Scope	Scope of nature transition plan is not defined.	Nature transition plan applies only to specific business units/operations (representing less than 50% of the company's most material/impactful activities).	Nature transition plan applies only to specific business units/operations (representing more than 50% of the company's most material/impactful activities).	Transition plan applies to all business units/operations.	Nature transition plan applies to all business units/operations and the rest of the value chain (upstream if it is material, downstream is optional). Any exclusions from the plan must not be material to the organization in terms of biodiversity impacts.	100%/9
Measure of success	No measure of success		At least one measure of success which is fully SMART* and contains both qualitative and quantitative elements.		More than one measure of success. All measures of success are fully SMART*, contain both qualitative and quantitative elements, and are aligned with nature based-scenarios.	100%/9
Financial content in plan	No financial content	Financial projections for transition, cost estimates or other estimates of financial viability are described but not quantified.	Financial projections for transition, cost estimates or other estimates of financial viability are quantified in some detail.	Quantitative estimations of how the business will change in the future are included. Costs associated with the plan (e.g., write-downs, site remediation, contract	Main financial changes anticipated for the company's transition are defined across all timescales and aligned with other indicators. The nature transition plan is integrated into the overall business	100%/9

				penalties, regulatory costs) are included.	strategy of the organization and linked to the profit and loss statement.	
Short-term actions (recent past up to reporting year + 5 years)	Contains no discussion of short-term actions.		Contains examples of short-term actions the company expects to implement.		Contains detailed descriptions of relevant and achievable short-term actions the company expects to implement to make the transition a reality.	100%/9
Long-term actions and vision (from reporting year + 5 years onwards)	Contains no discussion of long-term actions or vision.		Contains descriptions of long-term actions the company expects to implement to make the transition a reality.		Contains descriptions of long-term actions the company expects to implement to make the transition a reality. Contains a vision of what the far-future company could look like in terms of physical assets and business model.	100%/9
Implementation of results of scenario testing	No scenario integreated OR				The results of the company's scenario testing (as assessed in Indicator 5.5 –	100%/9

	The results of the company's scenario testing (as assessed in Indicator 5.5 – Scenario testing) have not informed the development of the company's transition plan.				Scenario testing) have informed the development of the company's transition plan.	
Transition plan timescale	Covers only short term, from reporting year until (RY + 3 years)	Covers only short and medium term, from reporting year until (RY + 4 to 10 years)	Covers short, medium and long term, from reporting year until (RY + 11 to 20 years)	Covers short, medium and long term, from reporting year until (RY + 21 years to 2049)	Covers short, medium and long term, from reporting year until 2050 or beyond	100%/9
Review and update process	No nature transition plan review and update process is in place.	Commitment to review and update nature transition plan, but no defined timescale or process.	Commitment to review and update nature transition plan, with either a defined timescale or process.	Commitment to review and update nature transition plan less often than every 5 years, with a defined process.	Commitment to review and update nature transition plan at least every 5 years for continuous relevancy and efficacy, with a defined process.	100%/9
Progress reporting process	No nature transition plan progress reporting process is in place.	Commitment to report progress against the nature transition plan and any material changes, but no defined timescale or	Commitment to report progress against the nature transition plan and any material changes, with either a defined timescale or	Commitment to report progress against the nature transition plan and any material changes less often than annually, with a	Commitment to report progress against the nature transition plan and any material changes annually, with a defined stakeholder	100%/9

		stakeholder feedback process (e.g., shareholders and AGMs).	stakeholder feedback process (e.g., shareholders and AGMs).	defined stakeholder feedback process (e.g., shareholders and AGMs).	feedback process (e.g., shareholders and AGMs).	

*A measure of success is considered “fully SMART” if it meets each of the following SMART elements [23] :

- Specific: the measure of success is explicit, with no room for misinterpretation.
- Measurable: the measure of success is measurable, and it will be clear when it has been achieved.
- Achievable: the measure of success is stretching and ambitious, but not so much that it is unachievable.
- Relevant: the measure of success contributes to the organization’s overall objectives and complements other measures of success.
- Time-bound: the measure of success has a set deadline.

RATIONALE OF THE INDICATOR

Delivering the transition implied by the GBF will require substantial changes to business models across all sectors, over the short, medium and long term, whether driven by voluntary strategy or by regulatory and market pressures. It is better for the success of the business and of its transition that these changes occur in a planned and controlled manner.

5.4 BIODIVERSITY MANAGEMENT INCENTIVES

SHORT DESCRIPTION OF THE INDICATOR

The Board's compensation committee has incorporated biodiversity-related metrics into the annual and long-term compensation plans of senior executives, thereby creating direct financial incentives for the effective management of biodiversity issues.

DATA REQUIREMENTS

The relevant data for this indicator are:

- Management incentives
- The reporter shall report whether the company provides incentives for the management of biodiversity issues, including the attainment of targets
- The reporter shall provide details on the incentives provided for the management of biodiversity issues
- The reporter shall provide details on the activities that are usually rewarded by incentives in the company

HOW THE ASSESSMENT WILL BE DONE

The analyst verifies if the company has compensation incentives set for senior executive compensation and/or bonuses, that directly and routinely reward specific, measurable reductions of the biodiversity pressures by the company in the preceding year and/or the future attainment of biodiversity related targets, or other metrics related to the company's nature transition plan. For small companies, or for cases in which the corporate structure does not match the structure of the maturity matrix, the analyst should assign a score based on the company's specific hierarchy (i.e., if biodiversity management incentives are awarded to the highest level of decision-making within the organization, award "Biodiversity aligned". If incentives are available one level below the highest level, award "Next practice", etc.).

Note: the wording of the "What is the type of incentive" is based on the Executive Compensation Guidebook for Climate Transition developed by Willis Towers Watson, in partnership with the Climate Governance Initiative, a project in collaboration with the World Economic Forum [25]

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting
Who is entitled to benefit?	Any other answer	Level 4 (see guidance)*	Level 3 (see guidance)*	Level 2 (see guidance)*	Level 1 (see guidance)*	50 %
Type of incentive	No incentives	The company has introduced nature metrics (key performance indicators (KPIs)), including metrics related to biodiversity		The company has introduced nature metrics (key performance indicators (KPIs)), including metrics related to biodiversity	The company has introduced nature metrics, (key performance indicators (KPIs)), including metrics related to biodiversity	50%

		preservation, within annual bonuses (or other short-term incentive plans).		preservation, within its long-term incentive plan (likely to include equity in the company).	preservation, within its long-term incentive plan (likely to include equity in the company). This plan aligns with the timescale and content of the company's transition plan and biodiversity pressures reduction targets.	

- Further guidance for each level of seniority is given below:

    - Level 1
- Highest level of accountability or decision-making within the organization, with responsibility for overall organizational or corporate strategic direction.
- Examples: Board, sub-set of the Board, Chief Executive Officer (CEO)
    - Level 2
- Person/committee that is one step in the corporate structure from the highest level of decision-making of the organization (i.e. reports to or is accountable to Level 1). Inputs into organizational strategy but does not make decisions on it. May have responsibility and accountability for business unit strategy formation and implementation of one or more business units.
- Examples: Vice President, Director, other C-Suite officer (e.g., Chief Financial Officer (CFO), Chief Procurement Officer (CPO), Chief Risk Officer (CRO), Chief Operating Officer (COO), Chief Sustainability Officer (CSO), etc.), other committee appointed by the Board
    - Level 3
- Person/committee that is two steps in the corporate structure from the highest level of decision-making of the organization. May have responsibility and accountability for business unit strategy formation and implementation for one business unit.
- Examples: Manager, Senior Manager
    - Level 4
- Person/committee that is three or more steps in the corporate structure from the highest level of decision-making of the organization. No responsibility or accountability for business unit strategy development.
- Examples: Officer, Senior Officer

RATIONALE OF THE INDICATOR

Executive compensation should be aligned with overall business strategy and priorities. As well as commitments to action the company should ensure that incentives, especially at the executive level, are in place to reward progress towards reducing pressures on biodiversity. This will improve the likelihood of successful nature transition.

5.5 NATURE SCENARIOS AND PATHWAYS

SHORT DESCRIPTION OF THE INDICATOR

Utilizing relevant nature scenarios and pathways is essential for assessing the impact of aligning with various scenarios on the current and projected business model. The business strategy must have been finalized based on this analysis, with results presented to the board or C-suite. Necessary revisions have been made, and the results have been publicly disclosed.

DATA REQUIREMENTS

The relevant data for this indicator are:

- The reporter shall provide the details and supporting documents on the organization's biodiversity scenario testing

HOW THE ASSESSMENT WILL BE DONE

The analyst evaluates the description and evidence of using various nature scenarios for the presence of best-practice elements and consistency with the other reported management indicators. The company description and evidence are compared to the maturity matrix developed to guide the scoring and a greater number of points is allocated for elements indicating a higher level of maturity.

Best-practice elements to be identified in the test/analysis include:

- Full coverage of the company's boundaries
- Timescale from present to long-term (2035-2050)
- Results are expressed in value-at-risk or other financial terms
- Multivariate: a range of different changes in conditions are considered together
- Changes in conditions are specific to biodiversity scenarios

- Biodiversity conditions are combined with other likely future changes in operating conditions over the timescale chosen

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting
Scope	Nature scenarios not considered or only at a very narrow level (e.g., one specific issue).	Scenarios cover select aspects of nature related-impacts, but limited in range (e.g., one or two components)	Scenarios applied across several key business areas, but not yet company-wide.	Broad scope with nature scenarios covering most business functions and regions of direct operations and upstream activities (if material)	Comprehensive scope integrating all business areas, nature-related issues across biodiversity components, and geographical context of direct operations and upstream activities (if material)	30 %
Timescale	Focuses only on the short-term (1-2 years), no long-term consideration.	Short- to medium-term (up to 5 years) impacts assessed sporadically.	Both short-term (1-2 years) and medium-term (3-5 years) projections used for decision-making.	Long-term timescale (5-10 years) factored in, with ongoing adaptation to nature impacts.	Long-term (10+ years) and multiple timescales considered, with flexible planning for future adaptation.	20%
Related risks/opportunities	The materiality of biodiversity-related risks/opportunities * is not assessed.		The materiality of 1 category of biodiversity related		The materiality of 2 or 3 categories of biodiversity related	10%

			risks/opportunities* is assessed.		risks/opportunities* is assessed.	
Scenarios	No scenarios are considered	Considers 1 scenario	Considers 2 scenario		Considers 3 scenarios or more, including a specific scenario on ecosystem service (ES)	10%
Parameters/assumptions considered*	Considers 1-2 different parameters/assumptions.		Considers 3-4 parameters/assumptions together (multivariate)		Considers 5 or more parameters/assumptions together, related to changing biodiversity conditions in combination with changes in operating conditions.	15%
Results	No results available	Expressed only in qualitative terms	Expressed in qualitative and quantitative terms	Expressed in qualitative, quantitative and financial terms	Expressed in qualitative, quantitative and financial terms and results are translated into value-at-risk	15%

***Biodiversity-related risk categories** [26]:

1. Biodiversity-related regulatory risk

2. Physical Risk

3. Reputational Risk

Parameters/assumptions examples:

If the company provides assumptions of a different nature that the analyst considers relevant, these may be taken into account in the assessment.

1. Biodiversity Pathways

- Habitat & Loss fragmentation: Assumptions about deforestation, urbanization, agriculture expansion, and marine ecosystem degradation.
- Species extinction: Rates of biodiversity loss affecting ecosystems crucial for company operations (e.g., agriculture, fisheries).
- Ecosystem Services Decline: Impacts on natural services like pollination, water filtration, carbon sequestration, soil fertility, and fisheries productivity

2. Land Use and Sea Use Trajectories

- Land Conversion: Agricultural expansion, urbanization, and industrial land use affecting biodiversity.
- Marine Resource Exploitation: Overfishing, ocean acidification, and coastal development impacting marine biodiversity.
- Conservation Policies: Implementation of land and sea-use regulations, protected areas, and biodiversity corridors.

3. Socio-Economic Development Trajectories

- Population Growth & Urbanization: Assumptions on how human expansion pressures biodiversity.
- Economic Growth Patterns: Industrialization, agricultural intensification, and resource extraction impacting biodiversity.
- Inequality & Development: How economic disparities influence land and resource use, affecting biodiversity (e.g., illegal deforestation, unsustainable fishing)

4. Environmental Trajectories

- Climate Change: Temperature increases, extreme weather, and sea-level rise impacting biodiversity (e.g., coral reef destruction, droughts).
- Pollution Trends: Assumptions on plastic pollution, chemicals, and runoff affecting land and marine biodiversity.
- Resource Depletion: Overuse of freshwater, forests, and fisheries leading to ecosystem collapse.

5. Regulatory and Policy Scenarios

- Biodiversity Conservation Laws: Implementation of international agreements (e.g., Convention on Biological Diversity, 30x30 target).
- Ecosystem Service Valuation: Policies placing economic value on services like carbon sequestration or water filtration (e.g., carbon markets, payment for ecosystem services).
- Sustainable Land and Sea Use: Legal frameworks incentivizing sustainable practices, reducing exploitation of land and marine resources.

6. Market and Economic Assumptions

- Resource Price Volatility: Fluctuations in prices due to ecosystem degradation or scarcity of natural resources (e.g., timber, fish stocks).
- Demand for Sustainable Products: Growing consumer preference for biodiversity-friendly and sustainably sourced goods.
- Biodiversity-linked Supply Chain Risks: Disruption in raw material supply from biodiversity hotspots.

7. Ecosystem Service Impacts

- Natural Capital Depletion: Loss of ecosystem functions impacting agricultural yields, freshwater availability, and fisheries.
- Cost of Ecosystem Restoration: Investments needed to restore degraded land, reforestation, or marine habitat recovery.
- Operational Risk from Ecosystem Service Loss: Impact on industries dependent on ecosystem services (e.g., agriculture, forestry, fisheries).

8. Financial and Reputation Impacts

- Cost of Regulatory Compliance: Expenses related to biodiversity regulations, certifications, and impact assessments.
- Fines and Penalties: Legal costs or fines from failing to comply with biodiversity protection laws.
- Reputation and Stakeholder Pressure: Investor and consumer expectations for biodiversity-friendly practices affecting brand value and market position.

Results of scenario analysis should be presented as business impacts which can include [26]:

o Earnings – what conclusions does the organization draw about impact on earnings and how does it express that impact (e.g., as EBITDA (earnings before interest, taxes, depreciation and amortization), EBITDA margins, EBITDA contribution, dividends)?

o Costs – what conclusions does the organization draw about the implications for its operating/production costs and their development over time?

o Revenues – what conclusions does the organization draw about the implications for the revenues from its key commodities/ products/ services and their development over time?

o Assets – what are the implications for asset values of various scenarios? Notably on land for instance.

o Capital Allocation/ investments – what are the implications for capex and other investments?

o Timing – what conclusions does the organization draw about development of costs, revenues and earnings across time (e.g., 5/10/20 year)?

RATIONALE OF THE INDICATOR

There are a variety of ways of analysing the potential impacts of biodiversity loss on the business, whether these are slow and gradual developments or one-off “shocks”. Investors are increasingly calling for techniques such as use of an monetary valuation of biodiversity dependencies, scenario analysis and stress testing to be implemented to enable companies to calculate the value-at-risk that such changes could pose to the business. As this practice is emergent at this time there is currently no comprehensive survey or guidance on specific techniques or tools recommended for the sector. The ACT methodology thus provides a broad definition of types of testing and analysis which can be relevant to this information requirement, to identify both current and best practices and consider them in the analysis. Scenario testing is an important management tool for preparing

biodiversity-related financial risks and opportunities associated with biodiversity loss. For businesses likely to be strongly affected by consequences of biodiversity loss (both direct and indirect), it has even greater importance.

Biodiversity-Related Financial and socio-economic Risks (BRFRs) can be at least as large as those generated by climate change. At the same time, biodiversity scenarios often lack comprehensiveness as it often focusing on climate change as the main pressure driver on biodiversity loss, do not include freshwater and/or marine environments and no global “physical scenarios” and changes in Ecosystem services linked to regime shifts. As so, the idea is to reward the company on its best practices.

Module 6: Suppliers engagement

6.1 STRATEGY TO INFLUENCE SUPPLIERS TO REDUCE THEIR IMPACT AND DEPENDENCIES ON BIODIVERSITY

Since biodiversity impacts often occur throughout the value chain, companies should avoid focusing solely on their internal operations. It is worth acknowledging that the most significant actions may lie elsewhere; conducting holistic assessments helps identify the most material aspects of the value chain. Effective strategies should therefore include key business partners, such as direct and indirect suppliers, franchisees, and subsidiaries. To address pressures originating from upstream activities, companies shall engage directly with their suppliers and support them through the transition toward more sustainable practices. In certain cases, if a company can demonstrate that a particular issue and its related indicator are not entirely relevant to its operations or value chain, it may be excluded from the company's evaluation.

SHORT DESCRIPTION OF THE INDICATOR

The company has a strategy, ideally governed by policy and integrated into business decision making, to influence, enable, or otherwise shift suppliers' choices and behaviour to reduce suppliers' biodiversity impact.

DATA REQUIREMENTS

The relevant data for this indicator are:

- Description of supplier engagement methods, prioritisation strategy, and defined measures of success
- Proportion of total procurement spend and/or supply chain biodiversity impacts covered by the strategy
- Data on suppliers' biodiversity strategies, commitments, and reported performance
- Mapping of major suppliers, including knowledge of their biodiversity dependencies and impacts across key sourcing geographies
- Key procurement documents (e.g., new supplier contracts, Supplier Code of Conduct, RFI/RFPs, supplier self-assessments, performance scorecards)

HOW THE ASSESSMENT WILL BE DONE

The assessment will assign a maturity score based on the company's formalized, written strategy regarding its engagement with its suppliers, expressed in a maturity matrix. A company that is placed in the 'Biodiversity aligned' category will receive the maximum score. A company which is at a lower level will receive a partial score, with 0 points awarded for having no engagement at all.

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting
What is the scope of the supplier engagement strategy?*	Engage with suppliers representing less than 33% of total commodities, 90% of High impact commodities and 100% of EUDR commodities	Engage with suppliers representing between 33% and 67% of total commodities, <75% of High impact commodities and 100% of EUDR commodities	Engage with suppliers representing more than 67% of total commodities, 75% to 90% of High impact commodities and 100% of EUDR commodities	Engage with suppliers representing more than 67% of total commodities, 90% of High impact commodities and 100% of EUDR commodities	Engage with suppliers representing more than 80% of total commodities, >90% of High impact commodities and 100% of EUDR commodities	30%
To what extent are biodiversity impacts reduction requirements integrated in engagement with suppliers?	No consideration of reduction targets	Biodiversity clause included in engagements with suppliers. Means commitment included in contracts.	Biodiversity clause with nature science-based targets included in engagements with suppliers. Results driven commitment in contracts	Biodiversity clause with nature science-based targets on most material impact drivers are included in engagements with suppliers. Results driven commitment in contracts. Regular reporting	Biodiversity clause with nature science-based targets on most material impact drivers are included as priority in engagements with suppliers. Results driven commitment in contracts. Regular reporting	25%
To what extent are other biodiversity related requirements/recommendations†	No other biodiversity related requirements/recommendations†				1 or more other biodiversity related requirements/recommendations†	5%

integrated in engagement with suppliers?	included in key procurement templates.*				included in key procurement templates. *	
Are biodiversity impact targets reduction/reporting requirements included in selection of new suppliers, renewal of contract with existing suppliers, neither or both?	Requirements included in NEITHER the selection of new suppliers NOR renewal of contracts with existing suppliers.		Requirements included in EITHER the selection of new suppliers OR renewal of contracts with existing suppliers.		Requirements included in BOTH the selection of new suppliers AND renewal of contracts with existing suppliers.	5%
How does the company respond to supplier noncompliance with biodiversity impact reduction requirements?	No response to supplier noncompliance.		Company retains/suspends/sanctions and engages noncompliant suppliers, but does not exclude those that fail to show significant improvement after the period of engagement.		Company retains/suspends/sanctions and engages noncompliant suppliers, and permanently excludes those that fail to show significant improvement after the period of engagement.	5%
What action levers‡ are embedded in the company's strategy to engage suppliers?	No action levers‡ embedded in strategy.	Strategy includes action lever(s) from one of the three engagement types (Information collection, Engagement & Incentivisation, Innovation & collaboration) used.‡	Strategy includes action levers from two of the three engagement types (Information collection, Engagement & Incentivisation, Innovation & collaboration) used.‡	Strategy includes action levers from all of the three engagement types (Information collection, Engagement & Incentivisation, Innovation & collaboration) used.‡	Strategy includes action levers from all of the three engagement types (Information collection, Engagement & Incentivisation, Innovation & collaboration) used.‡ Strategy includes regular audits of the supplier by the	30%

					company or a representative.	

"Key procurement templates" include but are not limited to (40):

- New supplier contracts
- Supplier Code of Conduct
- RFI/RFPs
- Supplier self-assessments
- Performance cards

† "Other biodiversity-related requirements/recommendations" refers to key aspects of a supplier's biodiversity strategy, beyond pressure reductions and targets, that companies can engage them on.

These may not be specific requirements but can be general/high-level recommendations. These aspects can include performance indicators from any ACT performance modules, such as:

- Intangible investment
  - → For example, the company recommends that its suppliers increase their R&D nature positive spending or implements for employees an awareness campaign or training program on biodiversity loss issues
- Management
  - → For example, the company requires its suppliers to conduct assessments to determine the most material elements for biodiversity impacts.
- Policy engagement
  - → For example, the company increased supplier compliance with environmental requirements or only selects suppliers in favor of relevant biodiversity policies or only selects suppliers having an environmental policy that addresses biodiversity issues
  - → The company engages suppliers to provide evidence of how it prevents, mitigates or remediates its actual and potential negative impacts on the health of local communities
- Business model
  - → For example, the company engages with its suppliers to develop new, business model that preserves biodiversity.
- Any other relevant biodiversity-related requirement/recommendation

‡ Action levers must be embedded in a strategy document and not be presented as examples of past/present actions/initiatives (such examples should be scored in indicator 6.2). “Action levers” include, but are not limited to, the following examples, which are grouped into three engagement types (sources: inspired and adapted from 2022 CDP climate change questionnaire C12.1a (24) (25)

1. **Information collection (understanding supplier behavior)**

- The company engages suppliers on the development of data on land conversion or deforestation
- Collect biodiversity impacts and dependencies at least annually from suppliers and their production sites
- Ask suppliers about which measures, instruments, and systems they are using for environmental and biodiversity protection (e.g., through corresponding questionnaires).
- Conduct audits (if necessary, external ones) of “risk suppliers”, recording their strengths and weaknesses, and identifying potential improvement

2. Engagement & incentivization (changing supplier behavior)

- Run an engagement campaign to educate suppliers about biodiversity loss/Pressures on nature decrease/science-based targets for nature/other biodiversity related topics such as scenario testing, policy engagement, etc.
- Securing Free, Prior and Informed Consent (FPIC) of Indigenous peoples and local communities
- Provide technical and financial support to suppliers operating in or near sensitive areas, assisting them in withdrawing from these locations and/or adopting transitional production practices.
- Provide biodiversity training, support, and best practices
- Directly work with suppliers on biodiversity-related topics, such as defining common reduction plans about pressures and nature or risk & dependencies, or exploring corporate renewable energy sourcing mechanisms
- Supports farmers in the development of a biodiversity action plan; among others with • trainings and guidelines • free provision of expert knowledge on aspects of biodiversity • free provision of toolsl • regular exchange of experience regarding biodiversity measures.
- Incorporate biodiversity-related criteria into procurement specifications and/or contracts
- Biodiversity performance is featured in supplier awards scheme
- Offer financial incentives for suppliers who contribute to reducing the company’s land footprint (Land/sea use change)
- Offer financial incentives for suppliers who contribute to reducing the company’s water consumption
- Offer financial incentives for suppliers who contribute to reducing the company’s excess nutrients lost to the environment (Pollution), toxic chemicals, and plastic pollution.

3. Innovation & collaboration (changing markets)

- Run a campaign to encourage innovation to reduce biodiversity impacts on products and services
- Collaborate with suppliers on innovative business models/R&D projects preserving biodiversity (providing resources – experts, financial support, building, laboratories etc.)

- Train suppliers on biodiversity issues
- If necessary, make changes in product design to replace raw and processed materials that cannot be sourced sustainably

RATIONALE OF THE INDICATOR

Direct measurement of the outcomes of supplier engagement is not currently feasible, given the data availability constraints and the complexity of quantifying biodiversity-related pressures across the value chain. Four of the five pressure levers; land use, direct exploitation, pollution, and invasive species, remain difficult to express in quantitative terms. A maturity matrix approach allows the analyst to assess multiple dimensions of supplier engagement simultaneously and aggregate them into a single score.

6.2 ACTIVITIES TO INFLUENCE SUPPLIERS TO REDUCE THEIR IMPACT AND DEPENDENCIES ON BIODIVERSITY

SHORT DESCRIPTION OF THE INDICATOR

This indicator assesses the extent to which the company implements activities and initiatives that help, influence or otherwise enable suppliers to reduce impact and dependencies on biodiversity. The indicator aims to be a holistic measure of these activities and initiatives, with evidence of implementation and outcomes in the value chain across all products/services.

DATA REQUIREMENTS

The relevant data for this indicator are :

- List of initiatives implemented to influence suppliers to reduce their impact and dependencies on biodiversity
- External sources of data may also be used for the analysis of this indicator.

This maturity matrix is indicative but does not show all possible options that can result in a particular score. The company's responses will be scrutinized by the analyst and then placed on the level in the matrix where the analyst deems it most appropriate.

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting
What action levers* does the company use in practice to engage suppliers?	No evidence of action levers* used in practice.	Evidence of company using action levers from ONE of the three engagement types (Information collection, Engagement & Incentivisation, Innovation & collaboration) used.*	Evidence of company using action levers from TWO of the three engagement types (Information collection, Engagement & Incentivisation, Innovation & collaboration) used.*	Evidence of company using action levers from ALL of the three engagement types (Information collection, Engagement & Incentivisation, Innovation & collaboration) used.*	Evidence of company using action levers from ALL of the three engagement types (Information collection, Engagement & Incentivisation, Innovation & collaboration) used.* AND Regular audits of the supplier by the company or a representative.	50 %
How impactful has the company's supplier engagement been?	No evidence of impact† of action levers used.	Some action levers used have qualitative evidence of impact†.	Almost all action levers used have qualitative evidence of impact†.	Some action levers used have quantitative evidence of impact†.	Almost all action levers used have qualitative and quantitative evidence of impact†.	50%

*Please refer to 6.1 "Action levers".

† The metric used to measure impact depends on the action lever the metric refers to. Examples of "evidence of impact" might include, but are not limited to:

o Qualitative example: Feedback from suppliers saying that they appreciate and will use this new knowledge to start their journey on biodiversity

o Quantitative example: Engaged suppliers have reduced their annual land footprint by X%

o Quantitative example: The percentage of engaged suppliers setting science-based targets for nature has increased annually by X%

o Quantitative example: The percentage of engaged suppliers conducting biodiversity impact & dependency assessment has increased annually by X%

RATIONALE OF THE INDICATOR

Activities to influence suppliers are included in the ACT Biodiversity assessment for the following reasons (if main impacts and dependencies coming from upstream scope 3) :

1. Given their size and their decision-making power in the value chain, integrated companies can influence the strategy and performance of suppliers regarding biodiversity, and to provide them with the guidance and support needed to drive meaningful change.

2. The upstream segment represents high pressures on nature throughout the value chain for high resource/energy consuming sectors (Chemicals, Agriculture) and should be engaged. However, the weight of this indicator depends on the position of the company in the value chain and whether it has influence on its suppliers.

3. Engaging suppliers through contract clauses and sales incentives is necessary to take them on board.

Module 7: Client engagement

7.1. STRATEGY TO INFLUENCE CLIENTS TO REDUCE THEIR IMPACT AND DEPENDENCIES ON BIODIVERSITY

Given that biodiversity impacts are often distributed across the entire value chain, companies should not limit their assessment solely to their internal operations unless they can demonstrate that the majority of their impacts are concentrated there. It is essential to adopt a value chain-wide approach in order to identify, through a holistic assessment, the most material issues and the main levers for action, which may extend far beyond the company's direct activities. An effective strategy should also cover the downstream part of the value chain. This dimension is more significant given that the science on downstream supply chain pressures remains insufficiently mature; as a result, the method does not assess companies on these pressures elsewhere — making this module the primary lever through which downstream impacts are evaluated.

SHORT DESCRIPTION OF THE INDICATOR

The company has a strategy, ideally governed by policy and integrated into business decision making to influence, enable, or otherwise shift clients' choices and behaviour in order to reduce clients' impact and dependencies on biodiversity.

DATA REQUIREMENTS

The relevant data for this indicator are:

- Client engagement strategy
- % of client
- External sources of data may also be used for the analysis of this indicator.

This maturity matrix is indicative but does not show all possible options that can result in a particular score. The company's responses will be scrutinized by the analyst and then placed on the level in the matrix where the analyst deems it most appropriate

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting
What is the scope of the client engagement strategy?	No strategy applied to any clients	Strategy applied to up to 30% of revenus OR up to 30% of identified downstream biodiversity pressures associated with clients' use, distribution, or end-of-life of products/services.	Strategy applied to 31-60% of revenus OR to 31-60% of identified downstream biodiversity pressures associated with clients' use, distribution, or end-of-life of products/services.	Strategy applied to 61-90% of revenus OR to 61-90% of identified downstream biodiversity pressures associated with clients' use, distribution, or end-of-life of products/services.	Strategy applied over 90% of revenus OR over 90% of identified downstream biodiversity pressures associated with clients' use, distribution, or end-of-life of products/services.	30%
To what extent are biodiversity impact reduction requirements integrated in client engagement strategy?	No targets about pressures on biodiversity included in client engagement strategy.		Unquantified target(s) on biodiversity pressures reduction included in client engagement strategy.		Quantified target(s) on biodiversity pressures reduction included in client engagement strategy.	30%
To what extent are other biodiversity related requirements/recommendations† integrated in client engagement strategy?	No other biodiversity related requirements/recommendations* included in client engagement strategy				1 or more other biodiversity related requirements/recommendations* included in client engagement strategy	10%
What action levers† are embedded in the company's strategy to encourage clients to reduce their	No action levers† embedded in strategy.	Strategy includes action lever(s) from one of the four engagement types	Strategy includes action lever(s) from two of the four engagement types	Strategy includes action lever(s) from three of the four engagement types	Strategy includes action lever(s) from all four of the four engagement types (Education/informa tion sharing;	30%

contribution on the biodiversity pressures?		(Education/information sharing; Collaboration & innovation; Compensation, Customer motivation via marketing and choice architecture) †.	(Education/information sharing; Collaboration & innovation; Compensation, Customer motivation via marketing and choice architecture) †.	(Education/information sharing; Collaboration & innovation; Compensation, Customer motivation via marketing and choice architecture) †.	Collaboration & innovation; Compensation, Customer motivation via marketing and choice architecture)†.	

*"Other biodiversity-related requirements/recommendations" refers to key aspects of a client's biodiversity strategy, beyond pressure reductions and targets, that companies can engage them on.

These may not be specific requirements but can be general/high-level recommendations. These aspects can include performance indicators from any ACT performance modules, such as:

- Intangible investment
  - For example, the company recommends that its clients increase their R&D spend in biodiversity technologies or implements for employees an awareness campaign or training program on biodiversity issues
- Management
  - For example, the company requires its clients to conduct assessments to determine the most material elements for biodiversity impacts.
- Policy engagement
  - For example, the company increased clients' compliance with environmental requirements or only selects suppliers in favor of relevant biodiversity policies or only selects clients having an environmental policy that addresses biodiversity issues
- Business model
  - For example, the company engages with its clients to develop new, business models protecting and preserving biodiversity.
- Any other relevant nature transition-related requirement/recommendation:

† Action levers must be embedded in a strategy document and not be presented as examples of past/present actions/initiatives (such examples should be scored in indicator 6.2). "Action levers" include, but are not limited to, the following examples, which are grouped into four engagement types (sources: inspired and adapted from 2022 CDP climate change questionnaire C12.1a (24) (25)

- **Education/information sharing**

- Run an engagement campaign to educate customers about the quantified biodiversity impacts of (using) your products, goods, and/or services
  - E.g., highlight that the biodiversity product impact answers to the purchasing rules of the client
  - E.g., promote the biodiversity product impact highlighting that their client could use it to answer the purchasing rules of their own clients
- Share biodiversity information (e.g., quantified water used) about your products and relevant certification schemes
- Provide documents and tools

- **Collaboration & innovation**
  - Run a campaign to encourage innovation to reduce biodiversity impacts
  - Collaborate with downstream segments of the value chain to foster circular end-of-life treatment of products and downstream logistic efficiency
  - Organize multi-party working group with meetings taking place at least annually
- **Compensation**
  - Provide rebates for biodiversity friendly actions
- **Customer motivation via marketing and choice architecture ("nudging")**
  - Design marketing campaigns/choice architecture aiming to indirectly encourage customers to contribute to biodiversity preservation/restoration

RATIONALE OF THE INDICATOR

Strategy to influence customers are included in the ACT Biodiversity assessment for the following reasons:

1. Given their size and their decision-making power in the value chain, integrated companies can influence the strategy and impact of clients regarding biodiversity.

2. The downstream segment sometimes represents less impact/risk over the entire value chain than direct operations or upstream activities (depending on the sector) but is not to be neglected and should be engaged.

The weight of this indicator depends on the position of the company in the value chain and whether it has an influence on its clients.

7.2. ACTIVITIES TO INFLUENCE CLIENTS TO REDUCE THEIR IMPACT AND DEPENDENCIES ON BIODIVERSITY

SHORT DESCRIPTION OF THE INDICATOR

This indicator assesses the extent to which the company implements activities and initiatives that help, influence or otherwise enable clients to reduce impact and dependencies on biodiversity. The indicator aims to be a holistic measure of these activities and initiatives, with evidence of implementation and outcomes across all products/services.

DATA REQUIREMENTS

The relevant data for this indicator are:

- Activities to influence clients' impact and dependencies on biodiversity.
- % of products/services
- External sources of data may also be used for the analysis of this indicator.

This maturity matrix is indicative but does not show all possible options that can result in a particular score. The company's responses will be scrutinized by the analyst and then placed on the level in the matrix where the analyst deems it most appropriate.

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting
What action levers* does the company use in practice to encourage clients to reduce their biodiversity impact?	No evidence of action levers* used in practice.	Evidence of company responding only to customer demand for less product biodiversity impact without attempting to change the existing customer demand towards other alternatives.	Evidence of company using action lever(s) from ONE of the four engagement types (Education/information sharing; Collaboration & innovation; Compensation; Customer motivation via marketing and choice architecture).*	Evidence of company using action lever(s) from TWO of the four engagement types (Education/information sharing; Collaboration & innovation; Compensation; Customer motivation via marketing and choice architecture).*	Evidence of company using action lever(s) from AT LEAST THREE of the four engagement types (Education/information sharing; Collaboration & innovation; Compensation; Customer motivation via marketing and choice architecture).*	30 %
What is the scope of the recent and current activities in client engagement	No clients engaged	Clients engaged represent up to 30% of revenus OR up to 30% of identified downstream biodiversity pressures associated with clients' use, distribution, or end-of-life of products/services.	Clients engaged represent 31-60% of revenues OR to 31-60% of identified downstream biodiversity pressures associated with clients' use, distribution, or end-of-life of products/services.	Clients engaged represent 61-90% of revenues OR to 61-90% of identified downstream biodiversity pressures associated with clients' use, distribution, or end-of-life of products/services.	Clients engaged represent over 90% of revenus OR over 90% of identified downstream biodiversity pressures associated with clients' use, distribution, or end-of-life of products/services.	40%

How impactful has the company's client engagement been?	No evidence of impact† of action levers used.	Some action levers used have qualitative evidence of impact†.	Almost all action levers used have qualitative evidence of impact†.	Some action levers used have quantitative evidence of impact†.	Almost all action levers used have qualitative and quantitative evidence of impact†.	30%

*Actions levers must be presented as examples of past/present actions/initiatives, and not be theoretical "Action levers" include, but are not limited to, the following examples, which are grouped into four engagement types (sources: inspired and adapted from 2022 CDP climate change questionnaire C12.1a (24) (25)

- **Education/information sharing**
  - Run an engagement campaign to educate customers about the quantified biodiversity impacts of (using) your products, goods, and/or services
    - E.g., highlight that the biodiversity product impact answers to the purchasing rules of the client
    - E.g., promote the biodiversity product impact highlighting that their client could use it to answer the purchasing rules of their own clients
  - Share biodiversity information (e.g., quantified water used) about your products and relevant certification schemes
  - Provide documents and tools
- **Collaboration & innovation**
  - Run a campaign to encourage innovation to reduce biodiversity impacts
  - Collaborate with downstream segments of the value chain to foster circular end-of-life treatment of products and downstream logistic efficiency
  - Organize multi-party working group with meetings taking place at least annually
- **Compensation**
  - Provide rebates for biodiversity friendly actions
- **Customer motivation via marketing and choice architecture ("nudging")**
  - Design marketing campaigns/choice architecture aiming to indirectly encourage customers to contribute to biodiversity preservation/restoration

† The metric used to measure impact depends on the action lever the metric refers to. Examples of "evidence of impact" might include, but are not limited to:

- Qualitative example: Feedback from clients saying that they appreciate and will use this new knowledge to start their journey on biodiversity
- Quantitative example: Engaged clients have reduced their annual land footprint by X%
- Quantitative example: The percentage of engaged clients setting science-based targets for nature has increased annually by X%

- Quantitative example: The percentage of engaged clients conducting biodiversity impact & dependency assessment has increased annually by X%
- Quantitative exemple : evolution of sales fostering low impact products.

RATIONALE OF THE INDICATOR

Activities to influence customers are included in the ACT Biodiversity assessment for the following reasons:

1. Given their size and their decision-making power in the value chain, integrated companies could influence the strategy and impact of clients regarding biodiversity.

2. The downstream segment sometimes represents less impact/risk over the entire value chain than direct operations or upstream activities (depending on the sector) but is not to be neglected and should be engaged.

The weight of this indicator depends on the position of the company in the value chain and whether it has an influence on its clients.

Module 8: Policy engagement

8.1 POLICY ON ENGAGEMENT WITH ASSOCIATIONS, ALLIANCES, COALITIONS OR THINKTANKS

SHORT DESCRIPTION OF THE INDICATOR

The company has a policy defining the actions to be taken when associations, alliances, coalitions or think tanks of which it is a member, or to which it provides support, are found to oppose biodiversity-friendly policies.

DATA REQUIREMENTS

The questions comprising the information request that are relevant to this indicator are:

- The company shall disclose if it has a policy to govern action when associations, alliances, coalitions or thinktanks supported take positions on legislation that could hinder progress on biodiversity preservation and restoration, and if this policy is public
- If it has a policy as outlined at first point, the company shall describe this policy
- The company should attach supporting documentation, if this exists, giving evidence
- External sources of data may also be used for the analysis of this indicator.

HOW THE ASSESSMENT WILL BE DONE

This maturity matrix is indicative but does not show all possible options that can result in a particular score. The company's responses will be scrutinized by the analyst and then placed on the level in the matrix where the analyst deems it most appropriate.

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting
What is the scope covered by the	Does not cover the entire company (including all of its subsidiaries and business areas, and all	Does not cover the entire company (including all of its subsidiaries and business areas, and all	Covers the entire company (including all its subsidiaries and business areas, and all operational		Covers the entire company (including all its subsidiaries and business areas, and all operational jurisdictions,	40%

engagement policy?	operational jurisdictions, i.e., entities within its reporting boundary) or not all associations, alliances and coalitions of which it is a member. AND Is not publicly available	operational jurisdictions, i.e., entities within its reporting boundary) or not all associations, alliances and coalitions of which it is a member. AND Is publicly available	jurisdictions, i.e., entities within its reporting boundary), and all associations, alliances and coalitions of which it is a member. AND Is not publicly available		i.e., entities within its reporting boundary), and all associations, alliances and coalitions of which it is a member. AND Is publicly available	
Does the company have a review process of associations, alliances, coalitions or thinktanks of which it is a member or to which it provides support?	No process to monitor and review association, alliance, coalition and thinktank biodiversity policy positions exist.	A process to monitor and review association, alliance, coalition and thinktank biodiversity policy positions exist. The process is not necessarily implemented.	A process to monitor and review association, alliance, coalition and thinktank biodiversity policy positions exist. The process is implemented, but responsibility for oversight of the process lies below Level 1*, and implementation of the process lies below Level 3*.	A process to monitor and review association, alliance, coalition and thinktank biodiversity policy positions exists. EITHER responsibility for oversight of the process lies at Level 1*; OR implementation of the process lies at Level 3 or above*.	A process to monitor and review association, alliance, coalition and thinktank biodiversity policy positions exists. Responsibility for oversight of the process lies at Level 1*, AND implementation of the process lies at Level 3 or above*.	40%
Does the company have an action plan addressing what action to take when associations, alliances, coalitions or thinktanks of which it is a member or to which it provides	No action plan exists.	The action plan sets out which actions are to be taken when associations, alliances, coalitions or thinktanks are found to be opposing "biodiversity friendly" policies. Action plan does not include any of the actions listed†.	Action plan includes making public statements challenging associations, alliances, coalitions and thinktanks*. Does not include either of the other actions listed†.	Action plan includes engaging with associations, alliances, coalitions or thinktanks to change their position†. May include making public statements but does not include withdrawing funding for/suspending or ending membership†.	Action plan includes withdrawing funding for/suspending or ending membership of the association, alliance, coalition or thinktank*. May include both other actions listed†.	20%

support are found to be opposing "biodiversity-friendly" policies? †						
Score	**0**		**0.5**		**1**	

*Further guidance for each level of seniority is given below:

- Level 1
  - 20% Highest level of accountability or decision-making within the organization, with responsibility for overall organizational or corporate strategic direction.
- Level 2
  - Person/committee that is one step in the corporate structure from the highest level of decision-making of the organization (i.e. reports to or is accountable to Level 1). Inputs into organizational strategy but does not make decisions on it. May have responsibility and accountability for business unit strategy formation and implementation of one or more business units.
  - Examples: Vice President, Director, other C-Suite officer (e.g., Chief Financial Officer (CFO), Chief Procurement Officer (CPO), Chief Risk Officer (CRO), Chief Operating Officer (COO), Chief Sustainability Officer (CSO), etc.), other committee appointed by the Board
- Level 3
  - Person/committee that is two steps in the corporate structure from the highest level of decision-making of the organization. May have responsibility and accountability for business unit strategy formation and implementation for one business unit.
  - Examples: Manager, Senior Manager
- Level 4
  - Person/committee that is three or more steps in the corporate structure from the highest level of decision-making of the organization. No responsibility or accountability for business unit strategy development.
  - Examples: Officer, Senior Officer

† Examples of actions a company can take when associations, alliances, coalitions or thinktanks of which it is a member or to which it provides support are found to be opposing "biodiversity-friendly" policies follow a hierarchy of severity, as follows (source: (26) (27): . Other company actions deemed relevant by the consultant may be included in the assessment.

1. . Making public statements challenging associations, alliances, coalitions and thinktanks
    - For example, the company speaks out, publicly distancing itself from statements or lobbying against biodiversity policy by associations, alliances, coalitions or thinktanks of which it is a member or to which it provides support. The company explains how these statements or lobbying are inconsistent with its own biodiversity impact/pressure reduction goals and with its support for biodiversity policy.
1. Engaging with associations, alliances, coalitions or thinktanks to change their position.
    - For example, the company works to end lobbying against biodiversity policy through transparent and time-bound engagement with those organizations.
2. Withdrawing funding for/suspending or ending membership of the association, alliance, coalition or thinktank.
    - For example, where attempts to change an association's position prove ineffective or insufficient, the company discontinues its membership or withdraws funding from the association.

RATIONALE OF THE INDICATOR

Associations, alliances, coalitions and thinktanks are a key instrument by which a company can indirectly influence policy on biodiversity. Thus, when associations, alliances, coalitions and thinktanks take positions, which are negative for biodiversity, companies need to take action to ensure that this negative influence is countered or minimized.

This indicator is consistent with the ACT Framework and ACT Guidelines and common to the other methodologies.

Companies should ensure that their own biodiversity actions are aligned with the commitments, principles and objectives of the biodiversity initiatives, alliances or coalitions they support or of which they are members or signatories. While this dimension is not fully developed in the current version of the maturity matrix, it could be relevant to further explore this axis in future developments of the methodology, in order to better assess potential gaps between public commitments and actual implementation.

8.2 ASSOCIATIONS, ALLIANCES, COALITIONS AND THINKTANKS SUPPORTED DO NOT HAVE BIODIVERSITY-NEGATIVE ACTIVITIES OR POSITIONS

SHORT DESCRIPTION OF THE INDICATOR

The company is not on the Board of, providing funding beyond membership to, or otherwise supporting any associations, alliances, coalitions or thinktanks that have biodiversity-negative activities or positions.

DATA REQUIREMENTS

The questions comprising the information request that are relevant to this indicator are:

- The company shall disclose if (yes or no) it is on the board of any associations, alliances, coalitions or thinktanks or provides funding beyond membership
- If yes, the reporter shall provide details of those associations, alliances, coalitions or thinktanks that are likely to take a position on biodiversity legislation
- The company should attach supporting documentation, if this exists, giving evidence
- External sources of data may also be used for the analysis of this indicator.

HOW THE ASSESSMENT WILL BE DONE

This maturity matrix is indicative but does not show all possible options that can result in a particular score. The company's responses will be scrutinized by the analyst and then placed on the level in the matrix where the analyst deems it most appropriate.

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting
Does the company support associations, alliances, coalitions or thinktanks that have biodiversity negative activities/positions?	The company is on the board or provides funding beyond membership to associations, alliances, coalitions and/or thinktanks that have negative biodiversity impact activities or positions		The company is not on the board or providing funding beyond membership of any associations, alliances, coalitions or thinktanks that have negative biodiversity impact activities or positions. Company can be members.		The company is not a member of or providing funding for any associations, alliances, coalitions or thinktanks that have negative biodiversity impact activities or positions	100 %

RATIONALE OF THE INDICATOR

Associations, alliances, coalitions and thinktanks are key instruments by which company can indirectly influence policy on biodiversity. Thus, participating in associations, alliances, coalitions and thinktanks which actively lobby against biodiversity-positive legislation is a negative indicator and likely to pressurize nature.

8.3 POSITION ON SIGNIFICANT BIODIVERSITY POLICIES

SHORT DESCRIPTION OF THE INDICATOR

The company is not opposed to any significant biodiversity relevant policy and/or supports biodiversity-friendly policies or regulation. The company does not lobby for policies detrimental to nature/biodiversity.

DATA REQUIREMENTS

The questions comprising the information request that are relevant to this indicator are:

- The company shall disclose if (yes or no) it is on the board of any associations, alliances, coalitions or thinktanks or provides funding beyond membership
- If yes, the reporter shall provide details of those associations, alliances, coalitions or thinktanks that are likely to take a position on biodiversity legislation
- The company should attach supporting documentation, if this exists, giving evidence
- External sources of data may also be used for the analysis of this indicator.

HOW THE ASSESSMENT WILL BE DONE

This maturity matrix is indicative but does not show all possible options that can result in a particular score. The company's responses will be scrutinized by the analyst and then placed on the level in the matrix where the analyst deems it most appropriate.

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting
What is the position of the company on significant biodiversity policies?	Direct opposition to biodiversity policies (including where third-party claims are found).	No reported direct opposition to biodiversity policies.	Publicly supports significant biodiversity policies.	Publicly supports significant biodiversity policies. Publicly commits to international biodiversity protection commitments, such as the Kumming-Montreal Agreement.	Publicly supports significant biodiversity policies. Publicly commits to international positive impact driven biodiversity commitments, such as the Kumming-Montreal Agreement.	60 %

					Actively participates in/leads sectoral/crosssectoral initiatives against biodiversity loss/erosion.	
Does the company have a monitoring and review process to ensure that its policy positions are consistent with the goals of the Kumming-Montreal GBF?	No monitoring and review process to ensure that the company's policy positions are consistent with the goals of the Kunmings Montreal agreement	A monitoring and review process to ensure that the company's policy positions are consistent with the goals of the Kunmings Montreal agreement. The process is not necessarily implemented.	A monitoring and review process to ensure that the company's policy positions are consistent with the goals of the Kunmings Montreal agreement exists. The process is implemented, but oversight of the process lies below board level, and implementation of the process lies below senior management level.	A monitoring and review process to ensure that the company's policy positions are consistent with the goals of the Kunmings Montreal agreement exists. EITHER oversight of the process lies at board level, OR implementation of the process lies at senior management level.	A monitoring and review process to ensure that the company's policy positions are consistent with the goals of the Kunmings Montreal agreement exists. Oversight of the process lies at board level, AND implementation of the process lies at senior management	40%

RATIONALE OF THE INDICATOR

Policy and regulation that acts to promote biodiversity positive impact is key to reduce biodiversity pressures and preserve. Company should not lobby against effective and well-designed regulations in these areas but should support them.

8.4 COLLABORATION WITH INDIGENOUS PEOPLES AND LOCAL COMMUNITIES AND NGOS

SHORT DESCRIPTION OF THE INDICATOR

This indicator evaluates the extent to which the company collaborates with Indigenous People and Local Communities (IPLC) (along with public authorities at the most relevant scale) to manage risks and adverse impact at a local scale. While indicator 8.3 "Position on significant biodiversity policies" relates to national and international policies, this indicator

assesses actions undertaken by the companies towards local communities, including along with public actors. It also evaluates if the company actively supports NGOs active in biodiversity support.

DATA REQUIREMENTS

The relevant data for this indicator are:

- Participation in meetings/collaboration
- Contracts with public authorities
- membership or sponsoring of NGOs supporting biodiversity
- External sources of data may also be used for the analysis of this indicator.

HOW THE ASSESSMENT WILL BE DONE

This maturity matrix is indicative but does not show all possible options that can result in a particular score. The company's responses will be scrutinized by the analyst and then placed on the level in the matrix where the analyst deems it most appropriate.

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting
Does the company partner and support local authorities/local actors to enhance local positive biodiversity impact?	No evidence that the company is collaborating with local authorities/local actors, other than respecting its contractual obligations, if any. Or Third-party claims are found showing that the company is not willing to collaborate.	The company engages in dialogue with local authorities/local actors to design future policies/partnership s to enhance local biodiversity positive impact	The company actively participates in small-scale pilot/short term/one-off programs with local authorities/local actors to test/implement policies/partnerships to enhance local biodiversity positive impact	The company is a significant partner* (alongside local authorities/local actors and other stakeholders) in the implementation of long-term policies/partnerships to enhance local biodiversity impact. The company has measured and disclosed a positive biodiversity impact because of the	The company is a significant partner* (alongside public authority/authorities and other stakeholders) in the implementation of long-term, biodiversity-related policies/partnerships. The company has a policy to increase such collaboration and is taking tangible steps towards this (e.g., engaging in dialogue, participating in pilot programs, implementing/finance	100/3%

				policy/partnership being implemented.	policies/partnerships with other public authorities).	
Does the company support NGOs active in biodiversity preservation?	No evidence that the company is supporting NGOs active in biodiversity preservation	The company provides financial support to NGOs active in biodiversity preservation for 1 or 2 years	The company provides financial support to NGOS active in biodiversity preservation for at least 3 years	The company provides financial support to NGOS active in biodiversity preservation for at least 3 years AND is collaborating in a project led by one of these NGOs	The company provides financial support to NGOS active in biodiversity preservation for at least 5 years AND is a real partner of one NGO (participation in the board, program co-created)	100/3%
Respect for Indigenous Peoples' Rights	No formal commitment to Indigenous Peoples' rights. No process in place to identify Indigenous Peoples or obtain FPIC.	The company has a general human rights commitment but does not specifically reference Indigenous Peoples or international frameworks (e.g. ILO 169, UNDRIP). Minimal or ad hoc engagement.	The company references Indigenous rights frameworks in policies. It has a process to identify affected Indigenous communities in its own operations, but FPIC is not systematically obtained.	The company has a formal commitment aligned with ILO 169 and/or UNDRIP. It identifies Indigenous Peoples affected by its operations and systematically obtains FPIC. It requires its business partners to do the same.	In addition to the above, the company actively collaborates with Indigenous Peoples and Local Communities on project design and decision-making. It monitors and reports on FPIC implementation. It also builds capacity among its business relationships to improve practices and supports Indigenous-led initiatives for conservation or development.	100/3%

GUIDANCE:

Components of free, prior and informed consent (FPIC) (CCSI, 2020)

1. Free: Community members give or withhold consent voluntarily, without coercion, intimidation or manipulation.

2. Prior: Consent is obtained well before each stage of project authorisation and is actively sought and maintained on an ongoing basis throughout the life of a project.

3. Informed: Community members access, understand and deliberate on all relevant project information before giving or withholding consent.

4. Consent: Community decisions to agree to, refuse or offer conditional consent to projects or activities that affect their land or resources are respected. FPIC is not satisfied by companies carrying out 'free, prior and informed consultation'.

* A company can be classed as a "significant partner" if the policy/partnership would not exist, or be significantly smaller/less successful, without the company's involvement. The company must be one of the few largest or most invested stakeholders in the policy/partnership.

† Analysts should consider the size of the company assessed. For example, companies operating in a single jurisdiction are not expected to be involved in collaboration with public authorities outside of that jurisdiction, and could still score Biodiversity aligned if they met each of the other criteria (for example, if they had demonstrated emissions reductions as a result of the policy/partnership being implemented, and had a policy to become involved in more collaboration within their operational jurisdiction).

RATIONALE OF THE INDICATOR:

Local communities are often disproportionately affected by poor environmental and resource management practices from businesses. Indigenous communities and nations with weaker regulatory frameworks are especially exposed to these risks (Kumar, S. et al., 2019). Biodiversity conservation efforts must prioritize local concerns and ensure they do not shift biodiversity-related challenges onto these communities. The destruction of ecosystems and biodiversity loss are closely tied to poverty and social exclusion (Miyamoto, M., 2020), particularly in communities that rely on resource extraction like artisanal mining and small-scale deforestation.

Local communities and Indigenous peoples often serve as stewards of biodiversity-rich areas. Supporting their conservation efforts through direct funding, technical assistance, and legal recognition of land rights can generate positive outcomes for biodiversity while ensuring equitable benefit-sharing.

Module 9: Business model

9.1 CHANGES TO BUSINESS MODEL

SHORT DESCRIPTION OF THE INDICATOR

This indicator assesses the extent to which the company is transforming its business model to contribute to halting and reversing biodiversity loss. It is structured around three dimensions: the creation or expansion of business models that benefit nature (Dimension 1); the actions undertaken to reduce the biodiversity impacts of existing activities (Dimension 2); and the termination or phase-out of business models that are materially harmful to biodiversity (Dimension 3). The indicator evaluates both the scale of the transformations underway and their relevance to global biodiversity objectives.

DATA REQUIREMENTS

The relevant data for this indicator are:

- A description of existing or emerging business models that preserve and restore nature, specifying their launch date relative to the reporting year (RY-5), with quantitative data on their size (FTE, revenue, or relevant activity-based metric) and growth projections at a RY+5 horizon
- A description of actions undertaken to reduce the biodiversity impacts of existing activities, including an estimate of their scope of application as a percentage of the activity concerned
- A description of commitments to terminate or phase out high-impact business models, including the planned phase-out date and the share of the business model concerned (FTE, revenue, or relevant activity-based metric)
- Supporting documents evidencing the planning or financing of these actions and commitments (strategic plans, allocated budgets, public commitments, etc.)

HOW THE ASSESSMENT WILL BE DONE

DIMENSION 1 – CREATION/EXPANSION OF NATURE POSITIVE BUSINESS MODELS (50%)

This dimension assesses the current size and planned growth of new (launched within five years before the reporting year, "RY-5") and existing (launched before RY-5) business models that positively contribute to biodiversity, as well as their relative importance for the global transition toward an economy that promotes biodiversity.

The weighting of subdimensions within the maturity matrix depends on whether the business model is new or existing:

- New business models are scored on the first subdimension (*"Size of business model (if started within RY-5)"*) with a 40% weighting, while the second subdimension (*"Size of business model (if started before RY-5)"*) receives 0%.

- For existing business models, this weighting is reversed (0% / 40%).

Subdimension	**Basic**	**Advanced**	**Biodiverity aligned**	weighting
Size of business model (if started within RY-5)	Business model represents <1% of total FTE, revenue, or relevant activity-based metric of size	Business model represents 1 to 5% of total FTE, revenue, or relevant activity-based metric of size	Business model represents >5% of total FTE, revenue, or relevant activity-based metric of size	40% (if BM was started within RY-5) or 0% (if BM was started before RY-5)
Size of business model (if started before RY-5)	Business model represents 0 to <5% of total FTE, revenue, or relevant activity-based metric of size	Business model represents 5 to 20% of total FTE, revenue, or relevant activity-based metric of size	Business model represents >20% of total FTE, revenue, or relevant activity-based metric of size	0% (if BM was started within RY-5) or 40% (if BM was started before RY-5)
Scheduled growth of business model	Business model not scheduled to grow (based on total FTE, revenue, or relevant activity-based metric of size)	Business model scheduled to grow (based on total FTE, revenue, or relevant activity-based metric of size)	Business model scheduled to at least double in size within RY+5 (based on total FTE, revenue, or relevant activity-based metric of size)	30%
Contribution of the Business Model to Halting and Reversing biodiversity loss	The business model's transformation is of low importance to global efforts to halt and reverse biodiversity loss.	The business model's transformation is of medium importance to global efforts to halt and reverse biodiversity loss.	The business model's transformation is of high importance to global efforts to halt and reverse biodiversity loss.	30%

What are nature positive products or services that can be included here:

- Significant reduction in animal-based proteins and replacement by plant-based proteins
- Shift of the supply to less-impacting commodities/suppliers (for companies producing and transforming crops into animal feed for breeders / companies raising livestock / animal farms)
- Replacing high-impact cotton with organic, regenerative, or recycled cotton.
- Substituting virgin plastics with recycled or bio-based, non-toxic alternatives.

- Switching from mining-intensive materials to circular or upcycled materials.
- Reducing packaging and introducing recyclable and/or compostable packaging (for companies selling products with a high use of packaging, such as bottled water or take-away food)

DIMENSION 2 – ACTIONS TO IMPROVE NATURE POSITIVE ACTIVITIES WITHIN EXISTING BUSINESS MODELS (10%)

This dimension relates to changes (actions) the company is making to decarbonise the activities which make up its existing business model (which may be high- or low-carbon) to make the overall business model lower-carbon.

- E.g., A company electrifying its production processes and switching to 100% renewable energy, to reduce the emissions from its production activities.

Example: Switch to organic fertilisers

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting
What percentage of the activity does this action apply to?*	Action applies to ≤ 25% of the activity being considered	Action applies to 26 to 50% of the activity being considered	Action applies to 51 to 75% of the activity being considered	Action applies to 76 to 95% of the activity being considered	Action applies to > 95% of the activity being considered	25%
Scheduled growth of action	Action is not scheduled to grow (based on total FTE, spend, or relevant activity-based metric of size)		action is scheduled to grow (based on total FTE, spend, or relevant activity based metric of size)		action is scheduled to at least double in size within RY+5 (based on total FTE, spend, or relevant activity based metric of size)	25%
Relevance of the action†	Action does not impact any of the most relevant activities/life-cycle phases of the business model being considered in terms of impacts on biodiversity		Action impacts a relevant activity/lifecycle phase of the business model being considered in terms of impacts on biodiversity		Action clearly targets and impacts the most relevant activity(ies)/lifecycle phase(s) of the business model being considered in terms of impacts on biodiversity	25%

Importance of actions	The business model's transformation is of low importance to global efforts to halt and reverse biodiversity loss.		The business model's transformation is of medium importance to global efforts to halt and reverse biodiversity loss.		The business model's transformation is of high importance to global efforts to halt and reverse biodiversity loss.	25%

- Examples:
  - What percentage of the company's conventional production has been switched to organic?
  - What percentage of the company's high impact commodities have been replaced by non HIC?

† Examples:

- An action to eliminate the use of high-impact pesticides across the entirety of the company's agricultural operations clearly targets the most relevant activity of its production business model in terms of biodiversity impact (scores "Biodiversity aligned"). If the same action applies only to company-owned test plots while the core production remains unchanged, it does not impact the most relevant activities (scores "Basic").
- An action to switch to recycled packaging materials for a company whose primary biodiversity impact stems from land conversion and habitat degradation in its upstream supply chain does not target the most impactful life-cycle phase of its business model (may score "Basic" or "Standard" depending on how significant the packaging-related impacts are).

‡ How to determine whether the change the company is making to its activities is of high, medium, or low importance to the global low-carbon transition:

The action shall be assessed against its contribution to the maintenance and improvement of the following biodiversity components:

- **Natural processes:** hydrological integrity; sediment transport and the integrity of estuaries; migration patterns; carbon sequestration and storage
- **Ecosystems:** extent of habitat; ecological integrity of the habitat; functional role of species within their ecosystems
- **Species:** extent and abundance of species; extinction risk; genetic diversity
- The analyst may base their assessment on the following sources:
- Biodivlabel — https://biodivlabel.colloque.inrae.fr/
- SBTN sector guidance and materiality screening tools
- TNFD sector-specific nature-related impact and dependency frameworks

- For actions targeting structural or market-level changes (circularity, supply chain engagement, industry collaboration), other sources shall be consulted to determine their relative importance to halting and reversing biodiversity loss

DIMENSION 3 – TERMINATION/PHASE OUT OF EXISTING BIODIVERSITY EROSION BUSINESS MODELS (40%)

Evaluation level	Basic	Standard	Advanced	Next practice	Biodiversity aligned	Weighting
Commitment to terminate/phase out existing, high-impact business model on biodiversity erosion	The company has a commitment to terminate/phase out ≤ 25% of its existing, high impact on biodiversity business model(s) (based on FTE, revenue, or relevant activity-based metric of size) or The company has no commitment	The company has a commitment to terminate/phase out 26 to 50% of its existing, high impact on biodiversity business model(s) (based on FTE, revenue, or relevant activitybased metric of size)	The company has a commitment to terminate/phase out 51 to 75% of its existing, high impact on biodiversity model(s) (based on FTE, revenue, or relevant activitybased metric of size)	The company has a commitment to terminate/phase out 76 to 95% of its existing, high impact on biodiversity business model(s) (based on FTE, revenue, or relevant activity-based metric of size)	The company has a commitment to terminate/phase out > 95% of its existing, high impact on biodiversity business model(s) (based on FTE, revenue, or relevant activitybased metric of size) or The company has already terminated/phased out the entirety of its existing, high-carbon business model(s)	70%
Termination/phase-out date	The company's commitment has a phase-out date from RY+21 onwards or The company has no commitment	The company's commitment has a phase-out date between RY+16 and RY+20	The company's commitment has a phase-out date between RY+11 and RY+15	The company's commitment has a phase-out date between RY+6 and RY+10	The company's commitment has a phase-out date between RY and RY+5 or The company has already terminated/phased out the entirety of its existing, high impact on	30%

					biodiversity business model	

RATIONALE OF THE INDICATOR

Transitioning to an economy that preserves and restores nature requires profound transformations of business models across all sectors. These three dimensions are complementary: the first assesses the ambition and scale of business models developed to benefit nature; the second evaluates the depth of changes applied to existing activities to reduce their impacts; and the third examines the company's commitment to discontinuing activities that are materially harmful to biodiversity. Together, they provide a basis for assessing the credibility and coherence of the company's transformation trajectory against the objectives of the Kunming-Montreal Global Biodiversity Framework (GBF).

9.2 NATURE BASED SOLUTIONS

SHORT DESCRIPTION OF THE INDICATOR

This indicator assesses a company's engagement in voluntary Nature-based Solutions (NbS) — actions that leverage ecological processes to address societal challenges while generating measurable benefits for biodiversity. It evaluates the relative scale of these actions within the company, their growth trajectory, and their contribution to global efforts to preserve and restore biodiversity. Nature-based Solutions shall not be considered a substitute for reducing the company's direct negative impacts on biodiversity.

DATA REQUIREMENTS

The relevant data for this indicator are:

- A description of each NbS action and its category (conservation, sustainable management, or restoration)
- Budget and FTE dedicated to each action, both in absolute value and as a proportion of the company's total budget and workforce
- Start date of each action
- Development plan at a RY+5 horizon
- Societal challenges addressed (climate adaptation, water management, risk reduction, etc.)

HOW THE ANALYSIS WILL BE DONE

Guidance for identifying Nature-based Solutions (NbS)

Nature-based Solutions (NbS), as defined by the International Union for Conservation of Nature, are actions aimed at protecting, sustainably managing, and restoring natural or modified ecosystems in ways that effectively address societal challenges while generating benefits for both human well-being and biodiversity.

The present framework distinguishes between NbS designed to address societal challenges and restoration actions whose sole objective is to recover the good ecological condition or the initial state of the ecosystem concerned.

NbS can be grouped into three categories, which may be combined:

- Preservation of functional ecosystems in good ecological condition
- Improved ecosystem management for sustainable use
- Restoration of degraded ecosystems or creation of new ecosystems

Examples of eligible actions include river renaturation, agroforestry, restoration of wetlands or mangroves, urban ecological corridors, restoration of coastal dunes, sustainable forest management, and greening of urban areas.

To qualify an action as an NbS, the evaluator verifies that it:

- relies on ecological processes and biodiversity;
- contributes to climate adaptation, water management, risk reduction, or other societal challenges;
- generates measurable co-benefits for biodiversity and local communities;
- goes beyond purely technical or grey infrastructure solutions.

To assess the quality of the action, the evaluator may rely on the ADEME/OFB assessment matrix (see document Matrix 9.2 Nbs in the appendix document online) aligned with the IUCN Standard, as well as the IUCN self-assessment tool : https://nbs-sat.iucn.org/node/add/assessment/

And eventually fill the following maturity matrix assessment:

Subdimension	Basic	Advanced	Biodiverity aligned	weighting
Size of the NbS action (initiated within RY-5)	The action represents <1% of total FTE, budget, or relevant activity-based metric	The action represents 1 to 5% of total FTE, budget, or relevant activity-based metric	The action represents >5% of total FTE, budget, or relevant activity-based metric	40% (if initiated within RY-5) or 0% (if initiated before RY-5)
Size of the NbS action (initiated before RY-5)	The action represents 0 to <5% of total FTE, budget, or relevant activity-based metric	The action represents 5 to 20% of total FTE, budget, or relevant activity-based metric	The action represents >20% of total FTE, budget, or relevant activity-based metric	0% (if initiated within RY-5) or 40% (if initiated before RY-5
Planned growth of the NbS action	The action is not scheduled to grow (based on total FTE, revenue, or relevant activity-based metric of size)	The action is scheduled to grow (based on total FTE, revenue, or relevant activity-based metric of size)	The action is scheduled to at least double in size within RY+5 (based on total FTE, revenue, or relevant activity-based metric of size)	30%
Contribution of the NbS action to halting and reversing biodiversity loss	The NbS action is of low importance to global efforts to halt biodiversity loss	The NbS action is of medium importance to global efforts to halt biodiversity loss	The NbS action is of high importance to global efforts to halt biodiversity loss	30%

https://nbs-sat.iucn.org/node/add/assessment/

RATIONALE OF THE INDICATOR

Nature-based Solutions (NbS) constitute a strategic lever for companies seeking to make a positive contribution to biodiversity while addressing concrete operational challenges such as climate risk management, securing natural resources, or improving the living conditions of local communities. By relying on natural processes rather than grey infrastructure, NbS generate long-term ecological, social, and economic co-benefits.

This indicator is aligned with the Global Standard for Nature-based Solutions developed by the International Union for Conservation of Nature, which promotes the rigorous design, scaling-up, and verification of interventions, while ensuring respect for the rights of Indigenous Peoples and local communities, as well as equitable benefit-sharing.

Within the scope of this methodology, only voluntary actions are assessed. Compensation or offsetting projects are explicitly excluded, as priority must first be given to reducing the company's negative impacts on biodiversity. An NbS action, regardless of its positive contribution, cannot compensate for biodiversity losses generated by other company activities: it constitutes an additional commitment in favor of nature, rather than a neutralization mechanism.

9.3 RESTORATION ACTIONS

SHORT DESCRIPTION OF THE INDICATOR

This indicator assesses a company's engagement in voluntary ecological restoration actions or projects, meaning actions that go beyond regulatory obligations under the mitigation hierarchy (Avoid–Reduce–Compensate sequence). It measures the relative importance of these actions within the company, their scheduled growth trajectory, and their contribution to global efforts to halt and reverse biodiversity loss. The indicator gives credit to projects grounded in rigorous ecological engineering practices, supported by long-term land tenure mechanisms and ecological monitoring systems.

Definition

- Restoration: The Society for Ecological Restoration defines ecological restoration as "the process of assisting the recovery of ecosystems that have been degraded, damaged, or destroyed" with the aim of "reestablishing the prior ecosystem with regard to its species composition, ecological functioning, the capacity of the physical environment to support living organisms, and its connectivity with the surrounding landscape. (La librairie ADEME - ABÉCÉDAIRE de la renaturation - les dossiers FNAU)

DATA REQUIREMENTS

The relevant data for this indicator are:

- Project start date
- Ecosystems type(s) and area restored (ha)
- Budget and FTEs dedicated, in absolute value and as a share of company totals
- Planned evolution of the project at RY+5 horizon
- Evidence of voluntary nature of the action (no regulatory obligation under the ERC sequence)
- Land tenure security mechanism (land acquisition, Environmental Real Obligation or equivalent)
- Ecological monitoring protocol and results

- Registration in a recognised national database (BDRest or equivalent)
- Assessment of the project's ecological significance, supported by scientific data or independent expertise

HOW THE ASSESSMENT WILL BE DONE

Restoration actions shall follow the following characteristics:

- Framework: Process through which the recovery of an ecosystem that has been degraded, damaged, or destroyed is supported.
- Motivation : Ecological gain.
- Characteristics of the area concerned: Degraded or destroyed natural areas.
- Scales: Sites whose initial condition is altered or damaged.

Guidance for implementing a robust restoration action:

- The restoration action is voluntary and not required under the implementation of the mitigation hierarchy (Avoid–Reduce–Compensate sequence).
- The action is supported by ecological engineering project management assistance (for example, in France, entities listed in the ecological engineering directory).
- The long-term durability of the action is secured through a land tenure mechanism (land acquisition, establishment of an Environmental Real Obligation (ORE), or an equivalent mechanism).
- Ecological monitoring systems are implemented to track the action.
- The action and associated monitoring data are recorded in a recognized national database (BDRest or equivalent).

Then the following maturity matrix will score the restoration action or project:

Subdimension	**Basic**	**Advanced**	**Biodiverity aligned**	weighting
Size of restoration project (if started within RY-5)	The project represents <1% of total FTE, revenue, or relevant activity-based metric of size	The project represents 1 to 5% of total FTE, revenue, or relevant activity-based metric of size	The project represents >5% of total FTE, revenue, or relevant activity-based metric of size	40% (if restoration project was started within RY-5) or 0% (if project was started before RY-5)
Size of restoration project (if started before RY-5)	The project represents 0 to <5% of total FTE, budget associated, or relevant activity-based metric of size	The project represents 5 to 20% of total FTE, budget associated, or relevant activity-based metric of size	The project represents >20% of total FTE, budget associated, or relevant activity-based metric of size	0% (if restoration project was started within RY-5) or 40% (if

				the project was started before RY-5)
Scheduled growth of restoration project	The project is not scheduled to grow (based on total FTE, budget associated, or relevant activity-based metric of size)	The project scheduled to grow (based on total FTE, budget associated, or relevant activity-based metric of size)	The project scheduled to at least double in size within RY+5 (based on total FTE, budget associated or relevant activity-based metric of size)	30%
Contribution of the Business Model to Halting and Reversing biodiversity loss	The restoration project is of low importance to global efforts to halt and reverse biodiversity loss.	The restoration project is of medium importance to global efforts to halt and reverse biodiversity loss.	The restoration project is of high importance to global efforts to halt and reverse biodiversity loss.	30%

RATIONALE OF THE INDICATOR

This indicator is grounded in the recognition that ecosystem degradation reduces biodiversity, disrupts ecological processes, weakens climate resilience, and diminishes the provision of essential ecosystem services. Restoration actions directly address these impacts by rebuilding ecological functionality, recovering habitats, and re-establishing the biological and physical conditions required for biodiversity to reach and maintain a good ecological status.

This indicator is framed within international commitments, notably Target 2 of the Kunming-Montreal Global Biodiversity Framework (COP15, 2022), under which signatory states committed to effectively restoring at least 30% of degraded terrestrial, inland water, coastal and marine areas by 2030. This target, known as the "30x30 for restoration" goal, is one of the cornerstones of global ambition to halt and reverse biodiversity loss. At the European level, the Nature Restoration Law (2024) translates this commitment into legally binding obligations for Member States, with restoration targets covering all major ecosystem types.

The indicator recognizes that ecological restoration goes beyond superficial greening measures. It encompasses a systemic, science-based approach that may include:

- rehabilitation of degraded habitats towards a defined reference ecosystem state,
- re-establishment of native species assemblages and ecological communities,
- restoration of ecological processes such as nutrient cycling, water regulation, and natural disturbance regimes,
- restoration of ecological continuities and connectivity between habitats,
- long-term monitoring and adaptive management to ensure restoration success.

The indicator therefore aims to evaluate whether actions:

- restore ecological functionality and biological integrity of degraded ecosystems,
- contribute to the recovery of native biodiversity and habitat quality,
- re-establish ecological processes and ecosystem services,
- support climate adaptation and long-term ecosystem resilience,
- are grounded in restoration ecology principles and integrated into long-term ecological transition strategies.

Typical eligible actions may include:

- restoring wetlands, rivers, forests, grasslands, or other degraded ecosystems,
- reintroducing or supporting the recovery of native species,
- rehabilitating degraded land into functional natural or semi-natural ecosystems,
- restoring ecological corridors to enhance habitat connectivity,
- implementing long-term monitoring programs to track restoration outcomes.

Assessment

GENERAL CONSIDERATIONS

At present, there is no benchmark dedicated to biodiversity. Experimental trials are underway, but no consensus has yet been reached.

In the absence of scientific consensus, it was decided not to use a sector benchmark in ACT Biodiversity, to avoid using inaccurate or unscientific data.

As part of this methodology, it was decided to **use as benchmark the targets developed by the Science-based targets for Nature (SBTN)** (28), which cover three of the **5 pressures on biodiversity**: land use change, direct resource exploitation (water withdrawals) and pollution (water quality).

For pressures not covered by the SBTN, such as pesticides pollution a **generic benchmark of -50% compared with the current situation, corresponding to the objectives of the Global Biodiversity Framework** (29)**, will be applied**. For pressures addressed by the SBTN through its toxic chemicals category — which includes pesticide pollution and aligns with the Global Biodiversity Framework (Target 7) — the SBTN methodology provides the applicable benchmark. For pressures not covered by the SBTN or the GBF, benchmarks are drawn from other reference frameworks. For plastic pollution, **the European Plastic Pact has been used to define a benchmark**.

These targets will provide **theoretical benchmarks for the company to follow in its transition to a biodiversity-friendly economy**. However, these benchmarks will only be linked to the company's activity and will not enable it to compare itself with trends in its sector of activity. In fact, the theoretical benchmarks used are sector-agnostic.

Regarding climate change, the same benchmarks will be used as in the ACT Mitigation methodologies.

LAND AND SEA USE CHANGE BENCHMARKS

NO CONVERSION OF NATURAL ECOSYSTEM (FROM SBTN, 2024)

This benchmark is derived from the “No conversion of natural ecosystem” target from SBTN (2023) (17). To understand how to set such a target, please refer to **Science Based Targets Network (2024). Step 3: Measure, Set, Disclose: LAND (Version 1.0).**

A company shall be assessed on the “no conversion of natural ecosystems” dimension only if **terrestrial ecosystem uses or change has been identified as material** in the preliminary analysis of impacts and dependencies i.e. if the company has made deforestation or conversion in the past year or if the company is sourcing conversion-driving commodities (30).

The “No conversion of natural ecosystem” benchmark is defined to avoid the wholesale change of a natural ecosystem to another land use, or a profound change in a natural ecosystem’s species composition, structure or function (SBTN, 2023) (17).

Conversion is defined as **including severe degradation or the integration of management practices that result in substantial and sustained change in the ecosystem’s former composition, structure, or function or that of the species that inhabit it**. It includes deforestation. Changes to natural ecosystems that meet these

criteria are considered conversion within the scope of this method regardless of whether the conversion itself is legal (SBTN, 2023) (17).

Commodities are used to assess the land/sea use change of upstream operations. To simplify the analysis, the assessment will focus on conversion-driving commodities listed in the high-impact commodity list (HICL) defined by SBTN (14) : “Raw and value-added materials used in economic activities that are known to have material links to the key drivers of biodiversity loss, resource depletion, and ecosystem degradation. Activities associated with high impact commodities include: extraction of these commodities (e.g. mining, farming), clearing of lands for extraction, processing of commodities (into refined or value-added forms), manufacturing commodities into complex products (with additional inputs), distribution of commodities, and the procurement of commodities (in their raw, value added, or final form) – Source: SBTN Glossary (2023)”

For which companies?

Companies with terrestrial ecosystem use or change esteemed to be material after a diagnosis, or 20% or more of their GHG emissions come from a sector that has land sector activities (agriculture, forestry and other land use, AFOLU, emissions) are required to set this target. Also, companies of MICE[5] sectors are required to set this target but applies only on “critical habitat” or “high conservation value” (IFPC PS6 – Box 3) or KBA or protected areas (IBAT) and “likely critical habitat” by UNEP WCMC.

- Does the company have a **written commitment** on the conversion or deforestation of natural ecosystems (land and sea)?
- Does the commitment include a **zero conversion** or **zero deforestation** target?
- What is the target year? (before 2025, 2025, after 2025 or no target year)
- Does this commitment cover all company sites?
- Does it cover all conversion-driving commodities or products?
- Has the company set priorities to reduce conversion or deforestation in forests, conversion hotspots, core natural lands?

The maturity matrix used for this dimension is the following. It is adapted from the SBTN target “No conversion of natural ecosystems”.

	Scope / Location	Deforestation- and Conversion-Free (DCF) Target*	Assessment of Post-Cut-off Date Conversion
Direct Operations	**Site owners/operators – All natural lands**	**2025:** 100% DCF across all sites	Before the target validation, all volumes of conversion-driving commodities in scope must be traceable at least to the subnational level, and conversion assessment must be conducted using one of the approved approaches.
	Producers – All natural lands	**2025:** 100% DCF across all conversion-driving commodities (Annex 1a)	Before the target validation, all volumes of conversion-driving commodities in scope must be traceable at least to the subnational level, and conversion assessment must be conducted using one of the approved approaches.
Upstream Sourcing (from producers and first point of aggregation)	**Natural forests and conversion hotspots**	**2025:** 100% deforestation-free and DCF in conversion hotspots for soy, cattle, palm oil, wood, cocoa, coffee, and rubber	By the end of 2025*, all volumes of soy, cattle, palm oil, wood, cocoa, coffee, and rubber in scope must be traceable at least to the subnational level, and conversion assessment must be conducted using one of the approved approaches.
Upstream Sourcing (from producers and first point of aggregation)	**All natural lands**	**2027:** 100% DCF in all natural lands for all other conversion-driving commodities (Annex 1a)	Before 2027, all volumes of conversion-driving commodities in scope must be traceable at least to the subnational level, and conversion assessment must be conducted using one of the approved approaches.

- The choice was made to use a maturity matrix for this dimension because of the binary nature of the target (0% conversion required to be compliant, any other commitment isn’t compliant). Furthermore, as companies are not very mature about land/sea-use change, it is likely that they either don't have a target or don't have the data needed to calculate it. The use of a maturity matrix is therefore less likely to penalize them.

[5] Metals, Infrastructure, construction, and extractives (MICE)

- Furthermore, there is a bias in the way ecosystems are considered. The "Standard" level may disadvantage companies that make little conversion or deforestation but in areas that are highly sensitive in terms of biodiversity. However, it is important to make companies aware of the need to take ecosystems into account when making production and construction choices. They need to be aware that if they have to build in a biodiversity-sensitive area, they should do so on the smallest possible surface area.
- In the maturity matrix, there is deliberately no level rated at 0.75, to be strict with companies that fail to meet the target, without however rating them at 0 if they nevertheless make efforts on the subject.

Additional guidance:

1. Land footprint calculation for upstream target setting: (prefer data about commodity yield by type of agricultural practice)

1. Convert purchased volumes into **land area impacted**:
2. **General formula:**

$$\text{Land footprint (ha)} = \frac{\text{Volume purchased (t)}}{\text{Average yield (t/ha)}}$$

- Use **region-specific yields** if possible.
- If assessing **conversion risk**, weight by:
    - % sourced from conversion hotspots
    - type of ecosystem impacted

3. **Example:**

- 100 t of soy, average yield 2 t/ha → land footprint = 50 ha.
- If 60% comes from conversion hotspots → 30 ha is “at-risk conversion” footprint

- **NATURAL LANDS, CORE NATURAL LANDS AND CONVERSION HOTSPOTS**

Core natural lands are defined as places with acknowledged ecological importance that require immediate action to prevent conversion due to:

1. Existing legislation and/or initiatives, which include commitments to deforestation and conversion-free commodities.
2. Extinction/collapse risk, irreplaceability, or natural uniqueness.
3. Maintaining natural ecosystem contiguity or intactness.
4. The provision of critical natural assets or contributions to people.

The natural lands and core natural lands has been defined by SBTN on a map: https://wri-datalab.earthengine.app/view/sbtn-natural-lands.

This map can be used to determine if the company’s sites and the upstream company’s sites are located in a core natural land or not.

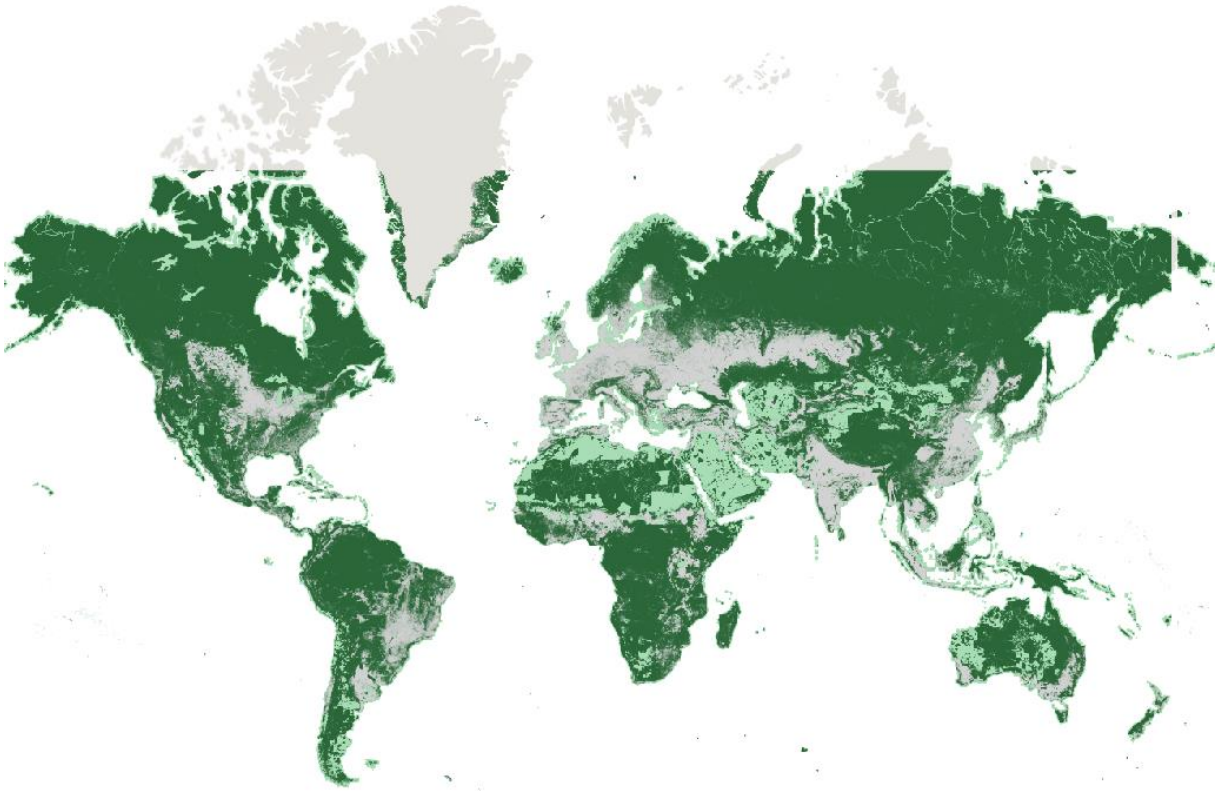


FIGURE 2 NATURAL LAND MAP BY SBTN, 2020

The conversion hotspots are defined by SBTN as “places with pressures that have resulted in the conversion of natural land classes to non-natural land classes between 2000 and 2020. Based on this historical conversion these areas require prioritized action to prevent further conversion from commodity production and sourcing.” When assessing upstream operations, conversion hotspots are prioritized.

FIGURE 3 LOCATION OF CONVERSION HOTSPOTS

- **BENCHMARK**

The benchmark to follow is issued from the SBTN "No conversion of Natural Ecosystem" target and has been simplified in relation to the initial SBTN target, to be future-oriented and easy to understand. Future deforestation or conversion will be assessed in module 1 and past conversion or deforestation will be assessed in module 2. For upstream operations, the closest target year was selected in order to be as demanding as possible within the method and in line with the final objective of the SBTN target, Accountability Framework Initiative (Afi) and EU Deforestation regulation (EUDR).

TABLE 2 "NO CONVERSION OF NATURAL ECOSYSTEM" BENCHMARK

No conversion of natural ecosystems: Targets requirements		
Value chain	**Location of operations**	**No conversion target**
Direct operations	All natural lands	From 2025 and beyond: **0%** conversion and deforestation across all sites and for all conversion-driving commodities
Upstream operations	Forests and conversion hotspots	From 2025 and beyond: **0%** conversion and deforestation for soy, cattle, oil palm, wood, cocoa, coffee and rubber
	All natural lands	From 2027 and beyond: **0%** conversion and deforestation for all other conversion-driving commodities

Companies must meet no-deforestation by 2025 for all stages of the value chain, in alignment with Afi (31), SBTi FLAG requirements (32) and the EUDR (18).

The remediation of all past conversion occurring between base year (named cut-off date (see glossary): no later than 2020) and target year as required by the SBTN target will be considered in Module 2: Direct operations and Module 4: Upstream. According to the SBTN target and the EUDR (18), **any conversion of natural ecosystems on a given site after the cut-off date (no later than 2020) renders the company non-compliant with a no-conversion benchmark**.

According to the SBTN guidance (17), in direct operations: "Clearing of less than 5% of the total production unit size, or 20 hectares (whichever is stricter), is not considered to be conversion. This does not apply if the local law is stricter. Conversion shall be assessed cumulatively over time. Multiple small instances of conversion that in total exceed the threshold are considered non-compliant". Mandatory offsets are not taken into account.

The "No conversion of natural ecosystems" benchmark can be summarized as follows:

For **direct operations** the company must meet **no deforestation or conversion (0%)** for its direct operations **by 2025 for all sites (sites owners) and for all conversion-driving commodities (producers).**

For **upstream operations**, the company must source **100% of volumes of conversion-driving commodities from areas known to be conversion-free from 2020, by 2025 for commodities sourced from forest and conversion hotspots and by 2027 for all other commodities.**

LAND FOOTPRINT REDUCTION

This benchmark is derived from the “Land footprint reduction” target from SBTN (2023) (17). To understand how to set a “Land footprint reduction” target, please refer to **Science Based Targets Network (2024). Step 3: Measure, Set, Disclose: LAND (Version 1.0).**

A company shall be assessed on the “land footprint reduction” dimension only if **terrestrial ecosystem uses or change has been identified as material** in the preliminary analysis of impacts and dependencies and only if **the company has more than 10 000 or more full-time equivalent employees or more than 50 000 hectares of agricultural land occupation**.

The SBTN “Land footprint reduction” target is defined to incentivize companies that produce or source agricultural products (e.g., food, animal feed, fibers, bioenergy feedstocks) to reduce the amount of agricultural land needed to produce the products in their value chain over time (SBTN, 2023) (17).

This target is motivated by the fact that to “end ecosystem conversion and provide opportunities for restoration, protect biodiversity and nature’s contributions to people (including, critically, food production), and meet climate change mitigation and adaptation goals, a shift in the other direction is urgently necessary: peaking and then **reducing the amount of land occupied by human activities**. To keep global warming below 1.5°C and bend the curve on biodiversity while feeding and housing a growing global population, models generally agree that **significant reductions in land dedicated to food and feed crops, as well as to pasture, will be necessary between now and 2050, alongside increases in the extent of natural ecosystems**” (SBTN, 2023) (16).

If the company implements production practices that are virtuous for biodiversity but require it to increase its surface area (organic farming, for example), it will be penalized by this indicator, which only looks at land use. This is a bias in the method. However, this type of company will be revalued in the "Ecosystem management" and "Production practices" indicators.

This target is developed only for the agri-agro sector for now, since “it is the world’s largest user of land, and there is a wealth of evidence which have modelled needed reductions in agricultural land occupation and thus provide a scientific basis for the target” (SBTN, 2023) (16). This target will be extended to other sectors when scientific data will be available on the subject.

- **AGRICULTURAL LAND FOOTPRINT**

According to SBTN, « Land footprint, for the purpose of this target refers to the amount of agricultural land required per year to produce the products produced or sourced by a company (reported in hectares per year). It does not necessarily include all land owned or controlled by companies. Agricultural lands that are not attributable to direct operations or upstream value chain activities should not be counted within the Land Footprint Reduction target and thus reductions cannot be applied to extensive land holdings held in reserve.” (SBTN, 2023) (17).

To follow a “Land footprint reduction” benchmark, a company must first calculate its **agricultural land footprint**.

This agricultural land footprint considers all agricultural land (cropland and land under permanent meadows and pastures) used to produce the products produced or sourced by the company (SBTN, 2023) (17).

The process to calculate the agricultural land footprint is described below and extracted from **Science Based Targets Network (2023). Step 3: Measure, Set, Disclose: LAND (Version 0.3)** (17):

“To calculate baseline agricultural land footprint, companies may collect spatial or statistical data as follows:

- **For purchasing companies with an upstream agricultural land footprint:** statistical (non-spatial) data on quantities of land-based products sourced, locations (e.g., countries and/or subnational jurisdictions) if known, and yield (output per hectare) of each product for each location.
- **For producing companies with an agricultural land footprint in direct operations:** statistical (non-spatial) data on quantities of land-based products produced, and statistical or spatial data allowing for calculation of total surface area of working lands producing those products. All relevant methodologies are allowed to obtain statistical data.

When using statistical data with quantities of products produced or sourced (e.g., in metric tons), companies can use the simple equation of:

$$Land\ footprint\ (ha) = \frac{Quantity\ of\ products\ in\ metric\ tons}{Yield\ of\ that\ product\ in\ metric\ tons\ per\ herctare\ and\ per\ year}$$

for each product. Companies would sum all estimates across all products to have their complete land footprint "inventory".

When using spatial data, companies should sum the hectares in all their active agricultural production areas to estimate total land footprint.

When using statistical data, following the GHGP guidance, companies should use the most spatially explicit data available for each commodity produced or purchased, and seek to improve traceability and data quality over time. If a product's origin is not yet known, a default assumption (e.g., production assumed to be from the same world region as company headquarters) may be used to select the appropriate yield data if well justified to SBTN.

When estimating land footprint of purchased mixed products, companies should either try to back-calculate the amounts of raw products for the purpose of estimating land footprint (e.g., using product formulation or recipe data) or use reasonable assumptions to simplify the exercise without unduly sacrificing accuracy (e.g., categorizing each mixed product according to its primary ingredient or its top three ingredients). Because estimating land footprint using statistical data can never be perfect, emphasis should be given to estimating the land footprint related to products containing high-impact commodities (e.g., meat stews versus vegetable-based condiments).

Companies may refer to the Step 1 Toolbox and the Greenhouse Gas Protocol Land Sector and Removals Guidance (in the draft for pilot testing this can be found in section 17.3) for lists of tools and databases that include yields (in tons/hectare/year) and/or land occupation factors (essentially the reciprocal of yields, in square meter-year (m2a)) that can be used when companies have statistical activity data."

- **BENCHMARK**

To simplify the analysis, only the absolute reduction approach is used in this dimension. No benchmark will be calculated from the intensity land footprint reduction target in this first version of the methodology.

According to SBTN, the absolute land footprint reduction benchmark to follow is as follows: **Companies reduce their absolute land footprint at a linear rate of 0.35% per year compared to the base year.**

With a base year no earlier than 2015 and a **target year of five to ten years maximum** from the base year.

> **The "Land footprint reduction" benchmark can be summarized as follows:**
>
> **For direct operations,** the benchmark is a linear reduction of the land footprint to **0.35%** from the base year to the following five to ten years.
>
> **For upstream operations,** the benchmark is a linear reduction of the land footprint to **0.35%** from the base year to the following five to ten years.

Caution: used alone, this indicator may encourage agricultural intensification (producing as much or more on a smaller area). To avoid this phenomenon, safeguards will be put in place, especially in the "production practices" indicator of modules 2 and 4. This point will also be the subject of a specific assessment in the narrative score, to ensure that the choices made by the company do not force it to intensify its production.

NATURAL LAND COVER

This benchmark is derived from the **"Natural Land Cover"** target and calculation guidelines provided by the Science Based Targets Network in its *Land Accounting Guidelines – Draft for Public Consultation (April 2025)*. To

understand how companies must measure, assess, and set targets for natural land cover, refer to **Science Based Targets Network (2025). Land Accounting Guidelines for Impacts on Land-use and the Environment**.

A company shall be assessed on the **natural land cover** dimension if terrestrial ecosystem condition has been identified as **material** in the preliminary analysis of impacts and dependencies, and if the company owns or manages production units (e.g., farms, mines, infrastructure assets) that occupy land within direct operations, or in the upstream supply chain when traceability is sufficiently high.

The SBTN "Natural Land Cover" target is designed to ensure that companies preserve or restore a **minimum level of natural or semi-natural ecosystems** within their production landscapes. SBTN has defined a universal threshold: each production unit must maintain or reach **at least 25% natural land cover per square kilometer**. This threshold reflects scientific consensus that maintaining a minimum level of natural habitat within human-dominated landscapes is critical to sustain biodiversity, ecosystem functioning, and nature's contributions to people.

This target is motivated by the fact that to **halt biodiversity loss, maintain ecosystem integrity, support climate mitigation and adaptation, and secure essential ecosystem services**, it is necessary not only to stop conversion of natural ecosystems but also to **increase the presence of natural and semi-natural areas within production landscapes**. Numerous studies indicate that landscapes with at least 20–30% natural habitat maintain significantly higher levels of species richness, pollination services, regulation of water flows, soil stability, and climate resilience. Therefore, ensuring a minimum natural land cover of 25% is considered a scientifically robust threshold for safeguarding ecosystem functioning while allowing for productive land use.

If a company operates production systems that are highly intensive or that occupy entire landscapes with little or no remaining natural area, it will be penalized by this indicator, which looks only at the **percentage of natural land** present within the production unit. This is a methodological bias acknowledged by SBTN: some operations with efficient land use but highly transformed habitats may perform poorly on this metric even if they implement other sustainability practices. However, such companies may be favorably assessed under complementary SBTN indicators, such as **production practices, ecosystem management, and conversion avoidance**.

This target currently applies to **any sector that manages or owns land directly** (e.g., agriculture, forestry, extractives, utilities, infrastructure, real estate). Because the assessment depends heavily on spatial data, georeferenced production units, and ecosystem classifications, SBTN requires companies to gather or produce **polygon-level mapping** of their landholdings. Over time, SBTN intends to refine the method and expand applicability as higher-resolution global ecosystem datasets become available.

- **BENCHMARK**

To operationalize the natural land cover target, SBTN introduces **three assessment and action scenarios**, which define how companies should interpret their baseline and determine the necessary response. These scenarios depend on the proportion of natural land measured at the production-unit level.

Scenario 1 – Baseline (No-change scenario)

This scenario represents the **current level of natural land cover** within each production unit, using the SBTN Natural Lands Map (2020) or higher-quality, more recent datasets when available. Companies must define a base year no earlier than 2020.

This baseline is used exclusively to:

- Measure existing natural land cover per km²
- Identify gaps relative to the 25% threshold
- Determine which scenario applies next

Scenario 2 – Maintenance / Conservation scenario.

This scenario applies when a production unit **already meets or exceeds 25% natural land cover**.

The company is expected to maintain this level through:

- Avoidance of conversion
- Long-term conservation commitments
- Monitoring of ecosystem condition
- Integrating safeguards into land-management plans

The objective is to prevent future decline and ensure that existing natural ecosystems remain intact.

Scenario 3 – Recovery / Restoration scenario

This scenario applies when natural land cover is **below 25%** within the production unit.

The company must then develop a **trajectory** to recover or restore natural or semi-natural ecosystems until the threshold is met. This can involve:

- Ecological restoration of degraded land
- Reforestation or natural regeneration
- Establishment of riparian buffers or habitat corridors
- Retiring or setting aside marginal land for restoration
- Replacing transformed areas with native vegetation

The goal is to progressively increase natural land cover to reach **a minimum of 25 hectares per km²** (equivalent to 25%).

LAND QUALITY

The framework offers two types of approaches, depending on data availability and desired precision:

• Activity assessment approach: This is the primary method, using globally consistent Land Environmental Assessment Factors (LEAFs) to quantify SOC stocks, soil erosion rates, and acidification impacts based on land use, location, and management intensity.

• Alternative approaches: Companies with more detailed or site-specific data can use model-based, remote-sensing, or measurement-based methods, ensuring compatibility with SBTN reference values. For SOC and soil erosion, the activity assessment approach follows three steps:

- Collect inventory data on land location, land use type, duration, and footprint. Assign MaxSOC values and soil erosion rates derived from global models (e.g., RothC for SOC, RUSLE for erosion).
- Calculate a baseline using weighted averages when multiple land use types occur on the same production unit.

For terrestrial acidification, companies:

- Compile emissions of NH3, NOx, and SO2.
- Apply spatially explicit characterization factors (in kg SO2-eq/kg emission).
- Calculate total acidification potential per hectare.

The framework focuses on the most material and measurable land-related pressures—carbon loss, soil degradation, and acidifying emissions—which are strongly linked to ecosystem resilience, agricultural productivity, and climate mitigation.

Table. Summary of calculation methods and data inputs for sector and sub-sector sources (non-exhaustive) of NH3, NOX and SO2 emissions (adapted from Stockholm Environment Institute and Climate and Clean Air Coalition (2022) and the European Environment Agency (2023)

Source	Sub-source	High-level Method	Tier 1 Data Inputs*	Tier 2 Data Inputs*
Agriculture	**Manure Management**	Estimate the number of livestock animals disaggregated by livestock category (e.g., dairy cattle, pigs) and manure type (solid or slurry). The number of animals is multiplied by an emission factor specific to livestock type, manure type, and manure management system.	Number of livestock in each category• Type of manure per livestock category (solid, slurry, outdoor) Pollutant-specific emission factor by livestock category and manure handling type	Number of livestock in each category Type of manure per livestock category Time spent in grazing, yard, and housing systems Nitrogen excretion rate (default values available) Pollutant-specific emission factor by livestock category, manure handling type, and management system
	Synthetic Fertilizer, Organic Fertilizer and Crop Residue Application to Fields	Calculate land footprint for each type of crop.The land area for each type of crop is multiplied by the amount of nitrogen applied in fertilizer, organic waste or crop residues which is then multiplied by a pollutant specific emission factor.	Metric tons of product produced and yield or area of land per crop type. Amount of nitrogen applied in fertilizer, organic waste or crop residues. Pollutant specific emission factor.	Area of soil above or below pH 7.0. Crop specific nitrogen fertilizer application rate. Fertilizer specific emission factors for soil pH types and pollutants. For crop residues Area per crop type. Harvested fresh yield of crop. Dry matter fraction of harvested crop*. Ratio of above ground residue dry matter to harvested yield*. Nitrogen content of above-ground residue per crop*. Fraction of the crop residues that produce NH3 emissions per crop.
	Field Burning of Agricultural Residues	Calculate land footprint for each type of crop. The area burned is multiplied by a pollutant specific emission factor to estimate air pollutant emissions.	Area of land where crop residues are burned• Average crop yields* Ratio of crop residue mass to crop yield* Dry matter content of yield* Proportion of residues burned* Combustion factor* Pollutant-specific emission factor *Default values available in EMEP/EEA guidebook.	Tier 1 inputs plus: Dry-weight yield per hectare of specific crops Technology-specific emission factors for pollutants
Energy	**Combustion in Manufacturing and Construction Industries**	The fuel consumed by a specific technology is multiplied by the emission factor for the specific technology and pollutant. Presence of abatement technology.	Fuel consumed • Emission factor specific to pollutant	Fuel consumed • Emission factor specific to pollutant, category and fuel type • Abatement technology (if present) Variables need to be category, technology and fuel specific
	Non-road Machinery (e.g., agricultural and forestry machinery, off-road vehicles, mobile combustion in manufacturing and construction)	The total amount of non-road vehicles is disaggregated by machinery type, fuel type and engine. The amount of non-road vehicles disaggregated by machinery type, fuel type and engine type is then multiplied by a machinery-, fuel-, engine- specific air pollutant emission factor to estimate air pollutant emissions.	The total amount of non-road vehicles. The percentage of the different types of machinery type. The percentage of fuel type and engine for each type of machinery	Total number of non-road vehicles/machinery The percentage of the different types of machinery type The percentage of fuel type and engine for each type of machinery The age of the different types of machinery disaggregated by fuel and engine type
Industrial Processes and Product Use (IPPU)	**Mineral Products, Chemical Industry, Metal Production, Other Industrial Production**	Activity data on the production of each category is multiplied by an emission factor for each pollutant. Presence of abatement technology. Note: emissions associated with combustion are not included in this category as are covered under Energy.	Annual production volume of the category• Pollutant-specific emission factor	The annual production rate of the category using the specific technology within the source category. Abatement technology (if present). Technology and pollutant specific emission factor.

DIRECT EXPLOITATIONS BENCHMARKS

REDUCTION OF SURFACE WATER AND GROUNDWATER WITHDRAWAL (FROM SBTN, 2023)

- **BENCHMARK**

SBTN

This benchmark is derived from the "Freshwater quantity" target from SBTN (2020) (33). To understand how to set a "Freshwater quantity" target, please refer to **Science Based Targets Network (2023). Step 3 Freshwater: Measure, Set, Disclose.** SBTN is an initiative established in 2019 and led by representatives from the scientific community and civil society to collectively define the approaches that companies and cities should implement to keep the Earth system within ecological boundaries while meeting societal needs. The founding members of SBTN are the CDP, the World Resources Institute (WRI), the WWF, and the United Nations Global Compact — all of which

are also founding partners of the Science Based Targets initiative — alongside Conservation International, UNEP-WCMC, and the World Economic Forum.

To date, the SBTN Freshwater methodology remains one of the only publicly available approaches providing a structured and science-based framework for setting water withdrawal reduction targets. It establishes a target-setting process that includes the selection of hydrological models, prioritising local models specifically developed and validated for individual river basins. Where such local models are unavailable, the methodology recommends the use of global models based on international datasets, enabling companies to calibrate their targets against ecological thresholds even in the absence of local data. As such, it constitutes the leading reference framework for companies seeking to establish robust water withdrawal reduction targets and serves as the methodological foundation of the present ACT framework for assessing the quality and robustness of target-setting processes.

The guidance used provides a general reference framework for setting targets in the most robust and comprehensive way possible, covering the full range of freshwater-related challenges. However, it should be noted that certain institutions, such as water agencies, may develop their own methodologies and locally adapted approaches. Such good practices should be recognised and valued within the assessment framework. This benchmark is therefore intended to remain evolutive and may be updated over time to reflect emerging best practices, methodological developments, and advances in scientific knowledge.

The initial version of the guidance was updated in October 2025, with the main revisions strengthening the requirements related to groundwater management and assessment. These updates have been incorporated into the present ACT framework.

Calculation principle

The core principle is that of equal effort sharing. All water users within a river basin are expected to reduce their withdrawals by the same proportion. This proportion is defined as the ratio between the current over-withdrawal level (i.e. the ecological deficit) and the total withdrawals within the basin. The reduction percentage is calculated monthly over a historical reference period. The 75th percentile of the monthly distribution is then retained to ensure that ecological flow requirements are met approximately 75% of the time. This basin-wide reduction percentage is subsequently applied to the company's own withdrawals to define its individual reduction target.

Model hierarchy

The SBTN methodology is based on a clear hierarchy between local and global hydrological models, which is fully adopted in the present framework. Global models should only be used as a last resort, once the absence of a suitable local model has been demonstrated through a documented stakeholder consultation process. This hierarchy is justified by the fact that local models are specifically developed and validated for a given river basin. They therefore account for basin-specific hydrological characteristics, anthropogenic pressures, and water-use rights. Global models can only partially capture these local dynamics. Applying a global model without first assessing its relevance to the basin may lead to an overestimation or underestimation of the required reductions. This can ultimately result in a poorly calibrated target.

For surface water, the reference global model is Hogeboom et al. (2020). This model provides, for each Pfafstetter Level 5 basin, the monthly reduction percentages required to achieve environmental flows. For groundwater, the reference global model is the GSGM model (de Graaf et al., 2019). This model simulates interactions between surface water and groundwater at the global scale and provides the reductions required to stabilise groundwater levels.

Definitions

Water withdrawals: volumes of water extracted from surface water or groundwater bodies, regardless of their subsequent use. Withdrawals include both consumed water and water returned to the environment. They are expressed as a volume per unit of time (ML/month).

Water consumption: fraction of withdrawals that is not returned to the original river basin. This may occur because the water is incorporated into a product, evaporates, or is transferred to another basin. Water consumption is therefore always equal to or lower than total withdrawals. Non-consumptive withdrawals — meaning water returned to the same location and at the same time without significant alteration of water quality — may be reported on a net basis when calculating the baseline. This distinction is important because ecological impacts depend on the net volume effectively removed from the basin, rather than on the gross extracted volume.

Surface water: water present in rivers, lakes, reservoirs, and wetlands. Its availability is directly linked to the hydrological regime of the river basin and varies seasonally. Surface water withdrawals directly reduce river flows. These impacts can be measured and modeled using observed or simulated flow data.

Groundwater: water stored in underground aquifers, which are replenished through the infiltration of precipitation and surface water. Groundwater dynamics differ significantly from those of surface water. Response times are longer, interactions with surface ecosystems are less immediate, and the impacts of overexploitation may only become visible after several years or even decades.

Groundwater management therefore requires specific consideration of two key interactions:

Groundwater–river interactions: in many basins, groundwater feeds rivers (baseflow), particularly during low-flow periods. Excessive groundwater withdrawals can therefore reduce surface water flows and jeopardize compliance with ecological flow requirements, even in the absence of direct surface water abstraction.

- **Groundwater-dependent ecosystems**: Certain terrestrial and aquatic ecosystems — including wetlands, hygrophilous vegetation, and aquatic habitats — depend on sufficient groundwater levels for their water supply. Structural groundwater depletion may lead to irreversible ecosystem degradation, even where no visible impact on surface water flows is observed.

Environmental flow, e-flow: minimum hydrological regime required to maintain aquatic ecosystems and the species that depend on them. It is expressed on a monthly basis as the percentage of natural flow that must be preserved within the river system. Environmental flow requirements vary across river basins and seasons.

Ecological deficit (excess withdrawal): gap between the flow currently available within the basin and the required environmental flow. It represents the share of total human withdrawals exceeding what the ecosystem can sustainably support. This is the central parameter used to calculate the required reduction percentage.

Dynamic stabilisation of groundwater levels: condition in which groundwater levels do not exhibit a long-term structural decline. This constitutes the minimum reference threshold for groundwater targets. In basins containing groundwater-dependent ecosystems, a stricter threshold applies. Groundwater levels must remain above the rooting depth required by dependent vegetation and ecosystems.

Priority basin: river basin identified during the materiality assessment phase (SBTN Step 2) as facing sufficiently high-pressure levels and/or ecological degradation to justify the establishment of a science-based target. The top 10% most critical basins — or the top 10 basins when the total number exceeds 100 — are subject to enhanced stakeholder consultation requirements.

Companies concerned with this indicator applies to any company whose activities exert a material pressure on water availability within the river basins where it operates directly or sources from upstream suppliers. The main sectors concerned include:

- Agricultural and agri-food sectors, where irrigation represents the largest use of freshwater globally and often accounts for the dominant share of the company's water footprint;
- Industrial sectors using water as a process input, for cooling purposes, or for incorporation into products (e.g. beverages, cosmetics, etc.);
- More broadly, any company whose direct operations or upstream supply chain are located in river basins facing existing or potential water stress, as identified through the materiality assessment process.

The groundwater component specifically applies to companies for which a groundwater depletion risk has been identified during SBTN Step 1. This includes companies whose withdrawal sites are located in basins where pressure on aquifers is considered material.

- **UPSTREAM OPERATIONS**

Freshwater withdrawals of upstream operations will be analysed via the company's commodities. To simplify the analysis, the assessment will focus solely on commodities listed in the high-impact commodity list (HICL) defined by SBTN (6). See SBTN High-impact commodity list (6).

Freshwater withdrawals from upstream activities can be calculated either from primary data (direct measurement data) or from secondary data (modelled estimates) using blue-water footprint(s) or other robust models of water use.

Ideally, upstream targets should be set using locally developed hydrological models, as they best reflect the specific ecological conditions of the basins where commodities are produced. When such models are not available — which is frequently the case for upstream agricultural sourcing — companies may rely on globally recognized models or those recommended by SBTN, such as Hogeboom et al. (2020) for surface water, to estimate the required reduction percentages at the basin level. The use of global models for upstream target-setting follows the same hierarchical logic as for direct operations: local models are always preferable when they exist and have been validated by relevant stakeholders, and global models represent the best available science in their absence.

For the baseline pressure calculation, upstream withdrawals can be estimated using blue-water footprint data or other secondary data sources providing commodity-level and basin-level water use estimates. If such data are not available, companies may use any other relevant methodology to obtain a robust estimation of their upstream withdrawals.

- **GUIDANCE**

Step 1 — Selection of the hydrological model

Model selection is the foundational step of the process. It determines the relevance of the ecological threshold used and, therefore, the robustness of the final target.

The methodology follows a structured decision tree with several successive levels, giving absolute priority to local models.

1a. Consultation of the SBTN database

The company first consults the SBTN Basin Threshold Tool, which compiles local models already used and validated by other companies or identified by the SBTN Freshwater Hub.

If a local model is available for the relevant basin, the company is required to use it. This database is currently being consolidated by SBTN.

1b. Consultation of national stakeholders

If no result is available through the SBTN tool, the company must consult national stakeholders. These may include authorities or ministries responsible for water resource management, as well as national offices of SBTN partner organisations (WWF, TNC, WRI, Pacific Institute).

The objective is to identify whether an appropriate local model exists. A local model is considered appropriate when it meets most of the following criteria:

- integration of environmental flow requirements;
- consideration of major anthropogenic alterations (e.g. dams, inter-basin transfers);
- integration of water-use rights;
- consideration of groundwater level fluctuations;
- empirical validation within the basin or within a comparable context.

If an appropriate local model is identified at this stage, the company is required to use it.

1c. Consultation of local stakeholders (priority basins only)

If the national consultation does not identify a suitable model, the company must conduct a local consultation for its priority basins (top 10%).

This consultation should involve basin authorities, regulators, scientists, local NGOs, and community representatives. It aims to answer the following three sequential questions:

1. Do local authorities already use a model to manage the basin?
2. Is there an appropriate local model supported by at least three categories of stakeholders, or by one stakeholder supported by robust evidence of the model's relevance?
3. Is the global model appropriate for the basin? In other words, does the basin lack specific hydrological or ecological characteristics that cannot be adequately represented by a global model (e.g. major inter-basin transfers, threatened species dependent on specific flow regimes, conflicts over water rights, etc.)?

The company may only use the global model if all three questions receive a negative answer.

For non-priority basins, the global model may be used directly without mandatory local consultation.

1d. Groundwater model selection

For groundwater, the only acceptable form of local model is a model used by a competent management authority as part of an officially validated groundwater management plan.

The company must first verify the existence of such a plan through the SBTN tool, and subsequently through consultations with national and local stakeholders.

If a validated management plan exists, the authorised withdrawal volumes defined in the plan are used directly as the basis for target-setting.

If no validated plan exists, the company must use the global GSGM model, after verifying its suitability for the local hydrogeological context. The GSGM model notably presents limitations in high-resolution mountainous aquifers and other complex hydrogeological settings.

Step 2 — Baseline calculation

The company calculates its aggregated withdrawal volumes for each priority basin, in accordance with the following requirements.

- Mandatory separation between direct operations and upstream operations, and between surface water and groundwater whenever technically feasible. If such separation is not possible, the company must follow the groundwater pathway for target-setting purposes.

- For direct operations: exclusively primary data (meter readings), expressed as volume per month (ML/month).
- For upstream operations: primary data where available, or secondary data (blue water footprint data, estimation models, etc.), expressed as monthly or annual volumes.
- Reference period: average of the last five complete years of activity, or the full duration of operations if the company has existed for less than five years.
- Spatial aggregation level: Pfafstetter Level 5 for the global Hogeboom model (surface water and groundwater), or the level defined by the local model where applicable.

Step 3 — Calculation of the required reduction percentage

Surface water

The basin-wide reduction percentage is calculated using the following equation (SBTN Equation 1):

% reduction required = (excess withdrawal / present day withdrawal) X 100

excess withdrawal = required environmental flow – current flow

present day withdrawal = natural flow – current flow

This calculation is applied for each month across the entire available historical period. The 75th percentile of the monthly distribution is retained as the reference value, in order to ensure that environmental flow requirements are achieved approximately 75% of the time.

Where a negative result is obtained — indicating that the basin is not in ecological deficit — the required reduction percentage is set to zero.

Groundwater

The applicable reduction percentage depends on the basin configuration and falls under three possible cases.

Basin where only environmental flow is an issue

(no identified groundwater depletion)

The same reduction percentage as that calculated for surface water is applied to groundwater withdrawals.

Basin with identified groundwater depletion, but without groundwater-dependent ecosystems

The applicable percentage is the most stringent between:

- the reduction required to stabilise groundwater levels (GSGM model);
- the reduction required to protect surface water environmental flows (Hogeboom model).

Basin with groundwater-dependent ecosystems

The applicable percentage is the most stringent between:

- the reduction required to maintain groundwater levels above vegetation rooting depth (GSGM model);
- the reduction required to protect surface water environmental flows (Hogeboom model).

Step 4 — Company target-setting

The company-specific target is obtained by applying the basin-wide reduction percentage to the company's own withdrawals (SBTN Equation 2):

Company target withdrawal = [(100 - %reduction in basin-wide withdrawal)/ 100] X Present day company withdrawal

The target is expressed as a maximum withdrawal volume per month (for monthly targets) or per year (for annual targets).

Where the baseline has been calculated using annual values, the target must also be expressed annually. Where the baseline has been calculated monthly, the target may be expressed either monthly or annually. In the latter case, the highest monthly reduction percentage must be retained.

Time horizon

- Target reduction ≤ 25%: 5-year horizon, extendable to 10 years with justification (e.g. alignment with global or local policy objectives, or evidence of concrete actions already underway).
- Target reduction > 25%: time horizon of up to 10 years.

Standard target wording direct operations and upstream targets

Annual target

"The company will reduce its water withdrawals within the X basin to Y ML/year by 20XX."

Monthly target

"The company will reduce its water withdrawals within the X basin to Y ML/month for each of the following months. These reductions will be achieved by 20XX."

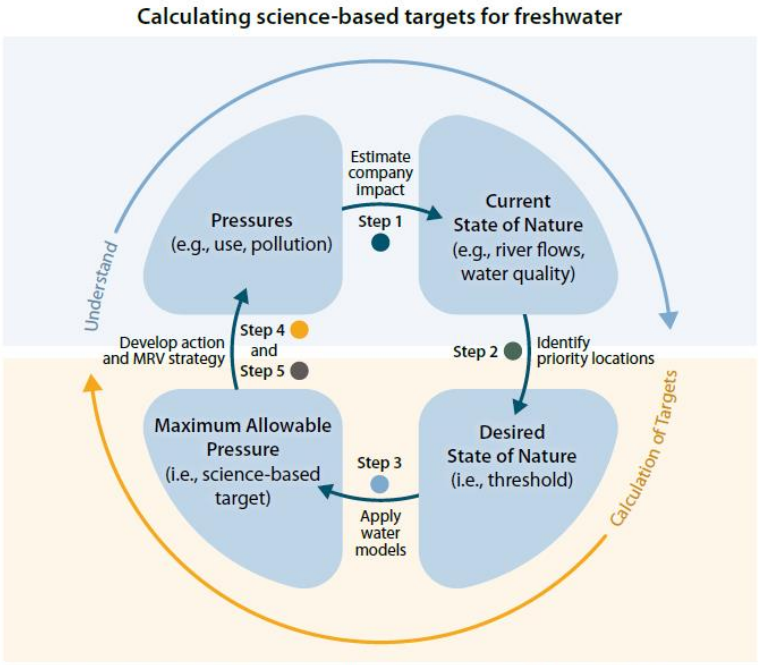


Figure 1: High-level overview of the five steps in the target setting process as applied to freshwater. This figure shows the relationships between different pressure and state of nature variables and how companies use them in the methods.

Table 3. Model results to use for different pathways and types of basins

1. Percent reduction in surface water withdrawals	Type of basin	2. Percent reduction in groundwater pumping
Reduction required by the selected surface water model (local or Hogeboom)	A. E-flow a concern, groundwater levels not	Reduction required by the selected surface water model (local or Hogeboom)
	B. Groundwater (and e-flow) a concern, but not a groundwater-dependent ecosystem	Reduction required by the selected local groundwater model; otherwise most restrictive level from: • Reduction required to maintain stable aquifer levels (GSGM) • Reduction required to protect e-flow (Hogeboom)
	C. Groundwater-dependent ecosystem (and e-flow is a concern)	Reduction required by the selected local groundwater model; otherwise most restrictive level from: • Reduction required to maintain aquifer levels above the root zone (GSGM) • Reduction required to protect e-flow (Hogeboom)

REDUCTION OF WILD SPECIES EXTRACTED FROM NATURAL HABITATS FOR COMMERCIAL PURPOSES

A company shall be assessed on the "reduction of wild species extracted from natural habitats for commercial purposes" dimension only if **direct exploitation of resources has been identified as material** in the preliminary analysis of impacts and dependencies.

This dimension must be completed only for **direct operations**.

The extraction of wild species from natural habitats for commercial purposes concerns 3 types of activities:

- fisheries (commercial catch fishing in saltwater)
- collection of medicinal and aromatic plants
- collection of plants for luxury goods and perfume creation

Forestry and deforestation are not considered here as its already considered in the "No conversion of natural ecosystem" dimension and aquaculture will be covered in a future version. Hunting has not been taken into account, as it is little or not an activity practiced by companies. Wildlife tourism has not been taken into account because, although it involves the use of wild species, they are not extracted from their natural environment.

There is no existing benchmark for quantifying the reduction in wild species extracted from natural habitats required to meet the objective of reducing direct resource exploitation. That's why this dimension is assessed with a maturity matrix.

However, for fishing activities, the European Taxonomy (11) is giving some quantitative information that can be used to set a semi-quantitative benchmark.

EU Taxonomy says:

- **For commercial catch fishing:**

"Operating in a fishery which complies with established catch limits that are set:

• **At Maximum Sustainable Yield (MSY) with at least 50% of spawning biomass present relative to the unfished stock status**

• With fishing mortality below the MSY level taking into account an ecosystem-based approach

• With level of fish bycatch consistent with MSY level.

If MSY is not available, for inland fisheries for instance, the principle remains the same. In this case, a management strategy evaluation at the fishery level is required to check the robustness of available reference points, proxies and harvest control rules with the implementation of a road map for the next five years in an adaptive framework to gather information on stock status. In this context, ecosystem-based approach to fisheries management must be taken into account. Indirect indicators such as constant landings, no fluctuation in Catch per unit effort (CPUE), no decrease in the more frequent total length of the target species, can be used as reference points to build a management evaluation in a management plan."

The **Maximum Sustainable Yield (MSY)** is the largest quantity of biomass that can be extracted on average over the long term from a fish stock under existing environmental conditions without affecting the reproductive process (definition from FAO).

- **For bycatch:**

"As a general principle, non-target species, bycatch should be minimised or eliminated.

More specifically, the following mortality rates apply:

• For birds: **The threshold mortality rate from incidental seabird bycatch should be ≤1% of natural annual adult mortality of the species.**

• For turtles**: mandatory use of turtle excluding devices in areas where turtles are present**.

• For small cetaceans: **the threshold mortality rate from incidental bycatch should be ≤1% of the population size in that year in relevant sea basin.**

• For other species: **The threshold mortality rate from incidental catches of other marine mammals (including whales, pinnipeds...), sharks & rays should be close to non-existent** with mandatory measures reducing mortality including the prohibiting of wire leaders and shark lines in longline fisheries and other catch mitigation techniques, and minimum standards for safe handling and release."

These criteria will be used as benchmarks in a semi-quantitative maturity matrix to assess the reduction of fish extracted from ocean in commercial fishing activities.

REDUCTION OF QUANTITY OF HIGH-IMPACT COMMODITIES SOURCED FROM LAND/OCEAN/FRESHWATER

A company shall be assessed on the "reduction of quantity of high-impact commodities sourced from land/ocean/freshwater" dimension only if **direct exploitation of resources has been identified as material** in the preliminary analysis of impacts and dependencies.

This dimension must be completed only for **upstream operations**.

The high-impact commodities have been established by SBTN in 2023. The high-impact commodity list (HICL) is defined by SBTN as "a non-exhaustive list of the most common environmental impacts associated with the production of major commodities […] The pressure categories included in the HICL are aligned with those used in ENCORE and in the SBTN target-setting guidance for Step 1: Assess and Step 2: Interpret and prioritize. Pressure categories were flagged as potentially material for the commodity when the literature identified the pressure as of potential concern for that commodity's main production processes" (SBTN, 2023).

A company needs to reduce the quantity of high-impact commodities it uses and buys in order to reduce the impact of its suppliers on biodiversity, especially the impacts on natural resources use.

For this dimension, only high-impact commodities described as material on resource use" (“other resource use” according to SBTN review and ENCORE (34)) are taken into account, as the other factors are already covered by the other dimensions.

The adapted list with only the high-impact commodities on resource use is the following:

POLLUTION BENCHMARKS

REDUCTION OF POLLUTION: NUTRIENTS AND TOXIC CHEMICALS (35) (36)

Benchmark

SBTN

This benchmark is derived from the “Freshwater quality” target from SBTN (2020) (33). To understand how to set a “Freshwater quality” target, please refer to **Science Based Targets Network (2023). Step 3 Freshwater: Measure, Set, Disclose.**

The initial version (V1.1) focused on nutrient pollution, namely nitrogen and phosphorus. Version 2.0, released for public consultation in 2025, expands the scope to toxic substances, with a particular focus on pesticides and point-source discharges of hazardous chemicals into surface waters. This extension reflects the growing recognition of the impacts of agricultural and industrial chemicals on aquatic ecosystems. It is also aligned with the goals of the Kunming-Montreal Global Biodiversity Framework (GBF), particularly Target 7b, which calls for at least a 50% reduction in the risks associated with pesticides and hazardous chemicals.

Nutrients load

For nutrients, the benchmark follows the same equal effort-sharing principle used for water withdrawals. The required basin-wide reduction percentage is calculated based on the ratio between the current nutrient concentration within the basin and the ecological threshold, using the following equation (SBTN Equation 3):

% required reduction = (current concentration − ecological threshold) / current concentration

This calculation is applied to the limiting nutrient identified within the basin — either nitrogen (N) or phosphorus (P). The limiting nutrient is defined as the nutrient whose relative availability is the lowest compared with algal growth requirements. The ecological threshold should be established at the local level through consultation with relevant authorities or stakeholders.

Where no local threshold exists, SBTN provides a global reference model based on the work of David McDowell et al. (2020). This model defines maximum acceptable concentrations of:

- 0.80 mg-N/L for total nitrogen;
- 0.046 mg-P/L for total phosphorus.

These thresholds are considered compatible with maintaining acceptable algal growth levels in aquatic ecosystems.

Pesticides

For highly hazardous pesticides (HHPs), the benchmark is derived from Target A7 of the Global Framework on Chemicals (2023) and from the GBF. These frameworks call for the progressive phase-out of HHPs in agriculture by 2035 wherever viable alternatives exist.

For non-HHP pesticides, the benchmark is based on GBF Target 7b, which establishes an objective of reducing pesticide impacts by at least 50% compared with a defined baseline. SBTN recommends the use of the USEtox model to estimate impacts. USEtox was developed under the UNEP/SETAC Life Cycle Initiative. It translates pesticide use data into ecotoxicological impacts on aquatic ecosystems by combining environmental persistence, exposure, and toxicity factor

Point-source discharges

For point-source discharges of toxic substances, the benchmark is based on the principle of non-exceedance of acceptable concentration thresholds within the effluent before dilution into the receiving environment. These thresholds should primarily be defined by local basin authorities. Where no local thresholds exist, recognised national or international standards protective of ecosystems should be used.

DEFINITIONS

Nutrients (N et P): Nitrogen (N) and phosphorus (P) are the main nutrients responsible for eutrophication when present in excess in aquatic environments. Eutrophication results in excessive algal growth, depletion of dissolved oxygen, and degradation of aquatic ecosystems. Nutrient pollution originates from two main types of sources: point sources, such as direct discharges through identifiable pipes or outlets (e.g. wastewater treatment plants) and diffuse sources, such as agricultural runoff and soil leaching.

Limiting nutrient: Within each river basin, algal growth is constrained by the nutrient that is available in relatively insufficient quantities compared with biological needs. This nutrient is referred to as the limiting nutrient. It is identified by comparing the basin's N:P ratio with the Redfield ratio (7 by mass): an N:P ratio above 7 indicates phosphorus limitation; an N:P ratio below 7 indicates nitrogen limitation. The reduction target is established only for the identified limiting nutrient

Ecological water quality threshold: maximum nutrient concentration (mg/L) compatible with maintaining an acceptable ecological condition in the receiving aquatic environment. This threshold is derived from the selected model (local or global). It should not be replaced by minimum regulatory limits, which may be less stringent than scientifically derived ecological thresholds.

Point sources: Point sources refer to pollutant discharges released through an identifiable and localised outlet (e.g. an industrial discharge pipe or a wastewater treatment plant outlet). These discharges can be measured directly using primary data on discharge flow and nutrient or toxic substance concentrations

Nonpoint sources: diffuse pollutant discharges transported into aquatic environments primarily through runoff and soil leaching from agricultural land. These emissions generally cannot be measured directly and are instead estimated using secondary data, such as nutrient load models or greywater footprint calculations.

Greywater footprint: The greywater footprint refers to the theoretical volume of water required to dilute a pollutant load to an acceptable concentration threshold. It is expressed as a volume per year (ML/year). It constitutes an alternative to nutrient load expressions (kg N/year or kg P/year), particularly for upstream diffuse pollution sources.

Highly Hazardous Pesticides, HHP: Highly Hazardous Pesticides (HHPs) are pesticides recognised as presenting particularly high acute or chronic risks to human health or the environment.

Their classification is based on international systems and conventions, including WHO classifications; the Globally Harmonized System (GHS); the Stockholm Convention; and the Rotterdam Convention. The primary reference list is the PAN International List of Highly Hazardous Pesticides, complemented by relevant national and regional

regulatory lists. Where conflicting classifications exist, the precautionary principle applies, and the most stringent classification must be retained.

Non-HHP pesticides: pesticides that do not meet HHP classification criteria but nevertheless generate ecotoxicological impacts on aquatic ecosystems. These impacts can notably be quantified using the USEtox model.

Ecotoxicological impact (CTU — Comparative Toxic Unit): a metric used to quantify pesticide impacts on aquatic ecosystems. It is expressed as the potentially disappeared fraction of aquatic species integrated over space and time (PAF·m³·day). The indicator combines three factors: environmental persistence of pesticide (fate factor); exposure of organisms (exposure factor); toxic effects (effect factor). It enables quantitative comparisons between pesticides, farms, and river basins.

Point-source discharges of toxic substances

Point-source discharges of toxic substances refer to direct releases of hazardous chemicals into surface waters through industrial effluents or treated wastewater.

The reference threshold corresponds to the maximum acceptable concentration within the effluent before dilution into the receiving environment. It is defined either by the local basin authority or by recognised national or international standards protective of ecosystems.

COMPANIES CONCERNED

Nutrients

This indicator applies to companies whose activities generate nutrient discharges into aquatic environments, either directly or through their supply chain. The main sectors concerned include:

- agricultural and agri-food sectors, where nitrogen and phosphorus fertilisers constitute the main source of diffuse nutrient pollution;
- industrial and municipal sectors operating direct discharge points (e.g. wastewater treatment plants, food-processing facilities, production plants) generating nutrient-rich effluents;
- more broadly, any company whose direct operations or upstream supply chain materially contribute to nutrient loads within river basins experiencing water quality degradation, as identified through the materiality assessment process.

Pesticides

The pesticide indicator specifically applies to:

- companies producing or sourcing agricultural commodities for which pesticide-use data are available at farm or basin level (Scope A under SBTN terminology);
- producers and distributors of plant protection products (PPPs) and pesticides, which are required to establish HHP phase-out targets;
- any company whose agricultural suppliers use pesticides within priority basins identified during the materiality assessment stages.

Point-source discharges of toxic substances

This indicator applies to companies directly discharging toxic substances into surface waters through identifiable effluents, either within their direct operations or upstream activities.

GUIDANCE

Nutrients

Step 1 — Selection of the water quality model

Model selection follows the same hierarchy as for water withdrawals: priority is given to local models, while global models should only be used as a last resort after documented stakeholder consultation. The process follows the same three-level decision tree (SBTN tool, national stakeholders, local stakeholders for priority basins).

A local water quality model is considered appropriate if it integrates the main anthropogenic sources of nutrients (point and diffuse sources), relies on recognised quality standards, establishes an explicit link between nutrient loads and concentrations in the receiving environment, and has been empirically validated within the basin or in a comparable context.

Where no local model is available, a recognised global model may be used. The model recommended by SBTN is based on the work of McDowell et al. (2020) and is accessible through the SBTN State of Nature Water Layers application. It provides, for each Pfafstetter Level 6 basin, current N and P concentrations, the identified limiting nutrient, and global reference thresholds. The suitability of the global model for the basin must be confirmed by local stakeholders, in particular by verifying the absence of atypical hydrological or biogeochemical conditions likely to alter the load-concentration relationship.

Step 2 — Baseline calculation

The baseline is calculated separately for N and P, distinguishing between point and diffuse sources, and between direct and upstream operations: For point sources in direct operations: primary data are mandatory, expressed as monthly loads (kg N/month or kg P/month), calculated by multiplying discharge flow (ML/month) by the measured concentration (mg/L). For diffuse sources in direct and upstream operations: secondary data are accepted, based on nutrient load models or expressed as greywater footprint (ML/year). Expressing the baseline as nutrient loads is preferable to the greywater footprint, as it provides a more precise characterisation of the type of pollution.

Reference period: average of the last five complete years of activity, or the full duration of operations if shorter.

Spatial aggregation level: Pfafstetter Level 6 for the global McDowell model, or the level defined by the local model.

Indirect discharges through third-party wastewater treatment plants are outside the scope of this version of the SBTN methodology.

Step 3 — Calculation of the required reduction percentage

The basin-wide reduction percentage is calculated according to SBTN Equation 3:

% reduction required = (current concentration − ecological threshold) / current concentration

This calculation is applied only to the limiting nutrient identified in the basin. It is performed over the full available data period, and the 75th percentile of the required reduction distribution is retained. Where the result is negative (current concentration below the threshold), the reduction percentage is set to zero and a maintenance target is defined.

Step 4 — Company target-setting

The individual target is obtained by applying the basin-wide reduction percentage to the company's current load (SBTN Equation 4):

Target load = Baseline load × (1 − % reduction required)

The target is expressed as a maximum annual nutrient load (kg N/year or kg P/year) or as a greywater footprint (ML/year), depending on the unit used for the baseline. The temporal resolution of the target must be consistent with that of the baseline: annual if the baseline is annual, monthly or seasonal if the baseline is monthly.

Time horizon:

Target reduction ≤ 25%: 5-year horizon, extendable to 10 years with justification.

Target reduction > 25%: horizon of up to 10 years.

Standard wording:

Annual load target: “The company will reduce its P load in the X basin to X kg P/year by 20XX

Annual greywater footprint target: “The company will reduce its greywater footprint in the X basin to X ML/year by 20XX.”

Pesticides

Step 1 — Identification of pesticides

The company must identify all pesticides used in its direct operations and by its suppliers, specifying the common name and CAS number for each substance. This identification forms the basis for HHP / non-HHP classification.

HHP classification is carried out by reference to the applicable lists: the PAN International list of highly hazardous pesticides, the European pesticide database, the Stockholm Convention and Rotterdam Convention lists, and relevant national lists. Where sources conflict, the most stringent classification must be retained.

Step 2 — Local consultation on threshold exceedances

The company must contact the relevant local authorities (basin authorities, water management agencies) to verify whether threshold concentration exceedances for the pesticides used have been observed in priority basins over the past three years. Where a likely contribution from the company is identified, the company must engage with local authorities to define actions aimed at preventing future exceedances.

Step 3 — HHP phase-out target

For any pesticide classified as an HHP, the company must set a target to cease its use, application, production or commercialisation by 2035, with quantified interim milestones (e.g. 50% of HHPs phased out by 2030). The phase-out must be accompanied by a documented assessment of available alternatives — biological, mechanical, or substitution with less hazardous substances — including impacts beyond aquatic ecotoxicity (e.g. increased land footprint). If no viable alternative exists and cessation would compromise food security or farmers’ livelihoods, a documented justification must be submitted, and the target must be reassessed annually.

Step 4 — Impact reduction target for non-HHP pesticides

For pesticides not classified as HHPs (or classified as HHPs but not yet eligible for cessation), the company must quantify its baseline ecotoxicological impact using a recognised pesticide impact quantification model, such as USEtox. This tool combines primary use data (pesticide, dose, treated area, crop type, growth stage, application method, presence of buffer zones) with generic emission factors (PestLCI model, Nemecek et al. 2022) and impact factors (USEtox) to produce an impact measure in CTU per farm or per basin.

The target is set as a reduction of at least 50% of the baseline impact, in line with GBF Target 7b. This reduction may be achieved through elimination, dose reduction, reduction of treated areas, or substitution with less toxic alternatives — provided that the absence of burden shifting towards other environmental impacts is verified.

The baseline is calculated over the last five complete years of activity. The spatial aggregation level is HydroBASINS Level 6, or a finer local delineation where available and hydrologically relevant.

Standard wording: "Company X will reduce its pesticide-use impact by 50% compared with the [date] baseline in basin Y, within five years from the target-setting date."

Point-source discharges of toxic substances

Step 1 — Identification of discharge points

The company must identify all direct discharge points into surface waters, for its direct operations and, where relevant, its upstream activities. For each discharge point, primary data on discharge flow (ML/month) and toxic substance concentrations (µg/L) must be collected.

Step 2 — Identification of the applicable concentration threshold

For each discharge point, the acceptable concentration threshold is defined first based on the limits set by the local basin authority, provided that these limits are explicitly protective of nature. Where no local limits exist, recognised national or international standards are used (European standards, US EPA standards, Australian standards, etc.).

Step 3 — Calculation of the maximum authorised load and target-setting

The maximum authorised load per discharge point is calculated using the following equation:

Target load (kg/month) = Discharge flow (ML/month) × concentration threshold (µg/L) × 1,000

This equation applies before dilution in the receiving environment. It is therefore a conservative assumption: the threshold must be met in the effluent itself, regardless of the dilution capacity of the receiving watercourse. If this requirement proves technically infeasible, the company may rely on an external framework or defer target-setting.

Targets are expressed monthly. An annual target may be used for reporting purposes, retaining the most stringent value across all months.

Standard wording: "The company will reduce its discharges of X in the X basin to X kg/month for each of the following months, within five years from the target-setting date."

$$45\%\ required\ reduction\ in\ basinwide\ nutrient\ load = \frac{Current\ nutrient\ concentration - Threshold\ nutrient\ concentration}{Current\ nutrient\ concentration}$$

with:

$$Company\ target\ load = \frac{100 - \%\ reduction\ in\ basin-wide\ load\ required}{100} \times\ Present\ day\ company\ load$$

$$Company\ target\ greywater\ footprint = \frac{100 - \%\ reduction\ in\ basin-wide\ load\ required}{100} \times\ Present\ day\ greywater\ footprint$$

REDUCTION OF PLASTIC USE

A company shall be assessed on the "reduction of plastic use" dimension only if **pollution has been identified as material** in the preliminary analysis of impacts and dependencies.

The European Plastic Pact (37), signed in 2020, has set the target of reducing virgin plastic products and packaging by **at least 20% (by weight) by 2025 compared with 2017**.

Another aim of this Pact is to design all single-use plastic packaging and products so that they are reusable wherever possible and, in all cases, recyclable by 2025.

Thus, to be aligned with the European Plastic Pact, the benchmark used for this indicator is **a linear reduction in plastic use (all types) of at least 20% by weight from the base year to the following five years.**

This dimension takes into account all types of plastic, not just virgin plastic, as the main impact on biodiversity concerns pollution linked to the end-of-life of plastic (waste in land/ocean), whatever the type of plastic.

There are 3 main categories of plastics:

- elastomers
- thermoplastics: high-density polyethylene (HDPE), low-density polyethylene (LDPE), polyethylene terephthalate (PET), polypropylene (PP), polyvinyl chloride (PVC) and polystyrene. These waste materials, which account for 80% of the tonnage of plastics produced, melt under the effect of heat and regain their rigidity as they cool.
- thermosets: polyurethane, unsaturated polyesters.

This dimension includes **microplastics** (particularly for the cosmetics sector).

The "Reduction of plastic use" benchmark can be summarized as follows:

For **direct operations,** the benchmark is a linear reduction of plastic use **of 20% from the base year to the following five years.**

For **upstream operations,** this dimension is assessed by a maturity matrix.

CLIMATE CHANGE BENCHMARKS

2 different cases:

Case 1 — Base Year (BY) ≤ 2020

Linear reduction of 4.2% per year from BY to BY+10, then linear reduction to reach –90% in 2050 vs BY.

From BY to BY+10

Targeted S1+2 emissions (Y) = Company's S1+2 emissions (BY) × (1 − 4.2% × (Y − BY))

From BY+10 to 2050

Targeted S1+2 emissions (Y+1) = Targeted S1+2 emissions (Y) + [Targeted S1+2 emissions (2050) − Targeted S1+2 emissions (BY+10)] / (2050 − (BY+10))

where:

- Targeted S1+2 (2050) = Company's S1+2 (BY) × (1 − 90%)
- Targeted S1+2 (BY+10) = Company's S1+2 (BY) × (1 − 42%)

Case 2 — Base Year (BY) > 2020

Linear reduction of 42% from BY to 2030, then linear reduction to reach –90% in 2050 vs BY.

From BY to 2030

Targeted S1+2 emissions (Y) = Company's S1+2 emissions (BY) × (1 − ((Y − BY) / (2030 − BY)) × 42%)

From 2030 to 2050

Targeted S1+2 emissions (Y+1) = Targeted S1+2 emissions (Y) + [Targeted S1+2 emissions (2050) − Targeted S1+2 emissions (2030)] / (2050 − 2030)

where:

- Targeted S1+2 (2050) = Company's S1+2 (BY) × (1 − 90%)
- Targeted S1+2 (2030) = Company's S1+2 (BY) × (1 − 42%)

Scope 1+2 emissions in tCO2e

WEIGHTINGS

The weighting scheme is defined for each company's profile given the impacts vary both on their location along the value chain, and their pressure lever on nature. The table below describes the weighting scheme.

Materiality Table

	Land/Water/Sea Use Change			Resource exploitation		Climate Change	Pollution					Invasives and Other
	Terrestrial ecosystem use	**Freshwater ecosystem use**	**Marine ecosystem use**	**Water use**	**Other resource use**	**GHGs emissions**	**Non-GHG air pollutants**	**Water pollutants**	**Soil pollutants**	**Solid waste**	**Disturbance (noise, light)**	**Biological alterations/interferences**
	**Note that this category is referred to as "Land use and land use change" in the SBTN framework.*	Not covered in this methodology					**Not covered in this methodology**				*The materiality will only be used for the module 2 & 4*	
Upstream	Up1			Up2	Up3	Up4		Up5	Up6	Up7	Up8	Up9
Direct	D1			D2	D3	D4		D5	D6	D7	D8	D9
Downstream												
Mapping with dimension	Dim 1			Dim 2	Dim 3	Dim 4		Dim 5	Dim 6	Dim 7	Dim 8	Dim 9

Upi and Di are the materiality associated with the ad hoc pressure lever and range from 0 to 8.

Numerical correspondence (a pseudo-Fibonacci sequence, with a 0 instead of 1, in order to eliminate very low weightings for dimensions; this highlights the most important issues).

Very Low	**0**
Low	2
Medium	3
High	5
Very High	8

Formula total Direct operations

$D = \sum^{i(9)} D_i$

Formula total Upstream operations

$Up = \sum^{i(9)} Up_i$

Total impact materiality

T = D + Up

Percentage Direct Operations: %Direct = D / (D + Up)

Percentage Upstream: %Upstream = Up / (D + Up)

With %Upstream = 1 − %Direct

REMINDER: Downstream is not included yet by default of standardization on the topic

The score obtained for each pressure lever is then weighted by its Direct and Upstream shares.

For any given lever with an initial score S:

Weighted Score = S × (%Direct + %Upstream)

Because the two components sum to 1, the weighted score reflects the relative importance of Direct and Upstream contributions in the final scoring.

Integration into the Target module

State of Nature (20%)	Pressure levers (80%)												
Generic	**Land, sea use change**							**Direct / Indirect Exploitation**		**Climate Change**	**Pollution**		
Inclusion and disclosure of state of nature metric	No conversion of natural ecosystem	Land footprint reduction target	Land area Natural Cover Land	Land quality Target : SOC	Land quality Target: Soil erosion	Land quality Target: Terrestrial acidification	Landscape engagement	Reduction of water withdrawal	Reduction of wild species extracted from natural habitats for commercial purposes	GHG emissions Scope 1+2 (Direct) or Scope 3 (Upstream)	Reduction of excess nutrients lost to the environment	Reduction of pesticides and highly hazardous chemicals	Reduction of plastic use (direct operations)
Upstream	Up1*	Up2*	Up3*	Up4*	Up5*	Up6*	Up7*	Up8	Up9	Up10	Up11	Up12	Up13
Direct	D1*	D2*	D3*	D4*	D5*	D6*	D7*	D8	D9	D10	D11	D12	D13
Downstream													
Mapping with dimension	Dim 1*	Dim 2*	Dim 3*	Dim 4*	Dim 5*	Dim 6*	Dim 7*	Dim 8*	Dim 9*	Dim 10*	Dim 11*	Dim 12*	Dim 13*

- **Where Upi (i=1 to 7)* = Materiality score of Terrestrial ecosystem Use / 7 if Agri Agro, Energy-intensive Industrial Processes and Product Use**
  = Materiality score of Terrestrial ecosystem Use / 4 if other sector (Since Land Quality only applies for Agri Agro companies)
- **For Upi (i=8 to 13) = Materiality of the associated category (see first Table of this section above).**

The weighted scoring accounts for 80% of the final module score.

The remaining 20% comes from the State of Nature indicator, which captures the company's level of ecosystem conversion, natural land cover, and other relevant quality metrics.

The final module score is obtained as follows:

Final Target Score = 0.80 × Weighted_Score + 0.20 × State_of_Nature_Indicator

This ensures that the materiality assessment distributes the company's biodiversity impacts across the IPBES pressure drivers using a standardized scoring scale. Each pressure driver is assigned a score from 0 to 8, corresponding respectively to Very Low (0), Low (2), Medium (3), High (5), and Very High (8) materiality. The score of each driver represents its relative contribution to the overall biodiversity impact.

The percentage weight of each pressure driver is then calculated proportionally to its score. The share of a given driver equals its score divided by the sum of all scores. As a result, all pressure shares sum to 100 percent, providing a transparent and quantitative distribution of materiality. This approach enables prioritisation of action and clear alignment with the IPBES pressure levers AND State of nature approach.

INDICATORS AND MODULES

Some weightings are fixed (W), while others are variable, depending on the response to the materiality matrix.

Module		Indicators	Indicator weighting	Module weighting
Targets	1.1	Alignment of biodiversity impact reduction targets in direct operations (including state of nature)	$W_{1.1}$	**15%**
	1.2	Alignment of biodiversity impact reduction targets in upstream operations (including state of nature)	$W_{1.2}$	
	1.3	Achievement of past and present targets	2%	
Direct operations	2.1	Trend in past biodiversity impacts (including state of nature)	$W_{2.1}$	**W2**
	2.2	Production practices	$W_{2.2}$	
	2.3	Biodiversity integrated CAPEX	$W_{2.}$	
Intangible investment	3.1	R&D in biodiversity protection	1%	**3%**
	3.2	Investment in human capital - training	2%	
Upstream operations	4.1	Trend in past biodiversity impacts (including state of nature)	$W_{4.1}$	**W4**
	4.2	Upstream production practices (Generic)	$W_{4.2}$	

Management	5.1	Oversight of biodiversity loss issues	1%	**10%**
	5.2	Biodiversity loss oversight capability	1%	
	5.3	Transition plan in favor of biodiversity	5%	
	5.4	Biodiversity management incentives	1%	
	5.5	Nature scenarios and pathways	2%	
Supplier engagement	6.1	Strategy to influence suppliers to reduce their impact on biodiversity	5% (or 2%)	**10% (or 4%)**
	6.2	Activities to influence suppliers to reduce their impact on biodiversity	5% (or 2%)	
Clients engagement	7.1	Strategy to influence customer behavior to reduce their impact on biodiversity	2% (or 5%)	**4% or (10%)**
	7.2	Activities to influence customer behavior to reduce their impact on biodiversity	2% (or 5%)	
Policy engagement	8.1	Company policies on engagement with trade associations	1%	**5%**
	8.2	Associations, alliances, coalitions and thinktanks supported do not have climate-negative activities or positions	1%	
	8.3	Position on significant biodiversity policies	1%	
	8.4	Collaboration with local communities and indigenous people	2%	
Business model	9.1	Changes to Business model	4%	**10%**
	9.2	Nature Based Solutions	3%	
	9.3	Restoration actions	3%	

CALCULATION OF VARIABLE WEIGHTINGS

Module Level (W2 and W4)

Underlying Logic:

W2 + W4 = 43% → General statement resulting from the ACT Framework weighting (38)

The respective weights of W2 and W4 depend on the total weight of materialities in **Upstream** and **Direct operations from the Materiality Table**.

W2 = 43% × % of materiality represented by Direct operations

W4 = 43% × % of materiality represented by Upstream operations = 43% × (1 − % of materiality represented by Direct operations)

Indicator Level

Module 1

Underlying Logic:

The weights of indicators BIO 1.1 and BIO 1.2 are proportional to the materiality of the corresponding scope (Direct / Upstream).

The weights of the dimensions are proportional to the materiality of the corresponding environmental pressure in the relevant scope.

Indicator	# dimension	Dimension	Weighting
BIO 1.1	**1**	No conversion of natural ecosystem	W1.1 = 13% × %Direct
	2	Land area: footprint reduction target	
	3	Land area Natural Cover Land	
	4	Land quality Target : SOC	
	5	Land quality Target: Soil erosion	
	6	Land quality Target: Terrestrial acidification	

	7	Landscape engagement	
	8	Reduction of water withdrawal (direct & upstream)	
	9	Reduction of wild species extracted from natural habitats for commercial purposes (direct)	
	10	Alignment of scope 1+2 emissions reduction targets (direct)	
	11	Reduction of water pollution | Nutrients and Toxic chemicals (direct & upstream)	
	12	Reduction of pesticides and highly hazardous chemicals	
	13	Reduction of plastic use (direct)	

Indicator	# dimension	Dimension	Weighting
BIO 1.2	1	No conversion of natural ecosystem	W1.2 = 13% × %Upstream = 13% × (1 − %Direct)
	2	Land area: footprint reduction target	
	3	Land area Natural Cover Land	
	4	Land quality Target : SOC	
	5	Land quality Target: Soil erosion	
	6	Land quality Target: Terrestrial acidification	
	7	Landscape engagement	
	8	Reduction of water withdrawal (direct & upstream)	

9	Reduction of quantity of high-risk natural commodities sourced from land/ocean/ freshwater (upstream)	
10	**Alignment of scope 3 emissions reduction targets (upstream)**	
11	**Reduction of water pollution | Nutrients and Toxic chemicals**	
12	**Reduction of pesticides and highly hazardous chemicals**	
13	**Reduction of plastic use**	

Module 2:

Underlying Logic:

The weights of the dimensions of BIO 2.1 are proportional to the materiality of the corresponding environmental pressure.

W4.1Dim x=W4.1×UpxUpW4.1Dim x=W4.1×UpxUp

Weighting in the Maturity Matrices (Ind 2.2 and 4.2)

This is only applicable to the maturity matrices of indicators 2.2 and 4.2, for the **Generic** sector.

Indicator Matrix 2.2: Dynamic & fix weighting

For Agri-Agro & ENR

Evaluation level	Weighting
Land/sea use change	80%×D1

Direct exploitation	80%×(D2+D3)
Pollution	80%×(Dim5 + Dim6 + Dim7 +Dim 8)
Climate change	80%×Dim4
Invasive alien species	80%*Dim9
Biodiversity management	20%

For Generic

The Generic matrix score combines a fixed component and a dynamic component.

The **Biodiversity Management** block carries a fixed weight of 20%, applied regardless of the company's materiality profile.

The remaining **80% is distributed dynamically** across the active pressure axes : land/sea use change, direct exploitation, pollution, and invasive alien species, in proportion to the materiality scores. Climate change, freshwater ecosystem use, marine ecosystem use, other resource use, and non-GHG air pollutants are not covered in this matrix and are excluded from the calculation.

Materiality threshold

A dimension is included in the weighting only if its materiality score meets or exceeds the medium threshold. The scoring scale is as follows: low (< 3), medium (3), high (5), very high (8). Below this threshold, the dimension score is set to zero, and all corresponding sub-axes are excluded from the assessment.

Weighting formula

The weight of each sub-axis is:

$$W_{sub-axis} = 0.80 \times \frac{D_i}{\Sigma_j D_j} \times \frac{1}{n_i}$$

Where:

- Di is the materiality score of dimension i, set to 0 if Di < 3
- $\sum j\ Dj$ is the sum of all active dimension scores (D1 + D2 + D5 + D6 + D7 + D8 + D9)
- ni is the number of sub-axes within dimension i

The total score is therefore:

$$Score_{generic} = 0.80 \times \Sigma_{sub-axes} W_{sub-axis} \times Score_{sub-axis} + 0.20 \times Score_{biodivmgmt}$$

This structure ensures that the assessment effort is proportional to the company's actual biodiversity impact profile. An axis with zero materiality contributes to a weight of zero and is not evaluated.

Materiality		Generic matrix axes/ evaluation level	Weighting
Land/sea use change	Terrestrial ecosystem use	Reduction of land artificialization for new sites and/or extensions of existing sites	80% × D1/ ΣD× 1/5
		Reduction of land artificialization on existing sites	80% × D1/ ΣD× 1/5
		Proximity to sensitive areas	80% × D1/ ΣD× 1/5
		Site location within a sensitive area	80% × D1/ ΣD× 1/5
		Avoidance of habitat fragmentation	80% × D1/ ΣD× 1/5
	Freshwater ecosystem use	/	/
	Marine ecosystem use	/	/
Direct exploitation	Water use	Water efficiency plan across all sites	80% x D2 / ΣD x 1/1
	Other resource use	/	/
Climate change	GHG emissions	/	/
Pollution	Non-GHG air pollutants	/	/

	Water pollutants	Wastewater	80% × D5/ ΣD × 1/2
		Use of toxic substances	80% × D5/ ΣD × 1/2
	Soil pollutants	Use of toxic substances	80% × D6/ ΣD× 1/1
	Solid waste	Solid waste	80% × D7/ ΣD × 1/1
	Noise disturbance	Noise pollution	80% × D8/ ΣD × 1/2
	Light disturbance	Light pollution	80% × D8/ ΣD× 1/2
Invasive alien species	Biological alterations/interferences	Invasive alien species management plan	80% × D9/ ΣD × 1/1
Biodiversity management			20%

Matrice indicator 4.2 has a stable weight since it is a generic approach based on commodities sourcing:

Evaluation level	Weighting
High impact commodities and other commodities scoring	50%
Sensitive habitat sourcing	25%
Responsible for sourcing of renewable materials	20%
Invasive alien species prevention	5%

RATIONALE FOR WEIGHTINGS

Module 1 and 2: By weighting biodiversity pressures according to IPBES categories and the materiality of each pressure for the business, it avoids treating all issues as equal and instead focuses effort where it matters most. Distinguishing between direct operations and upstream impacts also reflects reality: companies have strong control over their sites and only shared influence over their supply chain. Integrating these weightings into both target-setting (Module 1) and the maturity matrices (Modules 2 and 4) ensures that ambitions, actions, and governance are scaled to the real importance of each pressure. Because the system is dynamic, it can evolve with new scientific evidence, regulations, or changes in the company's activities. Altogether, this makes the approach robust, practical, and credible, helping organisations direct resources to the most significant biodiversity issues while maintaining a method that is scientifically grounded and operationally realistic.The weighting scheme for Indicator 4.2 reflects the relative contribution of each sourcing dimension to biodiversity pressures, based on a cross-sector review of scientific evidence (IPBES drivers), SBTN commodity guidance, and ACT Biodiversity principles. Because this indicator focuses on supply-chain practices, a stable weighting is applied to ensure comparability across companies and sectors.

Module 4:

1. *High-Impact Commodities and Other Commodities Scoring – 50%*

This component receives the highest weight (50%) because the selection of commodities represents the strongest determinant of biodiversity pressure in the supply chain. The nature of the commodity (e.g., cotton, palm oil, soy, beef, timber, cement) directly influences exposure to land-use change, water depletion, soil and water pollution, and greenhouse gas emissions. Scientific evidence shows that a small number of global commodities account for the majority of terrestrial ecosystem conversion and freshwater impacts. A 40% weight therefore ensures that companies sourcing high-impact commodities are appropriately differentiated and incentivised to address material biodiversity risks.

2. *Sensitive Habitat Sourcing – 25%*

Sourcing in or near sensitive habitats (e.g., Key Biodiversity Areas, Ramsar sites, Natura 2000, protected or high ecological value areas) is consistently identified by IPBES and IUCN as a major driver of ecosystem degradation and species decline. When production occurs in priority conservation zones, even low-intensity practices can lead to disproportionate impacts due to ecological vulnerability, fragmentation sensitivity, and low ecosystem resilience.

3. *Responsible Sourcing of Renewable Materials – 20%*

This criterion is weighted at 20% because, although renewable material certification contributes positively to improved ecosystem management and reduces long-term pressure, its impact magnitude is generally lower than commodity type and habitat sensitivity. Certification schemes (FSC, PEFC, ISCC, RSB, etc.) reduce risks of over-harvesting, illegal sourcing, or unsustainable forest management, but these benefits apply primarily to renewable materials, not to all commodity classes.

Therefore, a 20% weight recognizes the importance of verified responsible sourcing practices while ensuring that the overall score remains driven by the most material biodiversity factors.

4. Invasive alien species prevention – 5%

The criterion is weighted at 5% due to the lack of maturity on IAS issues. Nevertheless, it is important for the company to address the issue of goods inspection, as the transport of goods in one of the main routes for the IAS introduction.

2. Rating

The ACT rating shall comprise:

→ A performance score
→ A narrative score
→ A trend score

These pieces of information shall be represented within the ACT rating as follows:

a. **Performance score** as a number from 1 (lowest) to 100 (highest)
b. **Narrative score** as a letter from E (lowest) to A (highest)
c. **Trend score** as either "+" for improving, "-" for worsening, or "=" for stable.

In some situations, trend scoring may reveal itself to be unfeasible depending on data availability. In this case, it should be replaced with a "?".

The highest rating is thus represented as "100A+", the lowest as "1E-" and the midpoint as "50C=".

TABLE 3: LOWEST, HIGHEST AND MIDPOINT FOR EACH ACT SCORE TYPE

LOW SCORES	MID SCORES	HIGH SCORES
1,E,-	50,C,=	100,A,+

See the ACT Framework (39) for general information and methodology on the ACT rating.

3. Performance scoring

Performance scoring shall be performed in compliance with the ACT Framework.

4. Narrative scoring

The narrative scoring is primarily a sense-making exercise. Using Pirolli and Card's framework for sense-making (2005) through their bottom-up approach, an ACT assessment can be viewed as a set of sequential tasks, starting with *information development* (gathering company and sector pathway data from both publicly available and directly reported sources), followed by *schema development* (the "representation of gathered information in a schema that aids analysis", i.e., the organisation of collected data according to the ACT methodologies). The next stage in Pirolli and Card's process is *insight development*. In the ACT assessment context, this includes the analysis of performance modules and generation of the performance score but crucially is followed by the creation of a holistic narrative that seeks to capture the overall meaning and make sense of the information collected about the company.

To achieve the above, the most important purpose of the narrative scoring is to enable the analyst to prepare the feedback report for the company, evaluating its overall readiness to contribute to biodiversity restoration and preservation and whether there are any gaps in that readiness that were not picked up in the performance scoring. Therefore, the narrative assessment does not rely solely on analysis of the results of the performance modules, but also information related to reputation, risk, data quality and overall consistency and credibility.

To carry out the narrative scoring, the analyst extracts cues from both the performance score results and additional narrative criteria by asking a set of guiding questions for each criterion. This helps to link information about a company's biodiversity performance to a broader network of meaning, i.e., the company's overall readiness to its transition. This overall sense of the company's direction is then captured in a narrative account that tells a story of the company's past, present and future journey, based on the five ACT guiding questions (presented in 5.1 Assessment Framework). This is captured in the feedback report for the company.

Further, the narrative scoring summarises the full conclusions of the analysis, including performance score results and additional narrative criteria in a single letter from A (highest) to E (lowest).

1.Guidance to the narrative scoring

- General narrative scoring assignment process

The narrative scoring has 3 steps:

a. **The performance score insights** summarize why a certain score has been assigned to each module/indicator, and focus on the lower module scores where the most improvement can be gained.

b. **Narrative indicators and accompanying data**. This consists of a review of the data available on the company. The considered data includes the data gathered for the performance scoring, as well as data from other sources, such as annual reports and investment analysis prepared by third parties, external media sources and platforms such as RepRisk.

c. Finally, the information gathered through the performance score insights and narrative indicators should be analysed with the following five criteria in mind:

A. Quality of the materiality analysis (DIRO)

B. Business model and strategy

C. Consistency and credibility

D. Data quality

E. Reputation

F. Risk

The analyst shall develop a **narrative analysis**, in which the five ACT guiding questions (presented in 5.1 Assessment Framework) shall be addressed, and assign the associated **narrative score**, ranging from A to F.

- Detailed narrative scoring criteria description

To develop the narrative analysis and establish a score, the analyst shall review the data that is available on the company according to the 5 criteria described in this section.

In general, the 5 criteria have the same importance in the analysis. However, there may be certain situations where one of the 5 criteria should be assigned a higher weight than the others because there is evidence of critical issues that could seriously hamper the company's climate performance. It is up to the analyst to consider each specific case and adjust the calculated score if needed by, for example, increasing the weight of one criterion.

I. QUALITY OF THE MATERIALITY ANALYSIS (DIRO)

This maturity matrix provides a structured evaluation of how well a company understands and manages its biodiversity-related impacts and dependencies. It serves as a diagnostic baseline, enabling to identify strengths and gaps in existing practices and to guide the prioritization of future actions. The matrix covers several key dimensions such as materiality analysis (impacts and dependencies), value chain mapping and stakeholders' involvement. This evaluation supports prioritization of actions, by ensuring that resources are focused on the most impactful improvements. In particular, the level of materiality attributed to biodiversity pressures plays a central role in the ACT Biodiversity Methodology. It allows for assessing whether data collection efforts, reduction targets, and strategic commitments are truly aligned with the most significant impacts identified by the organization. The materiality assessment also directly influences how the ACT evaluation is weighted: pressures with high materiality carry greater importance in the final score. As materiality serves as the foundation of the ACT Biodiversity evaluation, it is essential to thoroughly understand and evaluate the way it has been conducted, including the methodology used, the scope covered (direct and upstream operations), and whether it integrates recognized frameworks such as the IPBES pressure factors or made with tools like ENCORE and SBTN. Additionally, the matrix facilitates benchmarking against industry standards, ensuring alignment with frameworks like TNFD and global biodiversity goals. Over time, it provides a way to track progress and demonstrate a company's commitment to sustainable biodiversity management.

Evaluation level		Basic	Advanced	Biodiversity aligned	Weighting
Score		**0**	**0,5**	**1**	
Assessment scope		The scope covers only company's direct operations	The scope covers direct operations and at least 70% of upstream operations including 60% of HIC commodity volumes and 100% of EUDR commodities	The scope covers direct operations and at least 100% of upstream operations including 100% of HIC commodity volumes and 100% of EUDR commodities are identified and located up to the most relevant upstream tier	30%
Exclusion justifications		Scope exclusions are not justified	Exclusion of material operations, inputs or upstream value-chain stages are justified and documented	Any exclusion of a value-chain stage has been justified, documented and traceable. The information used relates to no later than the five years preceding the reporting date	5%
Stakeholder engagement		External stakeholders involved in the analysis are disclosed, but interactions remain limited or indirect	External stakeholders are mapped and consulted through a structured but punctual process, including NGOs, local authorities, experts or landscape-level actors. Their feedback is taken into account	Material issues are co-defined with a diverse range of local stakeholders, including communities, authorities, economic actors, scientists and, where relevant, Indigenous people and local communities	25%
Materiality screening	**Screening of direct operations**	The company identifies the pressures, impacts dependencies, risks and opportunities generated by its direct operations	The company identifies material pressures across its direct operations, assesses the related pressure pressures, impacts dependencies, risks and opportunities indicators, maps all sites at a fine scale and characterises the local ecological context	The company identifies material pressures, impacts dependencies, risks and opportunities across its direct operations and links them to relevant pressure and state-of-nature indicators, covering both ecosystems and species.	15%

	Screening of upstream operations	The company identifies the pressures, impacts, dependencies, risks and opportunities generated by its upstream operations and estimates pressure intensity for 100% of EUDR commodities	The company identifies the pressures, impacts, dependencies, risks and opportunities associated with its upstream operations. At least 67% of input volumes and 90% of HIC volumes, including 100% of EUDR commodities, have a pressure intensity estimate, with documented data sources	The company identifies the pressures, impacts, dependencies, risks and opportunities associated with its upstream operations for 100% input volume and 100 of HIC, and 100% of EUDR commodities, using primary data where available, documented sources and fine-scale mapping of relevant sites	15%
Results refinement		Materiality results are not refined	Results are adjusted using more granular, geographically precise data and feedback from landscape-level actors	Results are adjusted using more granular, geographically precise data, the precautionary principle is applied in cases of uncertainty, and conclusions are validated with landscape-level actors	10%

II. BUSINESS MODEL AND STRATEGY

The Business Model and Strategy criterion will explore whether the company is successfully running a profitable business with biodiversity compatible activities and is adapting its business model to mitigate materiality impact drivers.

> **➔ FOR EXAMPLE**
>
> A serious fraud event, which could affect the credibility of the company's management, could make the reputation criterion more impacting than the others.

Although other uses of the term exist, "business model" in the *narrative scoring* context could be thought of as a value-creation model covering the *whole* of the company:

"*An organization's system of transforming inputs through its business activities into outputs and outcomes that aims to fulfil the organization's strategic purposes and create value over the short, medium and long term.*" (The International Integrated Reporting Council, 2021) (emphasis added)

The Business Model and Strategy criterion should assess the extent to which the company's overall organizational business model and strategy is aligned with the low-carbon transition.

The overarching question analysts should ask to guide their assessment in this section is:

- ***To what extent is the company's organizational business model and strategy aligned with nature positive transition?***

Specific questions to be asked are the following:

- Is the company's short-, medium- and long-term strategic direction significantly influenced by biodiversity impacts?
- To what extent is the company's current core business model aligned with, or threatened by, the biodiversity loss? If relevant, is the company strategically repositioning itself?
- To what extent are the company's nature targets aligned with robust standards?
- What are the foreseeable implications of meeting these targets? Do they pose significant challenges either operationally, technologically, financially or other?
- To what extent is the nature transition prioritised and integrated into the company's management and governance structures?
- Does the company's CAPEX/OPEX and intangible investment suggest compatibility with Do No Significant Harm criteria?
- Do the company's saver, client and policy engagement strategies suggest alignment with nature positive transition?
- Is there any other reported or external evidence to suggest that the company's overall business model and strategy is aligned/misaligned with the nature transition?

Sector specific challenges must be taken into account in order to address the trade-off of some methodological 'bias'.

For instance, in the agricultural sector, some companies are urged to set land reduction targets, but unintended consequences could stem from reducing their land use as it could lead to unsustainable forms

of agricultural intensification through overuse of fertilizers and chemical inputs that degrade soil and water resources, emit unnecessary GHGs, and undermine long-term productivity and resilience.

As so, the assessor should answer the following questions:

- Is the productivity higher or not by ha? If yes, is it due to both 'technological' and 'agroecological' approaches or to higher fertilizers and chemicals?
- Does the company manage to trade biodiversity restoration and protection with higher productivity gains?
- Does the reduction of land use lead to intensification, higher productivity gains?

From a larger perspective, such choices could have economic and social impact if, for instance purchasing companies shifted to more efficient (higher-yielding) suppliers without any considerations of the economic and social impacts it could lead to.

- Do the company seek to work with their current suppliers to improve performance over time, rather than shifting to more efficient (higher yielding) suppliers? (40)

III. CONSISTENCY AND CREDIBILITY

The Consistency and Credibility criterion relates to the 5th guiding question of the ACT Assessment framework (presented in 5.1 Assessment Framework), "How do all these plans and actions fit together?" Consistency refers to the overall coherence of different elements of the company's business model and strategy. Credibility refers to how believable – or not – the company's ambition towards achieving its nature transition plan is. Evidence of consistency and credibility may be based on analysis of the performance score results, as well as any additional external information about the company.

The overarching question analysts should ask to guide their assessment in this section is:

- ***Are there any major aspects of the company's business model and strategy that are inconsistent with each other, or with external information about the company? Are there any major aspects of the company's business model and strategy that are not credible?***

Specific questions to be asked are the following:

- Are there any major aspects of the company's business model and strategy that are inconsistent with each other?
- Are there any major aspects of the company's business model and strategy that are inconsistent with external information about the company? (For example, do the company's recent public actions, including new financings, product/service offerings, public announcements, etc., show alignment with the data reported by the company?)
- Are there conflicting incentives in place that discourage biodiversity preservation or restoration in certain parts of the company?
- Does the group (that the company is part of) have any conflicting activities that undermine its ability to better manage its impact on nature?
- Are there any major aspects of the company's business model and strategy that are not credible? (For example, is the company unlikely to achieve its targets based on its new investments or projects?)

IV. DATA QUALITY

The Data Quality criterion evaluates the quality of the data used for the ACT assessment, based on six widely accepted dimensions of data quality: Accuracy, Completeness, Uniqueness, Consistency, Timeliness and Validity (GOV.UK). Since the ACT assessment covers more than just GHG emissions and targets, and also assesses other activities (e.g. R&D, strategies, management and business models), the benchmark for quality, and relative importance of the data quality dimensions, vary depending on the type of data. For example, GHG emissions or land, plastic targets should be verified by a third party using an accepted standard (SBTN, CDP list of accepted verification standards) to be considered highly accurate. Meanwhile, data related to biodiversity compatible R&D expenditure, for example, will have a lower benchmark for quality, since it is not yet common practice to disclose this data. As such, accuracy is somewhat assumed, while completeness takes on greater importance. The narrative assessment for this criterion should express any significant concerns around data quality.

In cases when company feedback reports are confidential, but the ACT rating is publicly available, the Data Quality narrative should be presented alongside the public ACT rating as a standalone commentary. This is because it is imperative that data users have access to information around data quality in order to interpret results.

The overarching question analysts should ask to guide their assessment in this section is:

- ***Are there any major concerns around the quality of the reported data?***

Specific questions to be asked are the following:

- Are there any major concerns around the accuracy of any elements of the reported data?
- Are there any major concerns around the completeness of any elements of the reported data?
- Are there any major concerns around the uniqueness of any elements of the reported data? (For example, are there duplications that reduce trust in the data?)
- Are there any major concerns around the consistency of any elements of the reported data? (For example, are there any elements of the reported company data that conflict with or contradict other aspects?)
- Are there any major concerns around the timeliness of any elements of the reported data? (For example, does all the reported data relate to the correct time period?)
- Are there any major concerns around the validity of any elements of the reported data?
- Companies should seek to improve the quality of the data they collect over time, especially due to changes within the company. Is it the case?

The assessor can notably refer to the score of the preliminary maturity matrix (3.4) to score data quality here.

V. REPUTATION

To define reputation, we take the 2005 definition of corporate reputation offered by Barnett et. al.: “Observers’ collective judgments of a corporation based on assessments of the financial, social, and environmental impacts attributed to the corporation over time.” A company’s reputation is therefore considered from the perspective of its stakeholders. For the purposes of an ACT assessment, any major reputational concerns, especially in the realm of environmental, financial and governance-related issues, have the effect of reducing the perceived likelihood of that company’s ability to successfully complete its transition. As such, companies with major reputational concerns are penalised in the Narrative assessment.

The Reputation criterion will explore whether there are any serious reported events or controversies in the company’s recent history that may lower the credibility of its reported commitments to the nature positive

transition or call into question the credibility of the data provided for the ACT assessment. The analyst should refer to external data from media sources or reputation platforms (e.g. RepRisk). Reputational concerns relating to data credibility are also mentioned on page [15] above, which discusses the rationale behind data sources.

The overarching question analysts should ask to guide their assessment in this section is:

- ***Are there any major reputational concerns that call into question the company's ability to achieve its nature positive transition?***

Specific questions to be asked are the following:

- Is there evidence (from news sources, RepRisk, etc.) of company involvement in any significant recent incidents, related to relevant ESG issues, that call into question the credibility of the company's biodiversity strategy and commitments?
- Are there serious issues that call into question the credibility of data reported? This relates to the overall credibility of any data reported by the company, which could be damaged by incidents such as accounting scandals or evidence of fraud.
- Has the company previously made any public announcements/commitments on which it has failed to deliver, namely announcements/commitments related to biodiversity performance?
- If major reputational concerns exist, to what extent is the company addressing/has the company addressed these concerns?

VI. RISK

The ISO 31000:2018 Risk management guidelines define risk as the "effect of uncertainty on objectives". It is "the combination of opportunities, threats and future uncertainty" (International Organization for Standardization, 2021). As such, risk does not have exclusively negative connotations: "It can be positive, negative or both, and can address, create or result in opportunities and threats." (ISO 31000 Risk management). For the purposes of the ACT assessment, however, we consider only the negative risks facing *companies*, as these can result in threats/barriers to achieving the nature-positive transition. Risks identified can occur over the short, medium or long term.

The overarching question analysts should ask to guide their assessment in this section is:

- ***Are there any major existing or potential risks that call into question the company's ability to achieve its nature positive transition?***

Specific questions to be asked are the following:

- Does the company's asset base/product portfolio show a high dependence to ecosystemic services? Are there assets at risks or a substantial part of the business model?
- How reliant is the company on ecosystemic services for its profits?
- Are there major potential or existing market risks that may block the successful implementation of a particular biodiversity strategy?
- Are there major potential or existing policy and legal risks that may block the successful implementation of a particular biodiversity strategy?
- Is the company's technological direction high-risk/unproven/unidirectional/dependent on future innovation that is yet to be realized?
- Are there major potential or existing acute/chronic physical risks that could prevent the company from successfully implementing some aspect of its nature positive transition?

- If major risks exist, to what extent is the company taking action to mitigate these risks? (For example, if there is a major risk of the unsuccessful development of new technologies, to what extent is the company investing in R&D to tackle this risk? Or, if there is a major risk that there will be low demand for products integrating the biodiversity externalities price, to what extent is the company working to reduce the price/increase marketing of its products?)

- Quantitative approach for narrative scoring

This section proposes a method for assigning the narrative score. The purpose is to improve fairness and comparability of scores assigned by different analysts.

To produce the narrative scoring, the analyst should use the maturity 5-level matrix proposed in *Appendix 3:*

Maturity matrix on narrative scoring criteria. The matrix will help to evaluate the maturity of the company's nature-positive transition strategy across the 5 criteria.

The company's maturity for each of the 5 criteria is then evaluated based on 5 levels defined as follows:

a. **BASIC**: the level of maturity is unsatisfactory; it seems that very important efforts are needed and there is no evidence the company is taking any action.
b. **STANDARD**: the level of maturity is not yet satisfactory but there is evidence that the company is considering putting in place mechanisms to improve the situation.
c. **ADVANCED**: the level of maturity is satisfactory; the company is heading in the right direction but still needs to demonstrate its capacity to transition.
d. **NEXT PRACTICE**: the level of maturity is very good, the company has implemented good practices, showing signs of transformation toward nature positive trajectories.
e. **NATURE POSITIVE ALIGNED**: the level of maturity is outstanding, there is reliable evidence that the company's performance is and will be aligned with a nature positive trajectory.

Each criterion in the maturity matrix should receive a score from 0 to 4 according to the assigned maturity level (*Basic* = 0; *Low-carbon alignment* = 4) and the total score should be calculated as the sum of the scores individually retained for each criterion:

$$Total\ Score = \sum_{i=business\ model}^{Risk} Score_i$$

With this approach, the maximum achievable score is 20.

In specific situations where criteria should not be considered with equal importance for the narrative scoring, the above formula may be adapted.

The alphabetical score can then be derived according to the table below, which illustrates how to convert the total numerical score, as calculated above, to the retained letter-based ACT narrative score.

TABLE 7: DERIVING THE FINAL NARRATIVE SCORE BASED ON A LINEAR QUANTITATIVE SCORE WITH A MAXIMUM OF 100 POINTS.

A	80 to 100
B	60 to <80
C	40 to <60
D	20 to <40
E	0 to <20

5. Trend scoring

PURPOSE AND APPROACH

The trend score aims to forecast changes in the company's contribution to restoration and preservation of biodiversity. The assessor should take into account all the available information, looking for strong evidence whether the company's ACT score will – or not[6] – change in the near future. The assessor should also look at tangible indications of operational changes that might not have been used in other parts of the assessment, for instance, the announcement of the issuance of new governance mechanisms, policies or roadmaps for the near future.

Major external factors that have the potential to affect the company's contribution to biodiversity restoration and preservation, should be considered when determining the trend score.

GUIDANCE TO TREND SCORING

The trend scoring set-up builds on the following successive steps:

 Outputs from forward-looking indicators are considered.

o Each ACT sectoral methodology provides the list of performance indicators that are taken into account in the trend scoring process

[6] Change in score should not reflect improvement in the company's disclosures, but in elements of its strategy and resulting performance.

o Specific criteria are defined for each type of indicator:

o A**LIGNMENT OF TARGETS AMBITION SHOULD BE SCORED AT LEAST 100%**

o Other quantitative indicators should be scored at least 50%

▪ Qualitative indicators should be scored at least at the 'Advanced' level

o When the criterion is met, a score of +1 point is rewarded, -1 point otherwise is assigned

o The average score (sum of +1/-1 points divided by the number of indicators considered) gives the following indicative trend scores:

▪ Average score < -0.5: Strong negative

▪ - 0.5 ≤ Average score ≤ 0: Potential negative

▪ 0 < Average score ≤ 0.5: Potential positive ▪ Average score > 0.5: Strong positive

 The assessor decides the final trend score based on the following considerations:

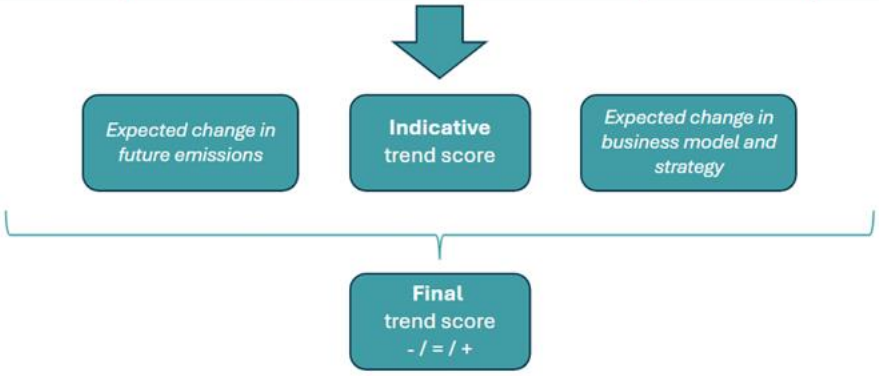
o The indicative trend score resulting from the previous steps

o The expected changes in future pressure/impacts on biodiversity[7]: Is it likely that the company's targets and investment plan will affect the impacts' trends?

o The expected changes in business model and strategy: Is it expected that the company's business model and strategy can encourage a change of direction towards better alignment with a no net loss biodiversity scenario for instance?

The trend score is either negative (-), neutral/undefined (=) or positive (+).

Indicator	Trend criterion	Answer	Sub-score
Indicator 1	Did the company score better than 50%?	Yes	+1
...	...	...	...
Indicator n	Did the company score better than Advanced?	No	-1



The trend score reflects the evolution from a current situation (the one in which the company is at in the reporting year) to an expected situation in the near term, considering the outputs from the ACT assessment and any relevant external information about the company. In consequence, a company can score - / = / +, whatever its performance and narrative scores.

 Example 1: The assessed company receives a performance score of 12 and a narrative score of B, highlighting a consistent strategy to transition, and has shown good results in its past impacts trend being aligned with a 1.5°C

[7] Particular attention should be paid to external factors when analysing the trend in past biodiversity impacts.

pathway. However, the company plans to expand artificialization in the next two years to ensure increasing production levels. Such a case can result in a negative (-) trend score, despite relatively high performance and narrative scores.

 Example 2: The assessed company receives a performance score of 5 and a narrative score of D, highlighting low maturity on many of the topics assessed, such as direct operations or upstream operations. However, the company has recently set ambitious biodiversity reduction targets and plans to release a transition plan in the upcoming year. Such a case can result in a positive (+) trend score, despite relatively low performance and narrative scores.

TABLE 4: RELEVANT PERFORMANCE INDICATORS FOR TRENDS IDENTIFICATION

MODULE	INDICATOR
Targets	1.1 Alignment of biodiversity impact reduction targets in direct operations
	1.2 Alignment of biodiversity impact reduction targets in upstream operations
Direct operations	2.2 Production practices
	2.4 Biodiversity integrated CapEx
Intangible investments	3.1 R&D in biodiversity protection
	3.2 Investment in human capital - training
Upstream operations	4.2 Upstream production practices
Management	5.3 Nature transition plan
	5.5 Nature scenarios and pathways
Suppliers	6.1 Strategy to influence suppliers to reduce their impact on biodiversity
Business model	9.1 Changes to business model
	9.2 Nature based solutions
	9.3 Restoration actions

6. Feedback report

Once the analyst has completed the Performance, Narrative and Trend scoring, a Feedback Report should be prepared. Templates will be available to assist with this, however, the most important purpose of the feedback report is for the analyst to identify the company's overall nature transition plan robustness and whether there are any gaps in that readiness, with such readiness and any gaps evidenced through textual commentary. Analysts should find that their investigation of the questions asked above in the Narrative scoring criteria should inform much of the textual commentary.

7. Aligned state

The table below presents the response of a low carbon aligned company of the sector to the 5 questions of ACT:

- What is the company planning to do? [Commitment]
- How is the company planning to get there? [Transition Plan]
- What is the company doing at present? [Present]
- What has the company done in the recent past? [Legacy]
- How do all of these plans and actions fit together? [Consistency]

1	2	3	4	5
The company has set biodiversity impact reduction targets on the major segments of its value chain. These objectives are declined on short- and long-term.	The company understands where in the value chain the majority of its embedded impacts and dependencies are. Therefore, the company discloses a nature transition plan that details operation steps to achieve their objectives.	Current strategies and actions aim at reducing operational impacts and dependencies and leverage its market position to drive change across the value chain from upstream to downstream activities.	Clear evidence of reducing operational impacts and dependencies, and a strong track record of successful intervention in the value chain that highlights the company's ability and will to enact change beyond its direct and indirect impacts.	The company's targets, transition plan, present and past actions show a consistent willingness to achieve the goals of the nature positive transition. The company operates as the connection between clients and suppliers to address all relevant impacts in the value

chain and holds its due place in the circular economy.

FIGURE 3: ALIGNED STATE FOR COMPANIES

8. Sources

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9. Glossary

Absolute Contraction Approach (ACA)	The absolute contraction approach is a general method to set emission reduction targets in line with global decarbonization pathways and based on linear reduction in absolute emissions. It assumes a minimum percentage of emission reduction which is equal for every company, independently of their activity sector. All companies can set their reduction targets with the ACA method. Businesses in sectors for which a sectoral methodology exist are encouraged to use the SDA approach.
Abundance	The size of a population of a particular life form. (IPBES, 2019)
ACT	The Assessing low-Carbon Transition (ACT) initiative was jointly developed by ADEME and CDP. ACT assesses how ready an organization is to transition to a low-carbon world using a future-oriented, sector-specific methodology (ACT website).
Action gap	In relation to emissions performance and reduction, the action gap is the difference between what a given company has done in the past plus what it is doing now, and what has to be done. For example, companies with large action gaps have done relatively little in the past, and their current actions point to continuation of past practices.
Activity data	Activity data are defined as data on the magnitude of human activity resulting in emissions or removals taking place during a given period of time (UNFCCC definitions).
ADEME	Agence de la Transition Ecologique; The French Agency for Ecological Transition (ADEME webpage).
Alignment	The ACT Initiative seeks to gather information that will be consolidated into a rating that is intended to provide a general metric of the alignment of a given organization regarding the emission reduction target set by Paris Agreement Goal. The wider goal is to provide organization specific feedback on their general alignment in the short and long term.
Analyst	Person undertaking and scoring the ACT assessment.
Area of high biodiversity	Area not subject to legal protection but recognised for important biodiversity features by a number of governmental and non-governmental organisations. Areas of high biodiversity value include habitats that are a

VALUE	priority for conservation, which are often defined in National Biodiversity Strategies and Action Plans prepared under the United Nations' 1992 Convention on Biological Diversity. (IPBES, 2019)
ASSESS	Under the ACT project, to evaluate and determine the low-carbon alignment of a given company. The ACT assessment and rating will be based on consideration of a range of indicators. Indicators may be reported directly from companies. Indicators may also be calculated, modelled, or otherwise derived from different data sources supplied by the company. The ACT project will measure 3 gaps (Commitment, Horizon and Action gaps – defined in this glossary) in the GHG emissions performance of companies. This model closely follows the assessment framework presented above. It starts with the future, with the goals companies want to achieve, followed by their plans, current actions and past actions.
ASSET	An item of property owned by a company, regarded as having value and available to meet debts, commitments, or legacies. Tangible assets include 1) fixed assets, such as machinery and buildings, and 2) current assets, such as inventory. Intangible assets are nonphysical such as patents, trademarks, copyrights, goodwill and brand value.
BARRIER	A circumstance or obstacle preventing progress (e.g. lacking information on supplier emissions and hotspots can be a barrier to companies managing and reducing their upstream indirect emissions).
BASE YEAR	According to the GHG Protocol and ISO14064-1, a base year is "a historic datum (a specific year or an average over multiple years) against which a company's emissions are tracked over time". Setting a base year is an essential GHG accounting step that a company must take to be able to observe trends in its emissions information (**GHG Protocol Corporate Standard**).
BENCHMARK	A standard, pathway or point of reference against which things may be compared. In the case of pathways for sector methodologies, a sector benchmark is a low-carbon pathway for the sector average value of the emissions intensity indicator(s) driving the sector performance. A company's benchmark is a pathway for the company value of the same indicator(s) that starts at the company performance for the reporting year and converges towards the sector benchmark in 2050, based on a principle of convergence or contraction of emissions intensity.
BIODIVERSITY	the variability among living organisms from all sources, including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems. Source: CBD (2011)

Biodiversity hotspot	A generic term for an area high in such biodiversity attributes as species richness or endemism. It may also be used in assessments as a precise term applied to geographic areas defined according to two criteria (Myers et al., 2000): (i) containing at least 1,500 species of the world's 300,000 vascular plant species as endemics and (ii) being under threat, in having lost 70% of its primary vegetation. (IPBES, 2019)
Biodiversity loss	Usually observed as one or all of: (i) reduced area occupied by populations, species and community types, (ii) loss of populations and the genetic diversity they contribute to the whole species and (iii) reduced abundance (of populations and species) or condition (of communities and ecosystems). The likelihood of any biodiversity component persisting (the persistence probability) in the long-term declines with lower abundance and genetic diversity and reduced habitat area. (IPBES, 2019)
Biodiversity strategy	A biodiversity strategy can contain a combination of elements related to the prevention, management and remediation of damage to natural habitats resulting from an organisation's activities. An example of this is the integration of biodiversity considerations into analytical tools, such as environmental site impact assessments. (IPBES, 2019)
Board	Also the "Board of Directors" or "Executive Board"; the group of persons appointed with joint responsibility for directing and overseeing the affairs of a company.
Business model	A company's core strategy for generating value. It includes sources of revenue, the intended client base, products, and details of financing. Under ACT, evidence of the existing and new business models shall be taken from a range of specific financial and other metrics relevant to the sector and an assessment made on its alignment with the low-carbon transition.
Business-as-usual	An assumption that activity and emissions remain the same into the future. The business-as-usual pathway assumes constant activity and emissions from the initial year onwards. In general, the initial year – which is the first year of the pathway/series – is the reporting year (targets indicators) or the reporting year minus 5 years (certain performance indicators).
Capacity (power)	In relation to power generation, nameplate capacity is the power output number, usually expressed in megawatts (MW), and registered with authorities for classifying the power output of a power station.
Capital expenditure	Money spent by a business or organization on acquiring or maintaining fixed assets, such as land, buildings, and equipment.

Carbon Capture and Storage (CCS)	The process of trapping carbon dioxide produced by burning fossil fuels or other chemical or biological process and storing it in such a way that it is unable to affect the atmosphere.
Carbon offsets	Carbon offsets are avoidance of GHG emissions or GHG suppressions made by a company, sector or economy to compensate for emissions made elsewhere in the economy, where the marginal cost of decarbonization proves to be lower.
CDP	Formerly the "Carbon Disclosure Project", CDP is an international, not-for-profit organization providing the only global system for companies and cities to measure, disclose, manage and share vital environmental information. CDP works with market forces, including 827 institutional investors with assets of over US$100 trillion, to motivate companies to disclose their impacts on the environment and natural resources and take action to reduce them. More than 5,500 companies worldwide disclosed environmental information through CDP in 2015. CDP now holds the largest collection globally of primary climate change, water and forest risk commodities information and puts these insights at the heart of strategic business, investment and policy decisions (**CDP website**).
Climate change	A change in climate, attributed directly or indirectly to human activity, that alters the composition of the global atmosphere and that is, in addition to natural climate variability, observed over comparable time periods (UNFCCC).
Commitment gap	In relation to emissions performance, the difference between what a company needs to do and what it says it will do.
Company	A commercial business.
Company pathway	A company's past emissions intensity performance pathway up until the present.
Company target pathway	The emissions intensity performance pathway that the company has committed to follow from the initial year on until a future year, for which it has set a performance target.
Confidential information	Any non-public information pertaining to a company's business.

Conservativeness	A principle of the ACT project; whenever the use of assumptions is required, the assumption shall err on the side of achieving well-below 2°C maximum global warming and pursuing efforts to limit the temperature increase to 1.5°C.
Consistency	A principle of the ACT project; whenever time series data is used, it should be comparable over time. In addition to internal consistency of the indicators reported by the company, data reported against indicators shall be consistent with other information about the company and its business model and strategy found elsewhere. The analyst shall consider specific, pre-determined pairs of data points and check that these give a consistent measure of performance when measured together.
COP21	The 2015 United Nations Climate Change Conference, held in Paris, France from 30 November to 12 December 2015 (COP21 webpage).
Critical habitat	Critical habitats are areas with high biodiversity value, including (i) habitat of significant importance to critically endangered and/or endangered species; (ii) habitat of significant importance to endemic and/or restricted-range species; (iii) habitat supporting globally significant concentrations of migratory species and/or congregator species; (iv) highly threatened and/or unique ecosystems; and/or (v) areas associated with key evolutionary processes. Critically endangered and/or endangered species are those listed on the International Union for the Conservation of Nature's (IUCN) Red List of Threatened Species. The determination of critical habitat is based on other listings such as lists of nationally/regionally as critically endangered or endangered species, on a case-by-case basis. (IPBES, 2019)
Cumulative impact	The total impact arising from the project (under the control of the developer); other activities (that may be under the control of others, including other developers, local communities, government) and other background pressures and trends which may be unregulated. The project's impact is therefore one part of the total cumulative impact on the environment. The analysis of a project's incremental impacts combined with the effects of other projects can often give a more accurate understanding of the likely results of the project's presence than just considering its impacts in isolation. (IPBES, 2019)
Cut-off date	Common cutoff dates can be associated with the following types of instruments: • Sector agreements may include cutoff dates that are widely agreed upon and applied for a particular commodity in a particular geographic area. The geographic area may be a country, a region within a country, or several

	countries sharing a similar production and conservation context. One example is the 2008 cutoff date of the Amazon Soy Moratorium. • Laws and regulations may include cutoff dates to specify requirements or conditions for compliance. One example is the 31 December 2020 cutoff date of the EU Deforestation Regulation (EUDR). • Collective targets are set by groups of companies via industry- or NGO-led target-setting processes and may include cutoff dates for land use change associated with those targets. For example, the Science Based Targets for land specifies a cutoff date of no later than 2020. • Certification schemes typically include cutoff dates for the commodities they address. Deforestation and/or conversion after the specified cutoff date generally make the production units ineligible for certification. However, some schemes have now established remedy procedures to enable production units to be eligible for certification after one cutoff date and before another if specified conditions are met. • Collaborative initiatives are composed of companies and other stakeholders that work to develop sustainability approaches for the participating companies and their sectors. These approaches often include specific sustainability criteria, including cutoff dates for the commodities within their programme scope. This category includes cutoff dates specified by industry associations such as the Consumer Goods Forum and multi-stakeholder initiatives such as the Global Platform for Sustainable Natural Rubber. See https://accountability-framework.org/fileadmin/uploads/afi/Documents/Common_Cutoff_Dates_Sept_2023.pdf for an overview of common cutoff dates applicable in different commodities and geographic contexts.
DATA	Facts and statistics collected together for reference and analysis (e.g. the data points requested from companies for assessment under the ACT project indicators).
DECARBONIZATION	A complete or near-complete reduction of greenhouse gas emissions over time (e.g. decarbonization in the electric utilities sector by an increased share of low-carbon power generation sources, as well as emissions mitigating technologies like Carbon Capture and Storage (CCS)).
DOUBLE MATERIALITY	a concept which provides criteria for determination of whether a sustainability topic or information has to be included in the undertaking's sustainability report. Double materiality is the union (in mathematical terms, i.e. union of two sets, not intersection) of impact materiality and financial materiality. A sustainability topic or information meets therefore the criteria of double materiality if it is material from the impact perspective or from the

	financial perspective or from both of these two perspectives. Source: EFRAG (2022a)
DOWNSTREAM	Downstream refers to processes and impacts associated with the use of a company´s products and services and any disposal associated with those or the company´s operation.
DRIVERS OF CHANGE	This refers to all those external factors that affect nature and, as a consequence, also affect the supply of nature's contributions to people. The IPBES conceptual framework includes drivers of change as two of its main elements: indirect drivers, which are all anthropogenic, and direct drivers, both natural and anthropogenic. See Chapter 1 and Chapter 2 (Drivers) for a detailed typology of drivers. (IPBES, 2019)
DUE DILIGENCE	Process to identify, prevent, mitigate, and account for how the organisation addresses its actual and potential negative impacts. Source: GRI (2022)
ECOSYSTEM	A dynamic complex of plant, animal and microorganism communities and their non-living environment interacting as a functional unit. From CBD, 2012. (IPBES, 2019)
ECOSYSTEM INTEGRITY	The ability of an ecosystem to support and maintain ecological processes and a diverse community of organisms. It is measured as the degree to which a diverse community of native organisms is maintained. It is used as a proxy for ecological resilience, intended as the capacity of an ecosystem to adapt in the face of stressors, while maintaining the functions of interest. From Ocean Health Index. (IPBES, 2019)
ECOSYSTEM SERVICES	The benefits people obtain from ecosystems. These include provisioning services such as food, water, timber and fibre; regulating services that affect climate, floods, disease, wastes and water quality; cultural services 16 – BBOP – Glossary (updated ed.) that provide recreational, aesthetic and spiritual benefits; and supporting services such as soil formation, photosynthesis and nutrient cycling. (IPBES, 2019)
EMISSIONS	The GHG Protocol defines ***direct*** GHG emissions as emissions from sources that are owned or controlled by the reporting entity, and ***indirect*** GHG emissions as emissions that are a consequence of the activities of the reporting entity, but occur at sources owned or controlled by another entity (**GHG Protocol**). In this methodology, "emissions" refers to greenhouse gas emissions.
ENERGY	Power derived from the utilization of physical or chemical resources, especially to provide light and heat or to work machines.

Fleet	A group of vehicles (e.g. all the automobiles manufactured by an automotive manufacturing company and currently in use by private individuals).
Fossil fuel	A fossil-based fuel such as coal, oil or gas, formed in the geological past from the remains of living organisms.
Free, prior and informed consent (FPIC)	Free implies that Indigenous Peoples and local communities are not pressured, intimidated, manipulated or unduly influenced and that their consent is given without coercion; prior implies seeking consent or approval sufficiently in advance of any authorisation to access traditional knowledge, respecting the customary decision-making processes in accordance with national legislation and time requirements of Indigenous Peoples and local communities; informed implies that information is provided that covers relevant aspects such as: the intended purpose of the access; its duration and scope; a preliminary assessment of the likely economic, social, cultural and environmental impacts, including potential risks; personnel likely to be involved in the execution of the access; procedures the access may entail and benefit-sharing arrangements; consent or approval is the agreement of the Indigenous Peoples and local communities who are holders of traditional knowledge or the competent authorities of those indigenous peoples and local communities, as appropriate, to grant access to their traditional knowledge to a potential user and includes the right not to grant consent or approval (derived from CBD). (IPBES, 2019)
Future	A period of time following the current moment; time regarded as still to come.
Global commons	Those parts of the planet that fall outside national jurisdictions and to which all nations have access. International law identifies four global commons, namely the high seas, the atmosphere, Antarctica and outer space. (IUCN, UNEP and WWF, 1980)
Greenhouse gas (GHG)	Carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O) and three groups of fluorinated gases (sulfur hexafluoride (SF_6), hydrofluorocarbons (HFCs), and perfluorocarbons (PFCs) are the major anthropogenic GHGs and are regulated under the Kyoto Protocol. Nitrogen trifluoride (NF_3) is now considered a potent contributor to climate change and is therefore mandated to be included in national inventories under the United Nations Framework Convention on Climate Change (UNFCCC).
Guidance	Documentation defining standards or expectations that are part of a rule or requirement (e.g. CDP reporting guidance for companies).

Habitat	The place or type of site where an organism or population naturally occurs. Also used to mean the environmental attributes required by a particular species or its ecological niche. (IPBES, 2019)
Habitat connectivity	The degree to which the landscape or waterscape facilitates the movement of organisms (animals, plant reproductive structures, pollen, pollinators, spores etc.) and other environmentally important resources (e.g. nutrients and moisture) between similar habitats. Connectivity is hampered by fragmentation (q.v.). (IPBES, 2019)
Habitat degradation	A general term describing the set of processes by which habitat quality is reduced. Habitat degradation may occur through natural processes (e.g. drought, heat, cold) and through human activities (forestry, agriculture, urbanisation). It is sometimes used as a synonym for habitat deterioration or nature deterioration. (BBOP, 2012)
Highest governance body	Formalised group of individuals responsible for the strategic guidance of an organisation, the effective monitoring of management and the accountability of management to the broader organisation and its stakeholders with the highest authority in the organisation. In some jurisdictions, governance systems consist of two tiers, where supervision and management are separated or where local law provides for a supervisory board drawn from non-executives to oversee an executive management board. In such cases, both tiers are included under the definition of highest governance body. (GRI, 2021)
Horizon Gap	In relation to emissions performance, the difference between the average lifetime of electricity production assets (particularly carbon intensive) and the time-horizon of a company's commitments. Companies with small-time ACT Electricity | ACT Initiative | Version 2.0 | page 163 horizons do not look far enough into the future to properly ensure the transition of their assets and business models.
Impact management system	A system for managing impacts including a) strategy embedment b) establishing oversight and accountability (governance) c) identification of impacts d) measuring, assessing and valuing impacts e) prioritising impacts and practices f) target setting g) implementation h) monitoring, learning and adapting and i) Disclosing and explaining outcomes. Ref: IMP (2021)
Incentive	Something, for example money, that motivates or encourages someone to do something (e.g. a monetary incentive for company board members to set emissions reduction targets).

Indicator	An ACT indicator is a quantitative or qualitative piece of information that can provide insight on a company's current and future ability to reduce its carbon intensity.
Indigenous peoples	Given the diversity of indigenous peoples, an official definition of 'indigenous' has not been adopted by any UN-system body. Instead, the system has developed a modern understanding of this term based on a number of factors: self-identification as indigenous peoples at the individual level and accepted by the community as their member; historical continuity with pre-colonial and/or pre-settler societies; strong link to territories and surrounding natural resources; distinct social, economic or political systems; distinct language, culture and beliefs; from non-dominant groups of society; resolve to maintain and reproduce their ancestral environments and systems as distinctive peoples and communities. (UN, 2007)
Intensity (emissions)	The average emissions rate of a given pollutant from a given source relative to the intensity of a specific activity; for example, grams of carbon dioxide released per MWh of energy produced by a power plant.
Intervention	Methods available to companies to influence and manage emissions in their value chain, both upstream and downstream, which are out of their direct control (e.g. a retail company may use consumer education as an intervention to influence consumer product choices in a way that reduces emissions from the use of sold products).
Invasive alien species (IAS)	Invasive alien species are plants, animals, pathogens and other organisms that are non-native to an ecosystem, and which may cause economic or environmental harm or adversely affect human health. In particular, they impact adversely upon biodiversity, including decline or elimination of native species – through competition, predation or transmission of pathogens – and the disruption of local ecosystems and ecosystem functions. (CBD, n.d.)
Key Biodiversity Areas	Sites, including both protected and unprotected sites, mapped at a national scale by local partners using a globally standardised framework drawn from IUCN's Best Practice Protected Areas guidelines series. Sites are considered globally important if they are known to hold one or more globally threatened species, endemic species, globally significant concentrations or populations, significant examples of biological communities or any combination of these features. These sites, known as Key Biodiversity Areas, build upon the work of other initiatives – such as BirdLife International's Important Bird Areas, PlantLife International's Important Plant Areas, IUCN's Important Sites for Freshwater Biodiversity and sites identified by the Alliance for Zero Extinction – to map important sites for a wide range of critical biodiversity in marine, freshwater and terrestrial biomes. These datasets are drawn from the World Biodiversity Database (WBDB), managed by BirdLife International and Conservation International,

	which is informed by the IUCN Red List of Threatened Species. (BBOP, 2012)
Lifetime	The duration of a thing's existence or usefulness (e.g. a physical asset such as a power plant).
Local communities	Individuals or groups of individuals living or working in areas that are affected or that could be affected by an organisation's activities. The local community can range from those living adjacent to the organisation's operations to those living at a distance and includes those that have a long association with the lands and waters that they have traditionally lived on or used. Many communities may be considered local and may also be described as traditional communities. Some local communities may include peoples of indigenous descent. They are culturally diverse and occur on all inhabited continents. (CBD, 2006)
Long-term	Occurring over or relating to a long period of time; under ACT this is taken to mean until the year 2050. The ACT project seeks to enable the evaluation of the long-term performance of a given company while simultaneously providing insights into short- and medium-term outcomes in alignment with the long-term.
Low-carbon benchmark pathway	Benchmark pathway (See 'Benchmark')
Low-carbon client	Client that uses the company's sold products to provide low-carbon products/services.
Low-carbon products/services	Low-carbon products/services are provided by an economic activity that contributes substantially to climate change mitigation, as defined in the European taxonomy.
Low-carbon scenario (or pathway)	A low-carbon scenario (or pathway) is a well-below 2°C or a 1.5°C scenario or a scenario with higher decarbonization ambition.
Low-carbon solution	A way to contribute to the low-carbon transition (e.g. energy, technology, process, product, service, etc.)
Low-carbon	The low-carbon transition is the transition of the economy a low-carbon state.

TRANSITION	
MANUFACTURE	Making objects on a large-scale using machinery.
MATURITY MATRIX	A maturity matrix is essentially a “checklist”, the purpose of which is to evaluate how well advanced a particular process, program or technology is according to specific definitions.
MATURITY PROGRESSION	An analysis tool used in the ACT project that allows both the maturity and development over time to be considered with regards to how effective or advanced a particular intervention is.
MITIGATION (EMISSIONS)	The action of reducing the severity of something (e.g. climate change mitigation through absolute GHG emissions reductions).
MITIGATION HIERARCHY	The mitigation hierarchy is defined as: a. Avoidance: measures taken to avoid creating impacts from the outset, such as careful spatial or temporal placement of elements of infrastructure, in order to completely avoid impacts on certain components of biodiversity. b. Minimisation: measures taken to reduce the duration, intensity and/or extent of impacts (including direct, indirect and cumulative impacts, as appropriate) that cannot be completely avoided, as far as is practically feasible. BBOP – Glossary (updated ed.) – 29. c. Rehabilitation/restoration: measures taken to rehabilitate degraded ecosystems or restore cleared ecosystems following exposure to impacts that cannot be completely avoided and/or minimised. d. Offset: measures taken to compensate for any residual significant, adverse impacts that cannot be avoided, minimised and/or rehabilitated or restored, in order to achieve no net loss or a net gain of biodiversity. Offsets can take the form of positive management interventions such as restoration of degraded habitat, arrested degradation or averted risk, protecting areas where there is imminent or projected loss of biodiversity. (BBOP, 2012)
MODEL	A program designed to simulate what might or what did happen in a situation (e.g. climate models are systems of differential equations based on the basic laws of physics, fluid motion, and chemistry that are applied through a 3-dimensional grid simulation of the planet Earth).
NATURE’S CONTRIBUTIONS TO PEOPLE (NCP)	All the contributions, both positive and negative, of living nature (i.e. all organisms, ecosystems and their associated ecological and evolutionary processes) to people’s quality of life. Beneficial contributions include e.g. food provision, water purification, flood control and artistic inspiration, whereas detrimental contributions include e.g. disease transmission and predation that damages people or their assets. NCP may be perceived as

	benefits or detriments depending on the cultural, temporal or spatial context (Díaz et al., 2018) (KBA Partnership, 2018)
Nature-based solutions	Actions to protect, conserve, restore, sustainably use and manage natural or modified terrestrial, freshwater, coastal and marine ecosystems, which address social, economic and environmental challenges effectively and adaptively, while simultaneously providing human wellbeing, ecosystem services and resilience and biodiversity benefits. Note: Nature-based solutions are sometimes referring specifically to solutions aiming to help climate change mitigation.
Nature-positive	In this methodology, nature-positive is in line with the vision of the Post2020 Global Biodiversity Framework, which is 'a world of living in harmony with nature where by 2050, biodiversity is valued, conserved, restored and wisely used, maintaining ecosystem services, sustaining a healthy planet and delivering benefits essential for all people'. (CBD, 2020 p.4). It also reflects WBCSD's Global Goal for Nature, which considers zero net loss of nature from 2020, net positive by 2030 (from a 2020 baseline) and full recovery of nature by 2050. (WBCSD et al, 2021)
Nature-positive solutions	Actions that protect, restore or enhance sustainable use and management of nature, or enables these actions contributing to the implementation of the Kunming-Montreal Global Biodiversity Framework and its broad ambition to halt and reverse nature loss by 2030, with a view to full recovery by 2050. Note 1: According to (EIB 2023) such an action must also meet all the following eligibility criteria: i) makes a substantive contribution to nature ii) has expected positive outcomes for nature that are measurable and can be monitored against a baseline, where feasible, or otherwise a business-as-usual scenario iii) is not expected to introduce significant adverse environmental risks or impacts. Note 2: This includes such as actions to protect, conserve, restore, sustainably use and manage natural or modified terrestrial, freshwater, coastal and marine ecosystems, which address social, economic and environmental challenges effectively and adaptively, while simultaneously providing human wellbeing, ecosystem services and resilience and biodiversity benefits. Note 3: See also nature-based solutions
No net loss/net gain	A target for a development project in which the impacts on biodiversity caused by the project are balanced or outweighed by measures taken to avoid and minimise the project's impacts, to undertake on-site restoration and finally to offset the residual impacts, so that no loss remains. Where the gain exceeds the loss, the term 'net gain' may be used instead of no net loss. No net loss (or net gain) of biodiversity is a policy goal in several countries and is also the goal of voluntary biodiversity offsets. (BBOP, 2012)
Paris Agreement	The Paris Agreement Goal sets out a global framework to avoid dangerous climate change by limiting global warming to well below 2°C and pursuing

Goal	efforts to limit it to 1.5°C. It also aims to strengthen countries' ability to deal with the impacts of climate change and support them in their efforts.
Pathway (emissions)	A way of achieving a specified result; a course of action (e.g. an emissions reduction pathway).
Performance	Outcomes and results. ACT methodologies attempt to assess performance using a variety of indicators.
Plan	A detailed proposal for doing or achieving something.
Point	A mark or unit of scoring awarded for success or performance.
Policy	Policies are the guidelines developed by an organisation to govern its actions on specific topics. Policies are usually called policies and should thus be 'formal' and signed off by the board and found in the policy and governance sections of corporate website. (WBA definition)
Power	Energy that is produced by mechanical, electrical, or other means and used to operate a device (e.g. electrical energy supplied to an area, building, etc.).
Power generation	The process of generating electric power from other sources of primary energy.
Primary energy	Primary energy is an energy form found in nature that has not been subjected to any conversion or transformation process. It is energy contained in raw fuels, and other forms of energy received as input to a system. Primary energy can be non-renewable or renewable.
Progress ratio	An indicator of target progress, calculated by normalizing the target time percentage completeness by the target emissions or renewable energy percentage completeness.
Protected area	A protected area is a clearly defined geographical space, recognised, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated values to people. There are multiple categories of protected areas, including and excluding people from within their boundaries. (GRI, 2021)
Relevant / Relevance	In relation to information, the most appropriate information (core business and stakeholders) to assess low-carbon transition.

Renewable energy	Energy from a source that is not depleted when used, such as wind or solar power.
Reporting year	Year under consideration.
Research and Development (R&D)	A general term for activities in connection with innovation; in industry; for example, this could be considered work directed towards the innovation, introduction, and improvement of products and processes.
Scenario	A plausible representation of future climate that has been constructed for explicit use in investigating the potential impacts of anthropogenic climate change. Climate scenarios often make use of climate projections (descriptions of the modelled response of the climate system to scenarios of greenhouse gas and aerosol concentrations), by manipulating model outputs and combining them with observed climate data (41).
Scenario analysis	A process of analysing possible future events by considering alternative possible outcomes.
Science-Based Target	To meet the challenges that climate change presents, the world's leading climate scientists and governments agree that it is essential to limit the increase in the global average temperature at below 2°C. Companies making this commitment will be working toward this goal by agreeing to set an emissions reduction target that is aligned with climate science and meets the requirements of the **Science-Based Targets Initiative**.
Scope 1 emissions **Direct GHG emissions and removals**	All direct GHG emissions (**GHG Protocol Corporate Standard**). Category 1 from ISO 14064-1:2018*: Direct GHG emissions and removals occur from GHG sources or sinks inside organizational boundaries and that are owned or controlled by the* [reporting] *organization. Those sources can be stationary (e.g. heaters,electricity generators, industrial process) or mobile (e.g. vehicles).*
Scope 2 emissions **Indirect GHG emissions from imported energy**	Indirect GHG emissions from consumption of purchased electricity, heat or steam (**GHG Protocol Corporate Standard**). Category 2 from ISO 14064-1:2018: *GHG emissions due to the fuel combustion associated with the production of final energy and utilities, such as electricity, heat, steam, cooling and compressed air* [imported by the reported company]. *It excludes all upstream emissions (from cradle to power plant gate) associated with fuel, emissions due to the construction of*

	the power plant, and emissions allocated to transport and distribution losses.
SCOPE 3 EMISSIONS **INDIRECT GHG EMISSIONS**	*Other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities (e.g. T&D losses) not covered in Scope 2, outsourced activities, waste disposal, etc. (**GHG Protocol Corporate Standard**). Scope 3 also encompass the emissions related to the use of sold-products.* *ISO 14064-1:2018: GHG emission that is a consequence of an organization's operations and activities, but that arises from GHG sources that are not owned or controlled by the [reporting] organization. These emissions occur generally in the upstream and/or downstream chain.* *Category 3: indirect GHG emissions from transportation* *Category 4: Indirect GHG emissions from products used by an organization* *Category 5: Indirect GHG emissions associated with the use of products from* *the organization* *Category 6: Indirect GHG emissions from other sources*
SECTOR	A classification of companies with similar business activities, e.g. automotive manufacturers, power producers, retailers, etc.
SECTORAL DECARBONIZATION APPROACH (SDA)	To help businesses set targets compatible with 2-degree climate change scenarios, the **Sectoral Decarbonization Approach** (SDA) was developed. The SDA takes a sector-level approach and employs scientific insight to determine the least-cost pathways of mitigation, and converges all companies in a sector towards a shared emissions target in 2050.
SHORT-TERM	Occurring in or relating to a relatively short period of time in the future.
STAKEHOLDER	Individual or group that has an interest that is affected or could be affected by an organisation's activities. Examples are business partners, civil society organisations, consumers, customers, employees and other workers, governments, local communities, non-governmental organisations, shareholders and other investors, suppliers, trade unions and vulnerable groups. (GRI, 2021)
STRATEGY	A plan of action designed to achieve a long-term or overall aim. In business, this is the means by which a company sets out to achieve its desired objectives; long-term business planning.

STATEMENT	Individual or group that has an interest that is affected or could be affected by an organisation's activities. Examples are business partners, civil society organisations, consumers, customers, employees and other workers, governments, local communities, non-governmental organisations, shareholders and other investors, suppliers, trade unions and vulnerable groups. (GRI, 2021)
STRESS TEST	A test designed to assess how well a system functions when subjected to greater than normal amounts of stress or pressure (e.g. a financial stress test to see if an oil & gas company can withstand a low oil price).
SUPPLIER	A person or entity that is the source for goods or services (e.g. a company that provides engine components to an automotive manufacturing company).
TARGET	A quantifiable goal (e.g. to reduce GHG emissions). ♦ The following are examples of absolute targets: → metric tonnes CO_2e or % reduction from base year → metric tonnes CO_2e or % reduction in product use phase relative to base year → metric tonnes CO_2e or % reduction in supply chain relative to base year ♦ The following are examples of intensity targets: → metric tonnes CO_2e or % reduction per passenger. Kilometre (also per km; per nautical mile) relative to base year → metric tonnes CO_2e or % reduction per square foot relative to base yearmetric tonnes CO_2e or % reduction per MWh relative to base year
TECHNOLOGY	The application of scientific knowledge for practical purposes, especially in industry (e.g. low-carbon power generation technologies such as wind and solar power, in the electric power generation sector).
TRADE ASSOCIATION	Trade associations (sometimes also referred to as industry associations) are an association of people or companies in a particular business or trade, organized to promote their common interests. Their relevance in this context is that they present an "industry voice" to governments to influence their policy development. The majority of organizations are members of multiple trade associations, many of which take a position on climate change and actively engage with policymakers on the development of policy and legislation on behalf of their members. It is acknowledged that in many cases companies are passive members of trade associations and therefore do not actively take part in their work on climate change (**CDP climate change guidance**).

Transition	The process or a period of changing from one state or condition to another (e.g. from an economic system and society largely dependent on fossil fuel-based energy, to one that depends only on low-carbon energy).
Transition Plan	Aspect of an undertaking's overall strategy from one state or condition to another (e.g. from an economic system and society largely dependent on fossil fuel-based energy, to one that depends only on low-carbon energy).
Transport	To take or carry (people or goods) from one place to another by means of a vehicle, aircraft, or ship.
Trend	A general direction in which something (e.g., GHG emissions) is developing or changing.
Value chain	The range of activities carried out by an organisation, and by entities upstream and downstream from the organisation, to bring the organisation's products or services from their conception to their end use. Entities upstream from the organisation (e.g. suppliers) provide products or services that are used in the development of the organisation's own products or services. Entities downstream from the organisation (e.g. distributors, customers) receive products or services from the organisation. The value chain includes the supply chain. (GRI, 2021)
Verifiable / Verifiability	To prove the truth of, as by evidence or testimony; confirm; substantiate. Under the ACT project, the data required for the assessment shall be verified or verifiable.
Vulnerable	Group of individuals with a specific condition or characteristic (e.g., economic, physical, political, social) that could experience negative impacts as a result of an organisation's activities more severely than the general population. For example: children and youth; elderly persons; ex-combatants; HIV/AIDSaffected households; human rights defenders; indigenous peoples; internally displaced persons; migrant workers and their families; national or ethnic, religious and linguistic minorities; persons who might be discriminated against based on their sexual orientation, gender identity, gender expression or sex characteristics (e.g. lesbian, gay, bisexual, transgender, intersex); persons with disabilities; refugees or returning refugees; women. (GRI, 2021)
Weighting	Relative importance given to each performance modules and indicators, in order to reflect the more important/significant aspects and the decarbonisation potential of different actions.

10. Appendix

TWG MEMBERS LIST

EVEA
BL Evolution
CDC Biodiversité
Icare
Utopies
WWF
MTE
WBA

VOLUNTEER COMPANIES INVOLVED IN THE ROAD TEST

MAPPING ACT BIODIVERSITY – CSRD E4

Waiting for the final requirements following the ESRS simplifications