



**T N** Taskforce on Nature-related  
**F D** Financial Disclosures



Co-authored by the TNFD and the SBTN

## Guidance for corporates on science-based targets for nature

Version 1.0 September 2023



# Summary

- When corporates apply the TNFD recommendations to set targets, the TNFD recommends they use methods developed by the Science Based Targets Network (SBTN) to set science-based targets (SBTs) for nature.
- The TNFD also recommends that corporates use SBTN guidance to take action towards, and measure progress and performance against, these targets, as available. SBTN will provide additional guidance on this topic in future methods releases.
- Interoperability between the TNFD and SBTN frameworks can benefit corporates looking to disclose in line with TNFD's recommendations and also set science-based targets. Corporates using SBTN methods will generate data and analytical outputs that can be used to apply parts of the TNFD's LEAP approach for the assessment of nature-related issues. Conversely, applying the LEAP approach can help corporates generate the data needed to set science-based targets for nature.



# 1. Context

Where possible, the TNFD incorporates existing guidance, methods and standards, instead of introducing new approaches. To set targets to manage nature-related impacts, the TNFD recommends that corporates use methods from the Science Based Targets Network (SBTN). These are built around the SBTN's five-step approach for setting science-based targets for nature.

The TNFD and SBTN have related missions that share the ultimate aim of achieving nature-positive outcomes. The two frameworks serve distinct purposes. The TNFD provides a set of nature-related [recommended disclosures](#) and [additional guidance](#) for corporates and financial institutions to identify, assess, manage and disclose nature-related issues (Box 1). SBTN provides science-based methods for corporates to set measurable, actionable and time-bound targets that are grounded in societal goals and ecological thresholds. Target setting through SBTN results in location-specific action for corporates to mitigate their negative environmental impacts.

This symmetry between the TNFD and SBTN mirrors what is already in place for climate with the Task Force on Climate-related Financial Disclosures (TCFD) and the Science Based Targets initiative (SBTi), which provides methods for companies to set climate targets.

To enable corporate action and use of both frameworks, the TNFD and SBTN have coordinated closely to achieve consistency of core definitions, data requirements and analytical outputs concerning impact management, as well as stakeholder engagement.

The goal of this ongoing collaboration is to enhance operational efficiency for end users as they concurrently use the TNFD and SBTN frameworks to fulfil their respective aims of disclosure and target setting and implementation.

This additional guidance provides an overview of relevant SBTN guidance in order to set science-based targets for nature in relation to the TNFD framework and provides signposts to SBTN documentation for further details.

## Box 1: Targets in the TNFD recommended disclosures and LEAP approach

### TNFD recommended disclosures

**Strategy B** Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.

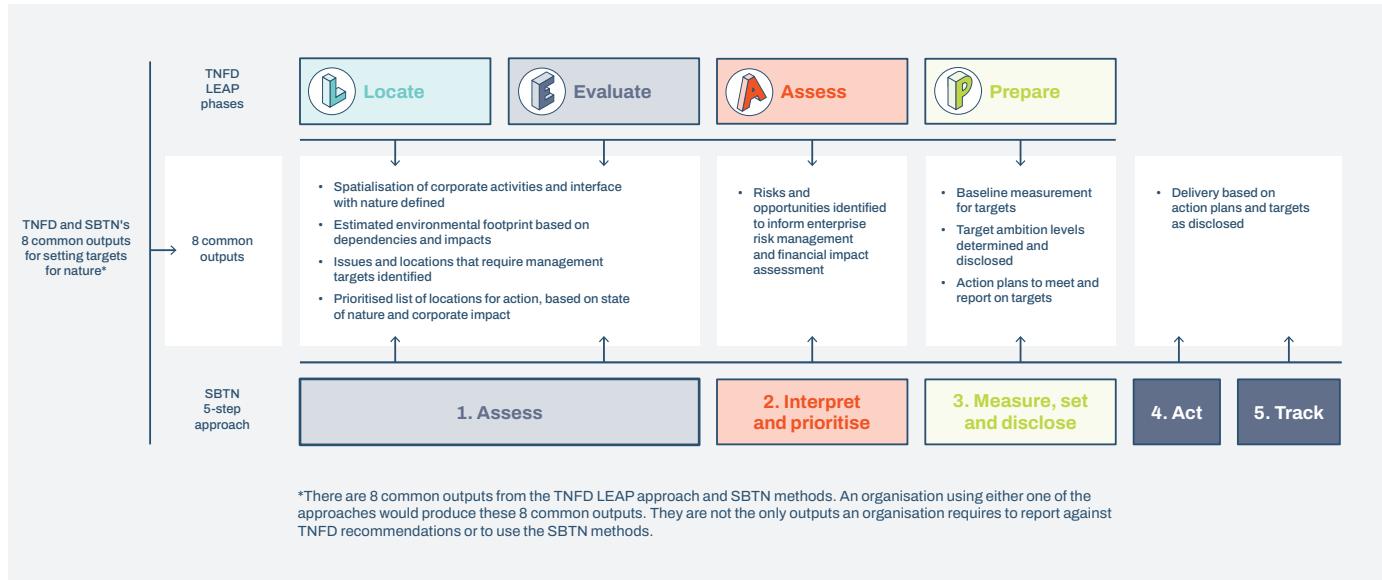
**Metrics and targets C** Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.

### TNFD LEAP approach

**Prepare phase, Component P2: Target setting and performance management** How will we set targets and define and measure progress?

Source: [TNFD recommendations](#); [Guidance on the identification and assessment of nature-related Issues: The TNFD LEAP approach](#).

**Figure 1: TNFD and SBTN fundamental areas of alignment on target setting**



When corporates applying the TNFD framework set targets for nature, take action, and measure progress and performance against those targets, the TNFD recommends that they use SBTN guidance.





## 2. How the TNFD and SBTN will develop together

In May 2023, SBTN launched the first methods corporates can use to set science-based targets for nature. These methods focus on the realms of freshwater and land, enabling corporates to manage impacts on water availability, water pollution, as well as the extent and intactness of natural lands, and the condition of working lands. Some key updates included in SBTN's first release of methods, which refined the 2022 public consultation drafts cited in the previous version of this guidance, were:

- Additional guidance on the use of biodiversity indicators to complete Step 1 and 2 of the SBT-setting process to ensure that corporates account for threats to species and ecosystems when prioritising locations for action;
- Inclusion of local stakeholders' needs and goals when prioritising locations for target setting in the Step 2 method and guidance on multi-stakeholder collaboration in a landscape initiative aimed at ecosystem regeneration and restoration in Step 3; and
- Additional guidance on the engagement of local stakeholders throughout the five-step target setting process that builds on best practices and underlying principles of human rights.

The SBTN target guidance will evolve over time to reflect the latest developments in science and technology as well as the current pilot of SBTN's first methods and validation process.<sup>1</sup> Future versions of SBTN methods will include developments like greater coverage of biodiversity, marine impacts and additional sources of freshwater pollution. Future releases of methods will also complete coverage of the SBTN five step process with guidance on Step 4: Act and Step 5: Track (see Figure 2). These extensions of the methods will extend their applicability to more sectors and economic activities, provide companies with more structured guidance on the types of actions they can and should take to meet targets, and include methods for assessing progress on targets.

SBTN and the TNFD will continue to update this draft guidance on target setting based on SBTN method development and pilot testing of both frameworks.

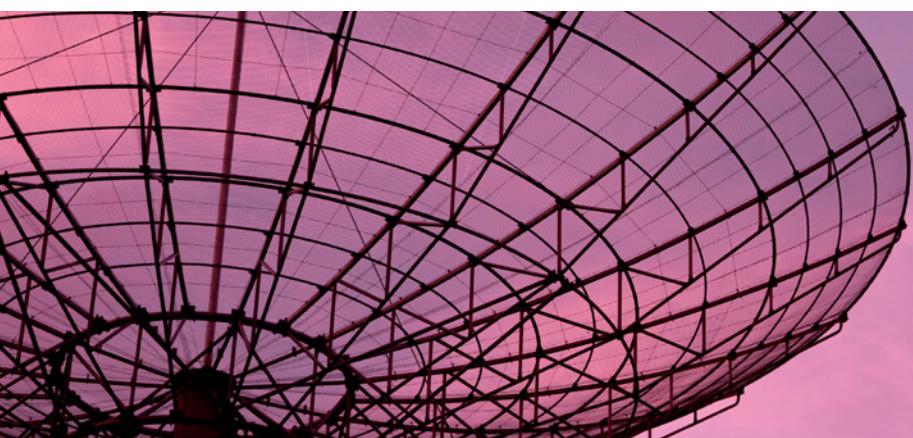
*SBTN and the TNFD will continue to align through ongoing technical collaboration and exchange as knowledge partners.*

<sup>1</sup> Learn more about the SBTN's validation pilot at SBTN. [Submitting your targets for validation.](#)

**Figure 2: Roadmap for development of SBTN guidance for nature**



SBTN target setting methods generate data and analytical outputs that help corporates to apply parts of the [TNFD LEAP approach](#) for the assessment of nature-related issues and to disclose in line with the [TNFD recommendations](#). Conversely, applying the LEAP approach can help corporates generate the data needed to set science-based targets for nature.

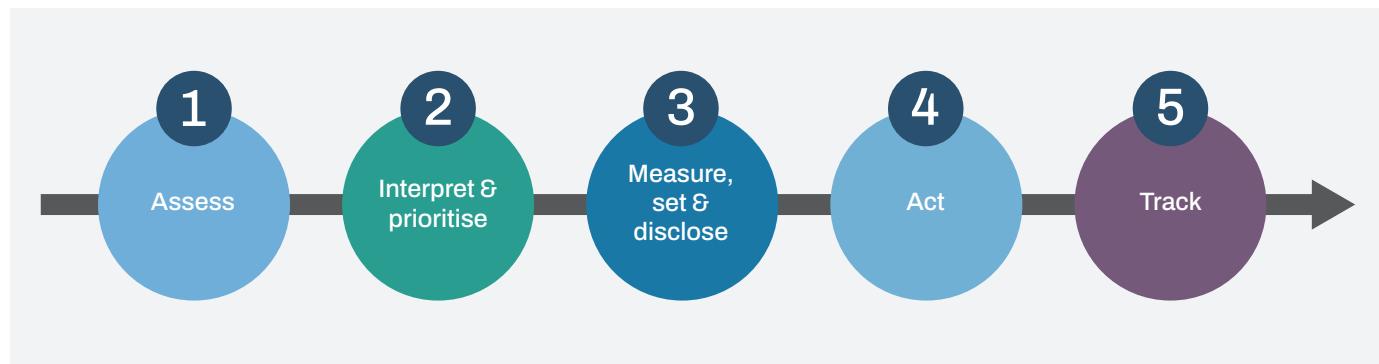




## 3. Five steps to set science-based targets for nature

To set science-based targets for nature, corporates are expected to follow five steps (Figure 3): (1) assessment of impacts; (2) interpretation of data and prioritisation of locations; (3) baseline data collection, target setting and disclosure; (4) action to meet targets; and (5) monitoring, reporting and verifying progress over time.

**Figure 3: SBTN 5-step approach to target setting**



### Overview of SBTN methods for setting science-based targets for nature

This overview shows how corporates move through the SBTN target setting process and collect the information needed to apply the TNFD LEAP approach for the assessment of nature-related issues and the TNFD recommended disclosures.

Please note that the methods summarised below are at different stages of development. The methods for Step 1, Step 2, and Step 3: Freshwater are at v1, based on the degree of consultation and testing. The method for Step 3: Land is in beta v0.3, and undergoing rigorous testing through the SBTN pilot process.

### SBTN Steps

SBTN Steps 1 and 2 are cross-cutting and enable a holistic assessment of a corporate's impacts on nature. These initial steps are then followed by pressure-specific<sup>2</sup> target setting using SBTN's Step 3 methods, which are currently available for freshwater and land. Guidance on target setting methods for freshwater quantity and quality (nutrients only), land use change, land use and soil pollution can be accessed through the [SBTN website](#).

<sup>2</sup> In the TNFD framework pressures are referred to as impact drivers.

## SBTN Step 1: Assess

*For more detail, see [SBTN v1 method for Step 1](#).*

- Completing the Scoping, Locate and Evaluate phases of the TNFD's LEAP approach may help corporates complete this target setting step.

### Step 1a) Materiality screening

**Objective:** Determine the material pressures most likely to require target setting by a corporate, based on sector-level information.

**Output:** Ratings of impact materiality per sector/activity.

#### SBTN data requirements

##### *Direct operations*

##### *Requirements*

- List of economic activities involved in the company's direct operations, aligned with the International Standard Industrial Classification of All Economic Activities (ISIC).

##### *Upstream*

##### *Requirements*

- List of activities upstream (Tier 1/direct supply chain).

### Step 1b) Value chain assessment

**Objective:** Estimate a company's contributions to key environmental pressures across its operations and value chains and screen the state of nature to inform decisions about what to set targets on, for which parts of the business, and where in the value chain.

**Output:** Estimates of pressures and state of nature scores associated with each directly owned or operated site, location, and the activity, product or commodity involved.



## SBTN data requirements

### *Direct operations*

#### *Requirements*

- Estimates of pressures for all sites and locations within the company's organisational boundary at a subnational level.
- Secondary estimates of state of nature values per location.

### *Upstream*

#### *Requirements*

- List (categories) of all goods and services procured from upstream suppliers (Tier 1) (services aligned with ISIC Group or other equivalent sectoral classification).\*
- List (categories) of high-impact commodities (both in raw and transformed/processed form) in the company's sourcing and upstream activities. To determine this, corporates should reference the SBTN High Impact Commodity List (HICL), which includes commodities known to have significant contributions to environmental pressures at a global or regional level.
- List of threatened species according to the International Union for Conservation of Nature (IUCN) and listed species according to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in the company's sourcing.
- Estimated volume or spend on high-impact commodities and other goods or services (e.g. distribution) procured from upstream suppliers.
- Estimated or modelled locations for each commodity/activity, associated with the highest impact activity, for each relevant pressure.\*\*
- Secondary estimates of state of nature values per location, at least to country level.

\*Although corporates are only required to assess the impacts associated with high-impact commodities and at least 67% of their spend or volumes purchased deemed to be material after Step 1a, they will still need to have a list or inventory that includes all categories of upstream activity (i.e. 100% of their spend or volume).

\*\*Corporates should assume that sourcing (extraction/growing/harvesting) is the highest impact activity unless there is evidence to prove otherwise for a specific pressure category.

#### *Recommendations*

- Secondary data on pressures for all other commodities and activities, beyond the minimum required coverage (i.e. >67%).
- Cradle-to-gate assessment for all upstream activities and purchased goods.



## SBTN Step 2: Interpret and prioritise

For more detail, see [SBTN v1 method for Step 2](#)

Completing the Scoping, Locate and Evaluate phases of the TNFD's LEAP approach may help corporates complete this target setting step.

### Step 2a) Target boundary

**Objective:** Define corporate scope of target setting strategy.

**Output:** List of locations associated with each pressure.

#### SBTN data requirements

##### *Direct operations*

###### *Requirements*

- Data collected during Step 1: Pressure data for all activities assessed, data on the state of nature, and the locations of all sites.

##### *Upstream*

###### *Requirements*

- Data collected during Step 1: Data on pressures, locations of highest impact activities in production chain of high impact commodities, and states of nature associated with these locations.
- Evidence to justify any current uncertainty in upstream spatial data, relative to the upstream target boundary A and B requirement.

### Step 2b) Rank

**Objective:** Establish significance values for each location within target boundaries, based on environmental indicators.

**Output:** Ranked locations within each target boundary.

#### SBTN data requirements

##### *Direct operations*

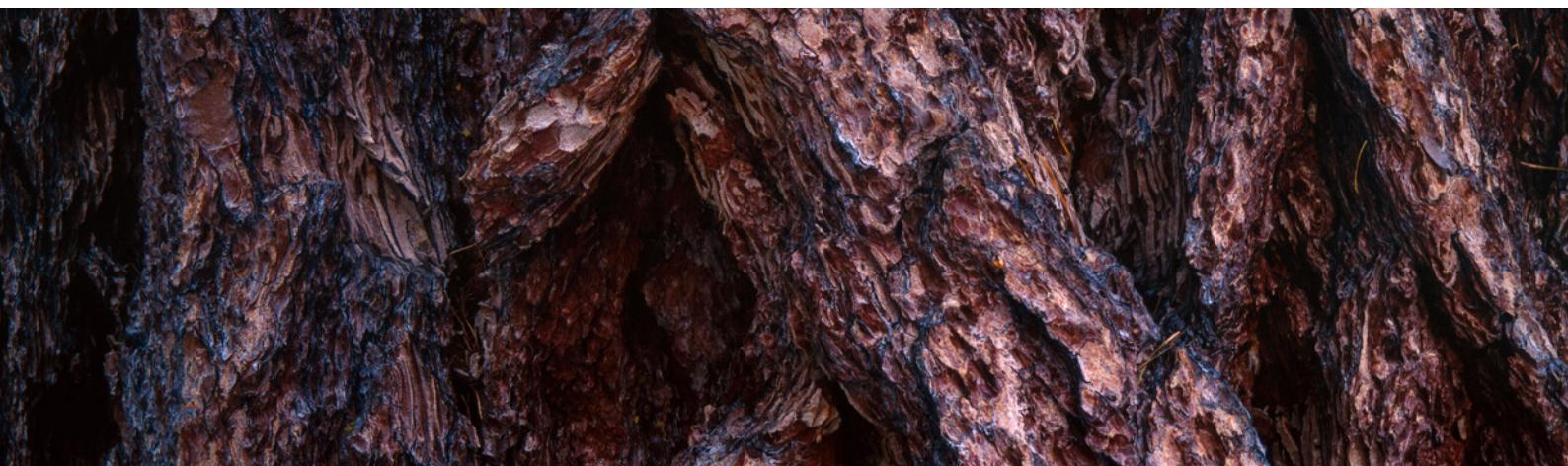
###### *Requirements*

- Data collected during Step 1: Pressure data for all activities assessed, data on state of nature (pressure-sensitive and biodiversity), and the locations of all sites.

##### *Upstream*

###### *Requirements*

- Data collected during Step 1: Data on pressures, states and locations of highest impact activities in production chain of high-impact commodities.
- Evidence to justify any current uncertainty in upstream spatial data, relative to the upstream target boundary A and B requirements.



## Step 2c) Prioritise

**Objective:** Optionally, use a co-benefits approach or the prioritisation rules from the Step 3 methods to identify locations to begin setting targets.

**Output:** List of prioritised activity/commodity and location pairs.

### SBTN data requirements

#### *Direct operations*

##### *Requirements*

- Data from Step 2a-2b.
- Documentation to explain time-bound plan to increase target coverage (if prioritising).

#### *Upstream*

##### *Requirements*

- Data from Step 2a-2b.
- Documentation to explain time-bound plan to increase science-based target coverage.
- Documentation to support prioritisation of transparency and traceability in upstream target boundary B.

## Step 2d) Evaluate feasibility and strategic interest

**Objective:** Create a target setting strategy based on prioritisation, a feasibility screening and considerations of stakeholder needs.

**Output:** List of prioritised activity/commodity and location pairs.

### SBTN data requirements

#### *Direct operations*

##### *Requirement (if applied)*

- Information to justify plans for target setting (in line with or deviating from SBTN guidance), including evidence of feasibility and barriers to implementation.

#### *Recommendation*

- Documentation describing the rights and needs of local stakeholders (Indigenous Peoples and other communities) affected by a corporate's operations as well as data describing internal resourcing and financing to justify its target setting strategy, including evidence of feasibility and barriers to implementation.

#### *Upstream*

##### *Requirement (if applied)*

- Information to justify plans for target setting (in line with or deviating from SBTN guidance), including evidence of feasibility and barriers to implementation.

#### *Recommendation*

- Documentation describing the rights and needs of local stakeholders (Indigenous Peoples and other communities) affected by a corporate's operations as well as data describing internal resourcing and financing to justify its target setting strategy, including evidence of feasibility and barriers to implementation.
- Strategic information needed to build out a plan to increase transparency and traceability for science-based target setting.



## SBTN Step 3: Measure, set and disclose – Freshwater

For more detail, see [SBTN v1 methods for Step 3: Freshwater](#)

- Completing the Evaluate and Prepare phases of the TNFD's LEAP approach may help corporates complete this target setting step.
- Corporates that complete this step can use it for the TNFD recommended disclosure Metrics and Targets C.

There are two different targets that corporates can set with the SBTN freshwater methods: freshwater quantity (withdrawal) targets and freshwater quality (pollution) targets.

*Objective:* Set validatable science-based targets to manage key freshwater pressures.

*Output:* Baseline and target description, a timeline for achieving targets and a time-bound programme for action for freshwater targets.

### SBTN data requirements

#### Direct operations

##### Freshwater quantity (withdrawal) targets

###### Requirements

- Primary data/direct measurements on baseline pressure on water quantity (withdrawals), taken in volume per month, e.g. Ml/month.

###### Recommendations

- Retrieve data from on-site water meters.

##### Freshwater quality (pollution) targets

###### Requirements

- For point sources, primary data/direct measurements on baseline pressure on water quality, taken as volume per month, e.g. Ml/month (for discharge flow) and mass of nutrient per volume, e.g. mg P/l (for nutrient concentration).
- For non-point sources, secondary data on baseline for water quality, taken as mass of nutrient load per month (if based on locally developed model results) or volume per year, e.g. Ml/year (if based on grey-water footprint).

###### Recommendations

- For point sources, primary data/direct measurements, use discharge flow and nutrient concentration to gather data.
- For non-point sources, secondary data estimation, use model results or grey-water footprint methods and tools to gather data.

## Upstream

### *Freshwater quantity (withdrawal) targets*

#### *Requirements*

- If available, primary data/direct measurements on baseline pressure on water quantity (withdrawals), taken as volume per month, e.g. Ml/month.
- If primary data not available, secondary data or estimates on baseline pressure on water quantity (withdrawals), taken as volume per month, e.g. Ml/month.

#### *Recommendations*

- Retrieve primary data from on-site water meters or water diversions.
- Retrieve secondary data from blue-water footprint methods or tools.

### *Freshwater quality (pollution) targets*

#### *Requirements*

- For point sources, primary data/direct measurements on baseline pressure on water quality, taken as volume per month, e.g. Ml/month (for discharge flow) or/and mass of nutrient per volume, e.g. mg P/l (for nutrient concentration).
- For non-point sources, secondary data on baseline for water quality, taken as mass of nutrient load per month (if based on locally developed model results) or volume per year, e.g. Ml/year (if based on grey-water footprint).

#### *Recommendations*

- For point sources, primary data/direct measurements, use discharge flow and nutrient concentration to gather data.
- For non-point sources, secondary data estimation, use model results or grey-water footprint methods and tools to gather data.

## **SBTN Step 3: Measure, set and disclose – Land**

For more detail, see [SBTN beta v0.3 methods for Step 3: Land](#).

As noted above, this method is at an earlier stage of development than the other methods detailed above. This method will be revised through the current pilot process, and is expected to be released as a v1 method in early 2024.

- Completing the Evaluate and Prepare phases of the TNFD's LEAP approach may help corporates complete this target setting step.

- Corporates that complete this step can use it for the TNFD recommended disclosure Metrics and Targets C.

There are three different targets that corporates can set with the SBTN land methods: land conversion, land footprint reduction (land management), and landscape engagement targets.

*Objective:* Set science-based targets to manage land pressures.

*Output:* Baseline and target description, a timeline for achieving targets and a time-bound program for action for land targets.

## SBTN data requirements

### Direct operations

#### *No conversion of natural ecosystem targets*

##### *Requirements*

- Geographic location of all sites where high-impact commodities\* are produced as well as hectares associated with these.
- Geographic location of areas converted after cut-off date as well as hectares.

\* For this target, corporates should reference the high-impact commodity list (HICL) included in the land methods. These include a subset of the high-impact commodities included in the Step 1 HICL, focused on commodities that are driving land conversion, as well as additional commodities that are significant for this pressure within specific countries and regions.

#### *Land footprint reduction targets*

##### *Requirements*

- Volumes (tonnes) of agricultural commodities produced by production location (primary or statistical data).
- Data on operational sites where commodities are produced (spatial or statistical) and hectares associated with production.

##### *Recommendations*

- Geographic location of sites.

#### *Landscape engagement targets*

##### *Requirements*

- Geographic location of all operational sites (at ecosystem level) prioritised in Step 2.

### Upstream

#### *No conversion of natural ecosystem targets*

##### *Requirements*

For corporates sourcing from producers or corporates at the first point of aggregation (e.g. processing mills):

- Areas (hectares) converted after cut-off date for traceable volumes; full coverage required only by target date.
- Sourcing area (hectares) and volumes (tonnes) of high-impact commodities purchased and volumes of high-impact commodities; data should be disaggregated by geographic area.

For corporates sourcing from upstream corporates after the first point of aggregation (i.e. for those further in the transformation process):

- Sourcing area (hectares) of high-impact commodities purchased.
- Volumes (tonnes) of high-impact commodities.

#### *Recommendations*

For corporates sourcing from corporates after the first point of aggregation:

- Conversion data at production unit (hectares), particularly for high-impact commodities.

#### *Land footprint reduction targets*

##### *Requirements*

- Volumes (tonnes) of agricultural commodities purchased (primary or statistical data, differentiated to the extent possible by sourcing location).
- Yield (tonnes per hectare per year) of each product purchased (statistical data, matched to the extent possible with the sourcing locations linked to the purchasing volume data above, e.g. national or subnational yield data).

For corporates sourcing from upstream corporates after the first point of aggregation:

- Volumes (tonnes) of agricultural commodities purchased (primary or statistical data, differentiated to the extent possible by sourcing location).
- Yield (tonnes per hectare per year) of each product purchased (statistical data, matched to the extent possible with the sourcing locations linked to the purchasing volume data above, e.g. national or subnational yield data).

#### *Recommendations*

For corporates sourcing from producers or corporates at the first point of aggregation:

- Geographic location of sourcing.



## Landscape engagement targets

### Requirements

For corporates sourcing from producers or corporates at the first point of aggregation:

- Sourcing area and volumes of high-impact commodities purchased and volumes of high-impact commodities, in hectares and tonnes or equivalent from each area.

For corporates sourcing from upstream corporates after the first point of aggregation:

- Sourcing area (hectares) of high-impact commodities purchased.
- Volumes (tonnes) of high-impact commodities.

### Recommendations

For corporates sourcing from producers or corporates at the first point of aggregation:

- Geographic location of sourcing areas.
- Specification of sourcing to operational site (more precise scale than sourcing area).

For corporates sourcing from upstream corporates after the first point of aggregation:

- Production unit or sourcing areas (hectares) of high-impact commodities purchased.

## SBTN Step 4: Act

- Completing the Prepare phase of the TNFD's LEAP approach may help corporates complete this target setting step.

**Sub-steps:** Avoid, Reduce, Regenerate, Restore and Transform

*Objective:* Develop and implement strategy to meet targets.

*Output:* Company action plans to achieve targets.

## SBTN data requirements

*SBTN guidance on Step 4: Act is forthcoming.*

*In the interim consult SBTN Science-based targets for Nature: Initial Guidance for Business.*

## SBTN Step 5: Track

- Completing the Prepare phase of the TNFD's LEAP approach may help corporates complete this target setting step.
- Corporates that complete this step can use it for the TNFD recommended disclosure Metrics and Targets C.

**Sub-steps:** Monitor, Report and Verify

*Objective:* Report progress against corporate targets to provide accountability and gather data needed to adjust corporate strategy to meet targets (if necessary).

*Outputs:* Progress reports and public disclosure on targets in line with SBTN Monitoring, Reporting and Verification (MRV) guidance.



## SBTN data requirements

*SBTN guidance on Step 5: Track is forthcoming.*

*In the interim, consult SBTN [Science-based targets for Nature: Initial Guidance for Business](#).*

When applying SBTN methods, corporates should reference SBTN criteria on data quality and tools.<sup>3</sup>

**For additional guidance on setting science-based targets aligned with SBTN, visit [SBTN Resources](#).**

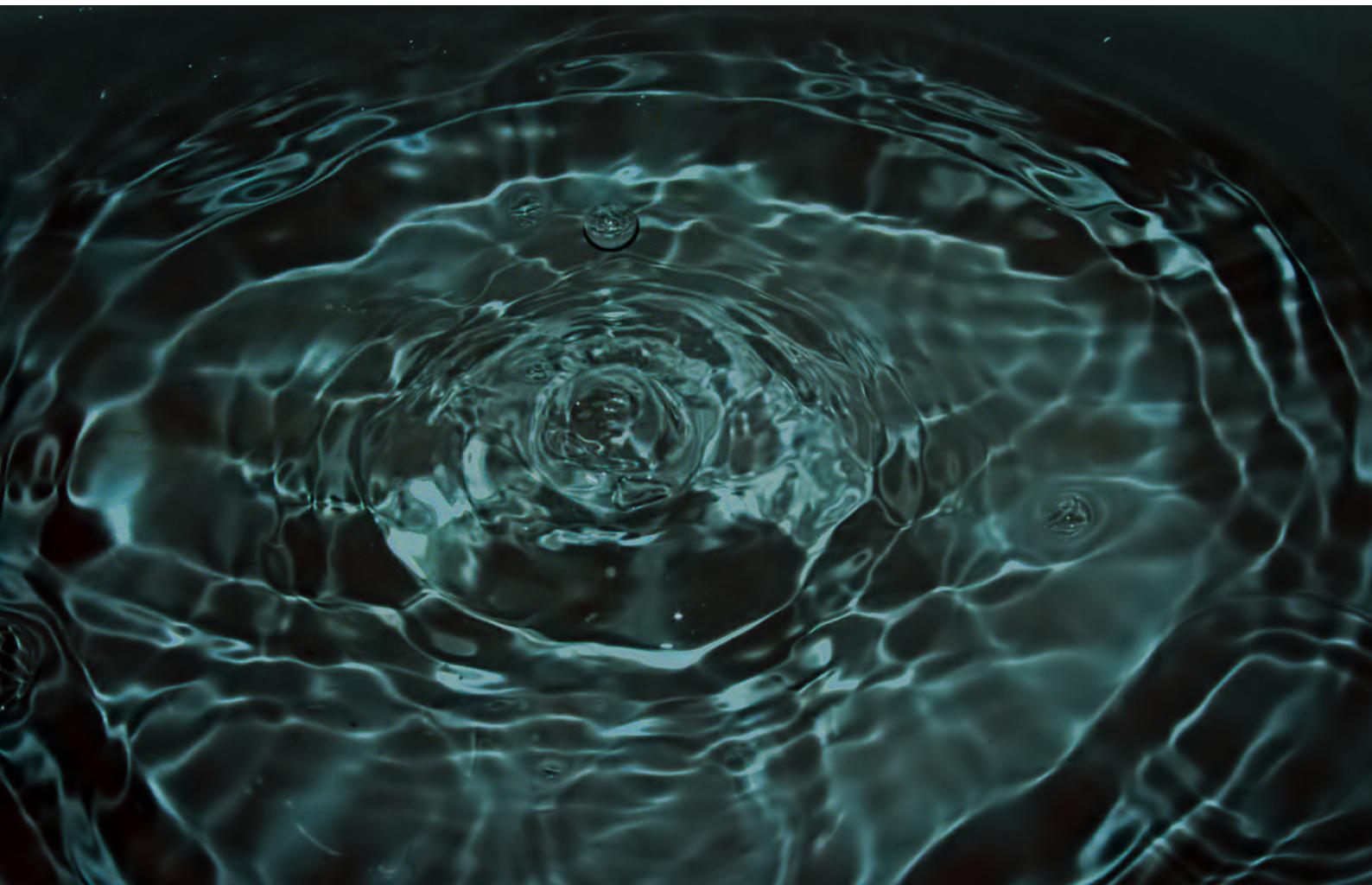
*Note on further updates to SBTN and this guidance document:*

All SBTN resources, including those cited above, will be updated based on findings from SBTN's current pilot and validation process.

This additional guidance document for corporates on science-based targets will be updated in line with SBTN's progress and updates to existing and new methods on science-based targets for nature.

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<sup>3</sup> SBTN (2023) [SBTN Data and Tools Criteria](#)





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