



Global Compact
Network Finland

ACCELERATING AMBITIOUS NATURE ACTION

**Corporate experiences from applying the
Science Based Targets Network's guidance
for setting nature targets**



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Contents

ABOUT THIS REPORT	1
IMPORTANCE OF BUSINESS ACTION FOR NATURE	2
INTRODUCTION TO THE SCIENCE BASED TARGETS NETWORK	3
The five-step process for setting science-based targets for nature	4
Step 1: Assess Environmental Impacts	4
Step 2: Interpret and Prioritize	4
Step 3: Measure, Set and Disclose Targets	5
Step 4: Act, and Step 5: Track	5
SBTN and other frameworks	6
COMPANY EXPERIENCES FROM APPLYING THE SBTN GUIDANCE	7
Starting point	7
Materiality analysis, data collection and supplier engagement	7
Case Example: Marimekko	9
Case Example: Ylva	10
The business case and internal stakeholder engagement	11
Case Example: Kemijoki	13
Case Example: Skanska	15
SBTN as a driver for ambitious nature action	16
Case Example: Kemira	17
Case Example: Nokia	18
CONCLUSION	19
ENDNOTES	21

About this report

AS A SPECIAL INITIATIVE of the UN Secretary-General, the United Nations Global Compact is a call to companies everywhere to align their operations and strategies with ten universal principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals. With more than 24 000 organisations based in over 160 countries, and 70 Local Networks, it is the largest corporate sustainability initiative in the world.

UN Global Compact offers a framework for responsible and sustainable business practices. It provides guidance, resources, and a platform for engagement with other stakeholders to advance corporate sustainability efforts.

One example of the UN Global Compact value proposition is its Accelerator programmes. These programmes aim to catalyze corporate action and measurable impact on specific sustainability issues. Through expert guidance, peer-learning, workshops, and networking opportunities, accelerator programmes assist participating companies in developing and implementing solutions to accelerate progress towards the Sustainable Development Goals (SDGs). Currently, the UN Global Compact offers five Accelerator programmes that UN Global Compact's Local Networks implement in their respective countries.

In addition to global programmes, Local Networks around the world develop their own, local content. The UN Global Compact Network Finland developed and produced a training programme where companies can explore the Science Based Targets Network's (SBTN) framework for setting science-based targets for nature. The programme covered the five-step SBTN process, including materiality assessment, prioritization of nature impacts, impact measurement, target-setting, and discussions on various strategies to achieve nature targets.

The training programme was developed and produced with support from Ramboll Finland Oy, and partially funded by the Ministry of the Environment of Finland. The programme was launched in May 2023, and ran from August 2023 until March 2024. 15 Finnish companies participated, including 13 large companies and 2 SMEs from varying sectors. The programme will run again in 2024–2025, see more [here](#).

While the first version of the SBTN guidance was published before the programme started, the framework is still a work in progress, with major updates expected in 2024 and 2025.

In this report, we briefly describe the target-setting process for setting nature targets and summarise programme participants' findings and experiences from the programme. The experiences are somewhat similar to those described in Sitra and FIBS' report [Effective nature work](#) and in SBTN's blog post [Unlocking insights and changing mindsets: what it's like to pioneer science-based targets for nature](#), which we recommend you read.

We would like to thank Ramboll Finland Oy, the Ministry of the Environment of Finland, the Science Based Targets Network and WWF Finland for your support, and all the great discussions had with UN Global Compact colleagues during the programme. We would also like to thank the 15 Finnish companies that joined the programme and took their first steps towards ambitious nature targets.

Finnish companies that joined the programme:

Alko Inc.	Lindström Oy
Fazer Group	Marimekko Corporation
HKScan Corporation	Nokia Corporation
Huhtamäki Oyj	Skanska Oy
Kemijoki Oy	St1 Nordic Oy
Kemira Oyj	Viking Malt
KONE Corporation	Ylva
Lidl Suomi	



Importance of Business Action for Nature

THE TRIPLE PLANETARY CRISIS refers to the interlinked emergencies of climate change, biodiversity loss, and pollution, which pose unprecedented threats to Earth's ecosystems and human well-being.

The 2024 Global Resource Outlook highlights that the key reason for the triple planetary crisis is the escalation of resource extraction and consumption. The report states that there is a potential 60% increase in resource extraction by 2060 compared to 2020, which may exacerbate the triple planetary crisis unless global production and consumption patterns change.¹ Furthermore, the WEF Global Risks Report 2024² states that the top four risks in the next 10 years are environmental, biodiversity loss taking the third place.

The connection between nature and the economy is evident. The World Economic Forum estimated that over half of the world's Gross Domestic Product (GDP) is moderately or highly reliant on nature and its services³, and, in a more recent research, PwC estimated the same for USD58 trillion of global GDP⁴. Moreover, Professor Partha Dasgupta's report in 2021 highlighted the significance of natural capital⁵.

In a historic decision in December 2022, the Kunming-Montreal Global Biodiversity Framework was adopted⁶. The goal of the Framework is to halt and reverse nature loss by 2030. While governments bear primary responsibility for implementing the Framework, addressing the triple planetary crisis demands urgent action from all sectors of society. It serves as a clear signal to businesses: action on nature starts now. Science-based targets for nature are a key mechanism for companies to put the equivalent of the Paris Agreement for nature into action.

Every company, by its very nature, depends on and, simultaneously, contributes to the decline of the natural world. PwC's research in 2023 reveals that all industry sectors have elements within their operations or supply chains highly reliant on nature. This underscores a compelling business case for simultaneous action on nature and climate.

Incorporating science-based targets into business strategies will not only be vital to help secure a healthy, resilient and equitable world, but also to drive long-term resilience and success for businesses.



Introduction to the Science Based Targets Network

THE SCIENCE BASED TARGETS NETWORK

(SBTN) is a global initiative with a mission to guide companies in setting ambitious science-based targets (SBTs) for their nature impacts. The SBTN was founded by its partners UN Global Compact, World Economic Forum, World Resources Institute, WWF, UN Environment Programme, Conservation International and CDP. Today, the SBTN is a collaboration of scientists and sustainability experts from over 80 NGOs. The aim of SBTN is to provide a clear framework for companies and cities to transition to an economy that respects the planetary boundaries and can meet societal needs.

The SBTN has released an [Initial Guidance for Business](#) in 2020, and in May 2023, [the first release](#) of SBTN methods. This includes technical guidance for Step 1: Assess, Step 2: Interpret & Prioritize, and Step 3: Measure, Set, Disclose for land and freshwater. The second release is scheduled for May 2024, and will not be covered in this report.

The SBTN framework helps companies examine closely how they impact nature. The framework follows the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services'

(IPBES) model on pressures and drivers of nature loss. The main pressures are land, sea and water use change, resource exploitation, climate change, pollution and invasive alien species.⁷

Science-based targets are measurable, actionable and time-bound objectives. Setting science-based targets in the five key areas – freshwater, land, ocean, biodiversity and climate (Figure 1) – enable companies to take the right actions in the right places at the right time.

These targets extend and complement the climate science-based targets set by more than 5 000⁸ companies through the Science Based Targets initiative since 2015. In a concerted effort to tackle the root causes and influences of nature loss, the first release in May 2023 enables companies to comprehensively evaluate their effects on nature. This allows for the establishment of specific freshwater and land targets, complementing existing climate targets. By integrating these objectives, companies can not only mitigate their adverse impacts but also enhance positive outcomes for both the environment and local communities, aligning with the principles of the mitigation hierarchy. Importantly, this approach concurrently addresses several key factors contributing to the loss of biodiversity.

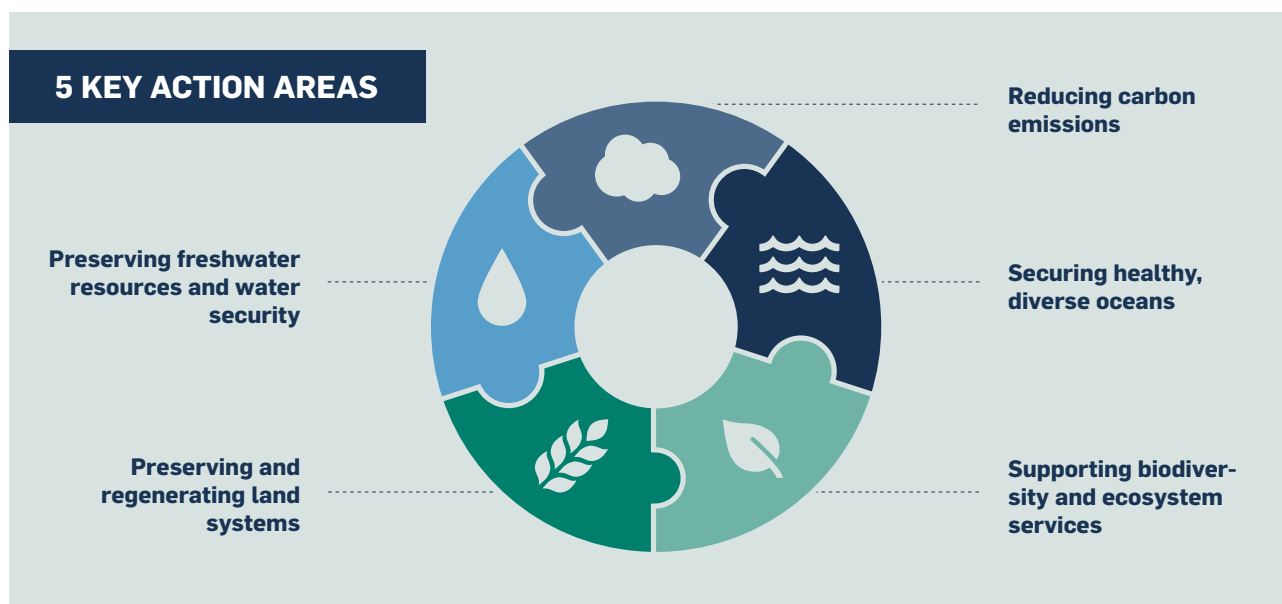


FIGURE 1: SBTN's five key action areas⁹

The Five-Step Process for Setting Science-based Targets for Nature

TO SET AND TAKE ACTION ON SBTS for nature, companies must follow five steps, summarized below. You can find complete technical guidance on the [SBTN website](#).



STEP 1: ASSESS ENVIRONMENTAL IMPACTS

IN THE FIRST STEP, companies identify the nature impacts that likely need to be addressed with targets and determine which business areas are important to address first.

The step begins with a materiality screening, Step 1a, where companies use sector-level data and global averages to understand which pressures to target. The purpose of this screening is to assist companies in narrowing down the focus of their target-setting efforts in following steps.

After this in Step 1b, companies complete a value chain assessment. The aim of this step is to assess the impacts a company has on nature and pinpoint the

regions where these impacts are especially detrimental to the state of nature. After this step, companies understand which pressures to set targets on, for which business areas and where in the value chain.

In Step 1, companies need to collect a significant amount of primary and secondary data, because the subsequent steps rely on the data gathered in this step. To complete this step, companies can either use SBTN's Materiality Screening Tool and High Impact Commodity list or other tools in the SBTN toolbox.



STEP 2: INTERPRET AND PRIORITIZE

DURING THIS SECOND STEP, companies will leverage the data obtained in Step 1 to understand which SBTs to set, how to determine target boundaries and how to prioritize actions. This step includes four sub-steps.

In Step 2a, companies determine target boundaries. Target boundaries define the geographical scope of companies' pressure footprints managed through science-based targets. At the end of this sub-step, companies have as many target boundaries as they have significant nature pressures in each part of the value chain.

Companies need to eventually set location-specific targets for each target boundary, but it might not be possible to work on all pressures and locations at once. Step 2b offers an impact-based ranking approach

to help companies act first in the most critical locations. In addition to this impact-based ranking, companies can also use other prioritization factors in Steps 2c and d, such as feasibility, risks, and strategic interest. Adopting a combination of impact- and risk-based prioritization strategies can help companies act faster to achieve environmental and societal benefits and consider critical local and company stakeholders who contribute to and are affected by the target-setting process. By evaluating feasibility and strategic interest companies can ensure the SBT process complements their other sustainability initiatives.



STEP 3: MEASURE, SET AND DISCLOSE TARGETS

IN THE THIRD STEP, companies begin measuring, setting, and disclosing targets according to the technical guidance documents. SBTN offers prescriptive guidance for defining freshwater and land targets, partially covering biodiversity. Methodologies for setting ocean targets will be published in the coming years.

The first version (v1) guidance for freshwater targets focuses on (1) water quantity: withdrawals from surface water bodies and groundwater, and (2) water quality:

the total amount of phosphorus and nitrogen entering a surface water body during a given time.

The guidance for land science-based targets (in beta, version 1 available in 2024) currently focuses on (1) preventing conversion of natural ecosystems to address one of the key reasons of biodiversity loss, (2) reducing land footprint and the production pressure of agricultural land, and (3) landscape engagement to regenerate and restore degraded or converted land.



STEP 4: ACT AND STEP 5: TRACK

FOR STEP 4, SBTN has introduced their Action Framework (AR3T) that companies can follow to achieve their science-based targets. With AR3T, companies should “avoid future impacts, reduce current impacts, regenerate and restore ecosystems and transform the systems in which companies are embedded”¹⁰. AR3T is built on the mitigation and conservation hierarchies, helping companies prepare for and address their nature impacts while also including perspectives on nature-positive actions. The inclusion of systemic transformation into the hierarchy aims to

encourage companies to go beyond individual action and instead put pressure on value chain action and exploration of system-level collaboration opportunities.

For the fifth step, SBTN recommends including the results of the different steps of the target-setting process into companies' own reporting practices. This would mean, for example, including the results from the materiality and value chain assessments and baseline calculations in sustainability reports.

A detailed guidance for Steps 4 and 5 is expected to be released in 2025.

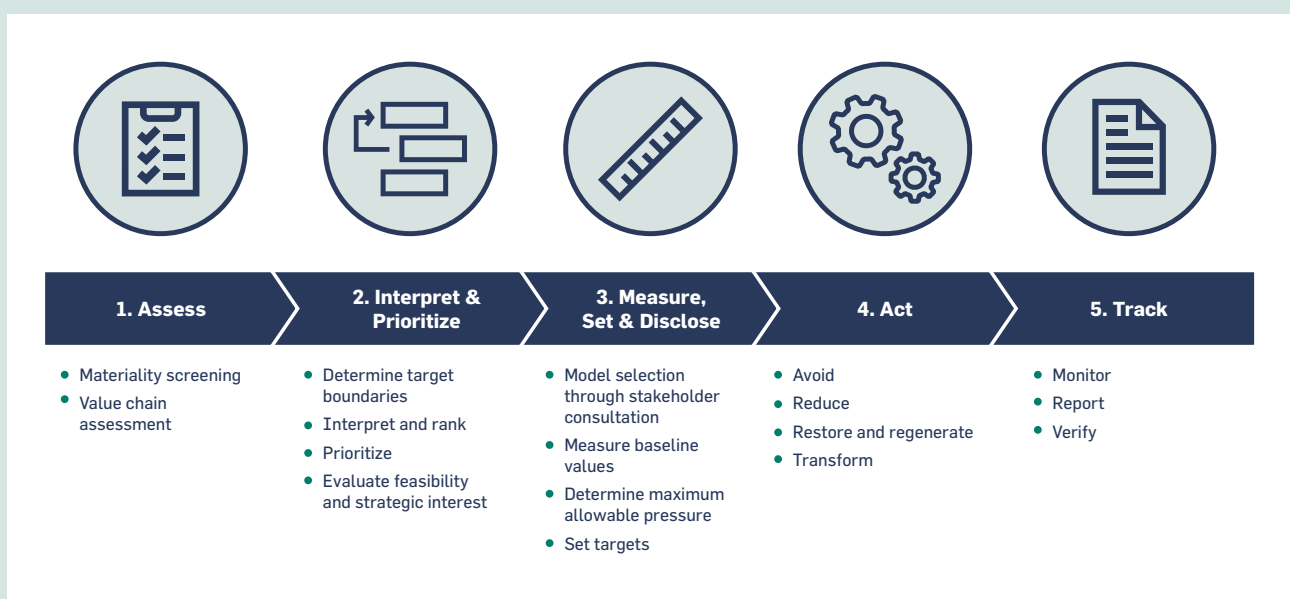


FIGURE 2: The process for setting science-based targets for nature ¹¹

SBTN and Other Frameworks

SBTN'S OBJECTIVE is to offer efficient and prescriptive resources for corporate environmental target-setting, bringing clarity amid the multitude of sustainability initiatives. SBTN has produced a process that aligns with and builds on the most recognized frameworks, standards and tools on nature action. For example, SBTN is built on the Greenhouse Gas Protocol, Natural Capital Protocol, ESRS and IFRS. TNFD and GRI have included SBTN guidance into their frameworks. See key connections between SBTN and related initiatives [here](#).

SBTN and TNFD are aligned in their core definitions and conceptual framework. They also share similar approaches to data requirements and impact management. SBTN offers prescriptive guidance for location-specific impact management by setting

targets, while TNFD offers recommendations for risk management and disclosure on nature topics. TNFD is more risk-focused and includes both impacts and dependencies on nature. SBTN is society and environment focused addressing impacts on nature and people.

SBTN is also aligned with EU's reporting and disclosure requirements. Data collected during the SBTN target-setting process can be used for reporting and disclosure in line with ESRS and IFRS recommendations. SBTN and EU both include the double materiality perspective and a focus on high impact commodities and are aligned in the scope of methods by including direct and upstream operations. For pollution, water, and resource use the new ESRS (E2, E3, E5) directly refer to SBTN.¹²



Company Experiences from Applying the SBTN Guidance

Starting Point

WHEN THE TRAINING PROGRAMME started, several companies had identified biodiversity as a central focus in their operations and sustainability efforts. Many were actively working on implementing biodiversity into their sustainability and sourcing programmes. They also highlighted nature-related challenges and risks in their supply chains and the need to better understand their value chains' effects on nature. Stakeholder pressure to better account for their nature impacts was also acknowledged as a driving force to start learning about the SBTN.

During the programme, participants wished to learn about tools to measure and manage data related to environmental impacts and hoped to get an understanding of metrics and indicators. They were also looking for support in conducting a materiality analysis to understand which nature impacts are relevant for them. Most programme participants are in the scope of CSRD and other Green Deal initiatives and were eager to learn how the SBTN could help them in fulfilling their regulatory obligations.

Materiality Analysis, Data Collection and Supplier Engagement

ALTHOUGH PROGRAMME PARTICIPANTS had prior experience on materiality analysis for other sustainability topics, the depth required within the SBTN framework proved to be challenging. However, there was consensus that the methods do provide a much-needed approach to quantitatively measure nature impacts.

The understanding of climate hotspots and previous experience of emissions accounting, or the application of the ISO14001 environmental management system for example, can act as a good basis for this work, but companies will require a significant amount of new data to assess their nature impacts and identify the exact locations where nature pressures are most significant.

The key difference when compared to climate action is that pressures on nature and their impacts are very local. Companies seeking to understand and mitigate their nature impacts need to know their exact operation and sourcing locations. As we know from emissions management, and the difficulties with reducing value chain emissions, the lack of visibility into the supply chain can cause major challenges. In most cases, when using the SBTN guidance, sub-

national data of the impacts and state of nature is needed. This gets even more tricky when companies source materials from multiple locations, and when the sourcing location changes by season, month or even by week. This adds new dimensions to the familiar challenges encountered in climate-related value chain management.

Any high-risk material in the company's direct operations or upstream value chain needs to be assessed as part of the SBTN process. This also applies to highly processed or embedded products that contain a high-risk material. Initially, the process can commence with knowing only tier 1 data. However, later stages require assessing the value chain step with the highest impact, usually the cradle stage. When these two are not the same, it can be confusing to understand how to focus the supply chain engagement and data collection efforts. Even if a company would have good practices with those companies they purchase directly from, applying SBTN methods would require them to engage with suppliers much further away in the supply chain, thereby requiring increased traceability. Programme participants assumed from the start that they would

need to assess their value chain impacts in addition to their direct operations, but some found it disappointing that the SBTN does not yet provide guidance for assessing downstream impacts.

SBTN provides tools to help with the materiality and value chain assessments; Materiality Screening Tool (MST) and High Impact Commodity List (HICL). These were useful to start the exercise, and especially HICL will continue to be a tool to identify risky materials and ingredients for many participants. However, the MST is still under progress and lacks data, complicating the completion of Step 1. Combining information from different sources or finding alternative tools and databases was necessary to compensate for the shortcomings of MST. In addition, when comparing MST and other databases, they sometimes seemed to bring up conflicting information. While using multiple tools from the Step 1 Toolbox was considered difficult and time-consuming, it was also identified as the best solution to move forward in the process.

The problems with data collection and quality were also highlighted when the participants discussed target boundaries. To be able to set target boundaries in step 2, relevant pressure and state of nature values for each assessed site, good or service are needed. This implies revisiting Step 1b to understand which activities or commodities are relevant for each location. While the SBTN process is recognized to be iterative, it's good to understand how much time and effort is required before reaching step 3.

Generally, all participants were able to collect some data from their direct operations. However, some consider the upstream data collection requirement to be so rigorous and difficult that setting science-based targets for nature seems impossible in the

near future. Even in cases where data is available, it might not be in accessible format. It seems that data management systems for the level that is needed in the SBTN context are still under development. Companies might need to invest in building a new data collection infrastructure and to update existing systems to allow necessary data management. Also, AI solutions for data management were discussed and could potentially reduce the burden of collecting and updating data.

Some programme participants began engaging their suppliers to submit nature-related data already during the programme. They found that suppliers' maturity levels differed heavily, which affected the quality and availability of the required data. This speaks to the importance of raising global awareness on nature and biodiversity, and to the need to extend companies' climate-related supplier programmes and initiatives to address nature.

The SBTN guidance also calls for local stakeholder collaboration, which is not yet very common among Finnish businesses. While we have seen great examples of Finnish companies participating in nature research projects recently, they may have to engage further with relevant authorities and NGOs in their sourcing locations to adequately address their nature impacts.

Please see case examples on data-related challenges by Marimekko and Ylva on the following pages. ►

CASE EXAMPLE: MARIMEKKO

Experiences of collecting data for Step 1 of the SBTN framework

Marimekko has piloted data collection for the Step 1 of the SBTN framework. The objective of this step is to assess the nature impacts of a company's own operations and value chain based on materiality screening, and it requires extensive data collection e.g. regarding amounts and origins of raw materials, nature pressures caused by the company's activities and state of nature in the operating and sourcing areas.

Materiality screening was done using the SBTN Materiality Screening Tool, which proved to be usable for the textile industry, but was lacking data of the materiality of several topics to our industry. It would therefore be beneficial to use at least two tools to achieve a better understanding of materiality.

Marimekko has only one own industrial site, a printing mill located in Helsinki, Finland. Data collection of own operations was relatively easy, as site-specific nature pressure data is already available and includes, for example, water use data, wastewater monitoring results and greenhouse gas emission calculations. Regional state of nature data was also easily available in several databases, such as WWF Risk Filter Suite, Aqueduct Water Risk Atlas, the Paikkatietoikkuna portal and the Finnish Meteorological Institute's statistics.

Collecting data from value chain was more laborious, as supply chains in the textile industry are typically complex and involve many actors. While Marimekko aims to continuously increase transparency in the supply chain, tracing raw materials back to a country or region of origin can require a lot of work. However, an increasing part of Marimekko's textile materials are certified (e.g. certified organic or recycled materials or certified wool), which are typically easily traceable back to region and country of origin. This allows a sufficient level of

information to conduct a value chain assessment in line with the SBTN requirements. Raw material sourcing areas can vary from year to year, which might present a challenge for setting region-specific targets. Nature pressure data for raw materials was found e.g. from industry databases and LCA studies. Same tools and databases were used to collect state of nature data as for own operations and additionally the FAOStat was used to collect land use data.

A systematic process to collect and manage information of raw material origins is required for biodiversity impact assessment. At Marimekko, this data collection was integrated into an existing process, where data is gathered of material certificates. This process now also serves other purposes, including calculation of land-based emissions and monitoring of compliance with Marimekko's Product Policy.

Marimekko intends to continue the assessment of biodiversity impacts, considering at least the most significant raw materials and countries of origin, to identify the biodiversity impact hotspots both in own operations and the value chain and be able to reduce those impacts in a systematic way.



Elina Heikinheimo,
Sustainability Manager,
Marimekko

CASE EXAMPLE: YLVA

Ylva demands transparency from the supply chain to set science-based targets for nature

While the 1.5-degree global carbon budget is running out in 5 years, a third of nature is about to disappear by 2050 if we do not change the direction of humanity's actions. After the approval of Ylva's science-based targets for climate in 2022, it was natural for us to raise our environmental ambition and join the UN Global Compact Finland's science-based targets for nature programme.

While climate impacts are global, impacts on nature are local – pressure on land, oceans, freshwater and biodiversity. Ylva operates in urban built environment locally, and consequently our direct impacts on nature are not very significant. Our largest negative effects on nature occur along the supply chains – where the raw materials for our restaurant portions and buildings originate from. Our nature impact data is therefore dependent on the attitude and data of our partners and supplier network.

Since we operate with a relatively small organization in two very different business areas – restaurants and real estate – examining the supply chains seemed like a massive job. Regarding real estate business, we started off by examining one project: a review of 1,600 lines of material quantities revealed that we use seven materials that are considered risky on the SBTN's High Impact Commodity list (HICL). Regarding restaurants, more than 3,000 products and 650 recipes contain 13 ingredients that are considered risky on the HICL list. Quite a massive amount of geolocation data to collect!

We contacted our suppliers and began investigating the origins of the identified raw materials. The readiness and answers from the suppliers varied greatly – some had recently gone through their own nature targets setting process, but others had not even started work on nature targets yet.

Based on the supplier discussions, our impacts are evidently widespread – e.g. one of our raw ingredients originates from more than 3,000 different locations. Uploading all that geolocation data from all the ingredients for instance to WWF's Risk Filter Suite, that we utilized during the project to identify the geolocation-based risks, would be a huge task. An even larger problem to be solved along the way are GDPR issues due to which we are not allowed to even get all that data from suppliers. The smaller the company, the less resources the company has for this kind of exercises.

However, the exercise has revealed that our responsibility as a customer is meaningful. We can make an impact by demanding transparency from our suppliers, and together we can develop our industries' nature ambition. And we need to accept that the scene is evolving – constant change is certain.

We are still figuring out our current impacts on nature. It creates the basis for our nature target setting, monitoring effects on land, oceans and freshwater in addition to emissions. When we understand our baseline today, we will be able to set targets for the future. Evidently, reaching those targets will require close collaboration with the whole supply-chain. Consequently, we will be able to make more science-based decisions and develop our business within planetary boundaries.



Eelis Rytkönen,
Chief Impact Leader, Ylva

The Business Case and Internal Stakeholder Engagement

LIKE MENTIONED BEFORE, most participants had already recognised the need to address their nature impacts before joining the programme, and some of them had, for example, started to engage in nature restoration projects. However, during the programme many participants mentioned that for rigorous nature work to be possible, nature and biodiversity needs to be integrated into the company's core strategy. Nature impacts are interlinked with many activities and decisions made at different levels of the company, and they can only be reduced if there is a systematic way to address nature in decision-making.

In companies that had already reached internal buy-in and whose leadership was engaged in nature topics, it was easier to dedicate resources to the rigorous data collection process, for example. In some cases, this had already led to a situation where most of the data needed for direct operations had been collected.

Participants agreed that close collaboration with internal, cross-functional staff, along with internal capacity building and knowledge sharing, are vital to lead and succeed in completing the SBTN process. However, it was generally found difficult to find the right experts and/or train the existing staff on nature topics, especially in multinational companies spanning different geographical regions. Having a dedicated nature project lead with the capacity to engage and train internal stakeholders is beneficial. This also requires the company to be willing to invest time and financial resources into capacity building and recruitment.

One participant mentioned that the SBTN process requires dealing with multiple, interlinked workstreams at the same time, making it difficult to manage the project and keep everything under control. Companies which can devote resources to this project, will benefit from decentralizing the work to different people and teams.

Participants' tips on how to engage internal stakeholders for ambitious nature work:

- › Raise awareness, communicate and be ready to clarify complex concepts.
- › Build internal capacity and skills and ensure resources.
- › Incorporate nature into the business agenda: Ensure the business case is clear.
- › Connect nature with ongoing sustainability initiatives, like the double materiality assessment and CSRD, to enhance the value proposition.
- › Set clear internal objectives and boundaries for your nature project.
- › Start with low hanging fruits: You don't have to tackle everything at once.
- › Maintain dialogue and awareness-raising efforts to integrate nature into everyone's work and personal lives: Make it easy to do good.

During the programme, the participants identified needs for capacity building and very specific skill sets, similar to the skills the SBTN Target Validation Pilot members **have identified**. For example, building a long-term relationship with local, external experts to adequately collect and manage local data and reduce impact is crucial, but it would be very beneficial for the company to understand the local ecological conditions in their sourcing locations as well.

Participants hoped SBTN would provide more concrete case examples, making the technical guidance more accessible for the entire company and staff without a background in ecology or biology. Enhanced clarity and concrete cases are seen as crucial for wider adoption of SBTN methods. Furthermore, there was a request for sector-specific guidance, especially from the retail sector, a need also recognized by the SBTN¹³.

Participants identified several benefits that contribute to building the business case for SBTN. Firstly, SBTN aids in risk management within the

upstream supply chain by facilitating the recognition of new risks, particularly when assessing impacts and gathering data from sub-national levels. This proactive approach may result in increased action in these areas even before the target-setting process is complete. Secondly, SBTN helps to prepare for anticipated stakeholder pressure. Just as SBTi targets are increasingly demanded by investors, there is an expectation that investors will seek evidence of considering nature in operations, whether through SBTN, TNFD, or other frameworks. Lastly, the SBTN process aligns well with emerging requirements from EU regulation, including the regulation on deforestation-free products (EUDR) and the ESRS E4. Data collected with the SBTN target-setting process can be used when reporting under CSRD. SBTN is also aligned with IFRS/ISSB recommendations.

Please see case examples on internal management of nature work on the following pages by Kemijoki and Skanska. ►



CASE EXAMPLE: KEMIJOKI

Examples of internal management of nature action

Kemijoki Oy is the largest hydropower provider in Finland and the only Finnish company focusing only on hydropower production. We recognize our effects on the fragmentation of riverine ecosystems and land use change, and biodiversity is one of our strategic targets. Therefore, the internal decision to start our journey towards science-based targets for nature was easy to make.

Implementing nature related projects requires strong strategic guidance and taking nature into account in every project and throughout the supply chains. When we started our SBTN work, this is what we were hoping to get support for.

The decision to participate in the SBTN training programme and manage the project internally throughout the programme was fairly easy as our operations are located only in Finland, and we produce only one product - electricity from water. Also, the fact that our impacts on nature are well known made it easier to manage the SBTN process. On the other hand, we faced challenges. The most essential challenge with SBTN for us is the incompleteness of the framework. For example, the freshwater guidance is missing a tool or pressure parameter which could be used to assess the impacts to nature from hydropower production: the guidance currently only addresses water use and nutrient load, which are not relevant for our company. The tools we used from the SBTN toolbox indicated that the use of natural resources would be our most significant impact on nature, but we do not recognise this pressure in our actions. When studying the step 3 guidance for land, we identified that land targets could be relevant for hydropower production, especially on the terms of landscape engagement.

During the SBTN programme, we onboarded personnel from our sustainability team as well as people from the operational hydropower production unit. We collected data about our land use, in which we needed expertise on geospatial information. We also needed data about the volumes of materials used in our operations. This was provided by our project engineers. Our staff and partners reacted positively towards our constant needs and the collection of data was fairly quick.

In general, we have thoroughly onboarded and engaged all our employees in nature and biodiversity. We have published our own biodiversity programme in which we invest on increasing biodiversity activities in a goal-oriented manner, focusing especially on migratory fish species. We cooperate with our local stakeholders, and we see that ecosystem services are important for the social permission and acceptance of hydropower. We have informed our stakeholders about our participation on the SBTN programme.

We also recently participated in a project which evaluated biodiversity impacts of hydropower in Finland. The main outcome of the project was that science-based evidence of hydropower's biodiversity impacts in regulated rivers and lakes in Finland is sufficient, but there is a lack of integral guidance for the assessment of environmental impacts with different projects. This is also the biggest challenge for us on our SBTN journey.

How can we plan and implement nature related projects effectively to ensure environmental sustainability and true positive effect is a good question. To tackle this, we think that you have to cooperate with stakeholders. For example, we implement all our migratory fish projects via Kemi-Ounasjoki migratory fish working group, which consists of advocates of ►

all the municipalities in Kemijoki-watershed plus local authorities and research institutions.

When planning environmental projects, sufficient expertise and guidance about the project targets as well as impact assessment and monitoring both before and after the project are key principles. It is also important to extend environmental impact assessment and sustainability into value chains, like also the SBTN guidance suggests.

We believe that the most important step in all nature-related work is communication. You must be open and active with the work you do and be proud of it! When dealing with biodiversity, the effect is local and even what seems to be only a minor change, can be of surprising benefit for nature. We will further study our possibilities to set a landscape engagement target, and sincerely hope that the SBTN framework will provide more relevant tools for us soon.



IMAGE: Copyright Kemijoki Oy

CASE EXAMPLE: SKANSKA

Skanska's approach to engage employees in nature action

Transition to low-carbon construction is Skanska's goal globally. Ultimately, we aim to achieve net-zero carbon emissions by 2045. Skanska Finland's actions towards these goals are described in our environmental sustainability roadmap. Today, our roadmap includes measures not only for climate issues, but also for other environmental sustainability topics, and we aim to further extend our experience to better manage our nature impacts.

At Skanska Finland, we have had internal climate working groups since 2020. These groups initially focused on identifying low-carbon solutions and developing our processes to enable low carbon way of working. The working groups consist of more than 70 Skanska employees from all over Finland. With the help of various professionals, such as procurement specialists, project engineers and project managers, we have succeeded in creating guidance, trainings and tools for our personnel. Working groups are also essential when integrating new environmental aspects into our processes. The work will continue, and working groups will also focus on perspectives identified in the training programme for Science Based Targets for Nature.

Management's support is essential for promoting sustainability topics, and at Skanska, environmental sustainability is high on the management's agenda. The progress of the sustainability roadmap actions and working groups is monitored and supported by the climate steering group, which consists of the highest management of Skanska Finland. Climate steering group meets regularly, and those are excellent opportunities to discuss and increase the management's awareness of different environmental aspects. Also, learnings of the SBTN training programme will be discussed and next steps decided with the help of this group.

It is often challenging to be able to implement ambitious goals and practices throughout

the organization, not just in pilot projects. As mentioned, integrating new environmental practices into the company's internal processes is one way. Another one is to make organization-wide policies. Key indicators are essential for guiding the organization as well as for follow up. In our case it's valuable to have accurate indicators on project level. Based on the SBTN training programme we are planning to develop new indicators especially for tracking land use change. Naturally, tangible instructions and trainings are also needed and sustainability related yearly targets for personnel can also be used to motivate employees to better consider nature in their work.

The SBTN training programme gave us food for thought, and we will use the above-mentioned methods for employee engagement to further improve our ways of working and to better account for nature in our work. For us, as well as for others, identifying environmental impacts of our supply chain is the biggest challenge and we will need to continue the deep dive into that. An easier next step is to create new internal targets and processes that further enhance taking local ecological values into account in our projects.

Laura Eklund,
Sustainability Manager, Skanska Finland



IMAGE: Copyright Skanska, Kuvatoimisto Kuvio Oy

SBTN as a Driver for Ambitious Nature Action

WHEN ASSESSING the different target types, freshwater targets were considered more feasible by some companies, compared to land targets. In Finland, companies are often required to disclose water use and nutrient load information for environmental permit purposes. This may explain why companies might be better prepared to collect necessary data for freshwater targets. This, however, stands only for operations in Finland, while basin-level data from sourcing locations was considered difficult to obtain. Some participants hoped for more pressure parameters for freshwater, because they did not find water use or nitrogen and phosphorous loads relevant for them. Then again, out of the three land target types, the landscape engagement target seemed most feasible for some companies, as many have already engaged in some landscape initiatives previously.

The response to the Action Framework AR3T was generally positive. Upon examining AR3T from their own company's standpoint, participants could identify potential actions to mitigate impact, but also celebrate actions they had already taken, bringing some relief after the rigour of the previous steps. Transformation was considered to be the most challenging category in the AR3T; while it was easy to identify ways to avoid and reduce impact and how to participate in restoration and regenerative projects, it was not as simple to determine transformation. Nonetheless, participants recognized the necessity of critical evaluation, acknowledging that certain aspects of their business might need to be reduced in the long run, prompting careful consideration of which impacts could be minimized and which necessitated exploration of more nature-positive alternatives.

The fifth step, track, was covered very lightly during the programme, because the SBTN has not provided any guidance for this step. There was concern over the possibility of SBTN introducing yet another reporting framework, adding to the already significant reporting burden. Luckily, the SBTN has ensured harmony with

and expands the most known standards and frameworks for reporting, such as GRI, TNFD and ESRS. However, as the SBTN is more prescriptive and introduces a higher level of ambition than other frameworks, the concern for increased reporting burden remains valid.

When discussing the action step, some uncertainties were voiced. The participants identified a potential conflict between nature and climate targets. For example, this could occur with renewable energy projects, which are essential for reaching our climate goals but also might pose risks to local ecosystems. Furthermore, with land targets, it seems that the use of ecological compensation is not possible. Another uncertainty relates to the use of circular alternatives to virgin materials. Currently it seems that companies would need to account for the use of secondary raw materials in the same way as when you would use virgin materials: need to collect data from the source with highest impact, instead of the point where this circular alternative becomes applicable to your company. Tracking circulated materials may become even more complicated, thus discouraging the use of circular alternatives by such policies. These topics would require more information from the SBTN.

In addition, there was concern about the achievability of targets. Participants noted that their efforts to reduce impacts might not be fully reflected in target performance due to dependencies on other actors and external factors affecting ecosystem quality. Like others¹³, some participants were unsure whether they would be able to balance between the rigour and ambition versus what is possible and relevant from the business perspective. However, participants acknowledged the framework's potential to drive progress in nature action and complimented the SBTN for providing a science-based understanding of necessary ambition.

Please see the following pages for two descriptions of nature action by Kemira and Nokia. ►

CASE EXAMPLE: KEMIRA

Applying the SBTN framework for increased nature action

We conducted the first biodiversity assessment of our direct operations in accordance with the GRI 304 Standard in 2021. Since then, our understanding of Kemira's impact on nature has been developing and consequently extended to cover also our upstream supply chain. Simultaneously, we noticed increased interest surrounding the topic of biodiversity, and as new frameworks and guidelines continued to emerge, a cohesive approach to measuring impacts on biodiversity in a quantitative manner had yet to be offered.

In 2022, we achieved an important milestone in our sustainability efforts by committing to the Science Based Targets initiative (SBTi). While carbon accounting is acknowledged to have an internationally accepted methodology, it was evident many companies still lacked the expertise and practical tools to assess nature impacts empirically. For this reason, the first release from SBTN had been highly anticipated and following its publication last year, we joined the SBTN training programme organized by UN Global Compact Network Finland to learn about the prerequisites for setting science-based targets for nature.

The programme enabled active engagement and sharing of experiences among the participating companies. As the training progressed, the insights from the participants highlighted common challenges, with data acquisition recognised as one of the biggest hurdles on the path towards setting quantitative nature targets, regardless of the industry background. For chemical companies like Kemira, this task proved particularly demanding due to a traditionally greater number of manufacturing sites and an extensive network of both direct and indirect raw materials suppliers globally. One of the key learning outcomes from the programme was realising that it is sometimes necessary to extend the assessment beyond

Tier 1 suppliers to identify the most impactful parts in a value chain. Furthermore, certain tools (e.g. IBAT, WWF Water & Biodiversity Risk Filter) introduced later in the programme rely on spatial data, leading to a substantially increased volume of information for analysis. For this reason, materiality assessment is the crucial first step (Step 1a in the SBTN framework) that allows for refining the raw material and scoping the supplier list, thereby directing a company's attention to the most significant environmental pressures in the upstream supply chain.

Even though navigating through the complexity of the SBTN target setting process is not immediately attainable by all companies, SBTN still offers a comprehensive step-by-step guide to understanding and managing companies' contribution to biodiversity loss, resource exploitation and natural ecosystem change. After the programme, we will further explore and incorporate the tools and practices outlined in the framework for our continuous assessment. Based on our experience, we can only encourage other companies to overcome potential hesitation and utilise this approach to quantify their impacts, develop effective mitigation measures and establish nature restoration plans.



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CASE EXAMPLE: NOKIA

Stakeholder collaboration increasing understanding of nature impacts

Sustainability is a key component of Nokia's strategy and purpose. We believe digitalization and connectivity are critical to resolving many of the global problems facing society today – environmental, social and economic.

Last year we published a paper describing Nokia's position on biodiversity and geodiversity. Our approach is to tackle these topics holistically as we know biodiversity, geodiversity and climate are all interconnected. Each of these areas need dedicated, specific actions, but they all affect each other.

We have now started to track and quantify the impacts affecting natural capital (including bio- and geodiversity) across our value chain. We have identified impacts on nature in both the upstream and downstream of the value chain, including mining, raw materials, component production, final assembly production, logistics and fleet, installation and use of sold products, repair and maintenance, and product end-of-life activities. Participation in the UN Global Compact Network Finland's SBTN training programme supported us especially in understanding the methods and tools for biodiversity footprint analysis.

Our participation in the SBTN training

programme also contributed to our holistic approach to better understand these interconnected parts of sustainability. At the same time as our SBTN work, we have also started co-operation with University of Jyväskylä in the field of business-related biodiversity footprint assessments.

We have also accomplished tangible nature-related actions during 2022–2023: for example, we established two new conservation areas in Finland. With these new areas, Nokia owns six separate nature protection sites and our total protected area expanded to 242 hectares, comprising 131 hectares of forested areas, 11 islands, and 111 hectares of marine environments.

In summary, the world of sustainability is changing quickly and it's therefore important to engage with different stakeholders – such as the SBTN, UN Global Compact, other companies, and universities to increase our understanding. Our priority is to examine the natural world within an evolving context and explore how everything is connected. It's amazing to see so much happening right now in this very important area.

Jussi Isoaho,
Environmental Specialist, Nokia Oyj



IMAGE: Copyright Jussi Isoaho, Nokia Oyj

Conclusion

TO CONCLUDE, the Science Based Targets Network offers a useful framework for taking nature action. The five-step process requires meticulous collection and analysis of data, understanding complex supply chains and increased engagement with suppliers as well as collaboration with local stakeholders in operation and sourcing locations. Fostering a broad awareness of nature and biodiversity is crucial, as is the integration of these concepts into core business strategies. Addressing nature impacts requires a comprehensive approach within the company and commitment and resources to internal and supplier capacity building.

The SBTN framework is particularly suited for businesses directly sourcing or producing goods but poses difficulties for those with complex supply chains and seasonal sourcing changes. The framework could benefit from simplified initial screening methods, more support for situations where complete data collection is not feasible, and sector-specific guidance.

Despite these challenges and the ongoing development of the framework, the SBTN emerges as a valuable tool for increasing companies' capacity to address nature impacts. Step 1 and Step 2 are universally applicable and foundational for all companies. Even if target-setting is not feasible for all companies at present, the SBTN can help companies in constructing their nature roadmap and strategy, as well as identifying potential areas for improvement.

Reaching global nature goals requires ambitious action from all stakeholders. Businesses can play a pivotal role in advancing these goals by taking action to mitigate their pressures to nature, working to regenerate and restore ecosystems, while critically evaluating their business models and aiming for systemic change. By taking action today, companies can demonstrate their commitment to safeguarding nature for future generations.





ENDNOTES

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Global Compact
Network Finland

ACCELERATING AMBITIOUS NATURE ACTION

Corporate experiences from applying the Science Based
Targets Network's guidance for setting nature targets