World Benchmarking Alliance

2022 Nature Benchmark

Scoring Guidelines

Content

Overview

The World Benchmarking Alliance (WBA) Nature Benchmark consists of 25 transformation-specific indicators and 18 core social indicators divided into three measurement areas: governance and strategy, ecosystems and biodiversity and social inclusion and community impact. This document, designed to be read alongside the more comprehensive methodology report, describes how the indicators are scored to result in an overall benchmark score.

Indicators and elements

The Nature Benchmark's indicators each consist of multiple elements, which vary between indicators. Each indicator is scored out of 2, which is divided between each element. For example, indicator A1 has four elements, meaning each element is worth 0.5 points. All the indicators are aligned with existing benchmarks, accountability mechanisms and organisations critical for our work. An overview can be found in Annex 1 of the methodology report. Each element is described in detail in the following report, with a summary of what is eligible, as well as commonly found cases of non-eligibility.

The transformation-specific indicators (A1 to C4) are designed to not only reflect existing topics, but provide guidance to aspirational sustainability issues. As we aim to highlight exceptional company efforts, these indicators generally go beyond minimum requirements and legal compliance. These indicators are all weighted equally when calculating a company's overall score.

WBA benchmarks also integrate a common set of eighteen core social indicators into all system transformation methodologies to assess whether companies demonstrate a sufficient commitment to responsible conduct. They represent expectations which all companies should be meeting as the minimum, but are not 'leading practice' or proxies for good performance. In the Nature benchmark, they fall under the social inclusion and community impact measurement area, and correspond to indicators C5 to C22. They are scored out of 1, except for C8 and C9, which are scored out of 2.

As illustrated in Figure 1, the transformation-specific indicators (A1 to C4) account for 80% of the overall benchmark score, and the core social indicators (C5 to C22) for the remaining 20%. The transformation-specific indicators (A1 to C4) each weigh 3.2% of the total score, and the core social indicators (C5 to C22) each weigh 1% of the total score, with the exception of C8 and C9 which weigh 2%. When looking at the aggregated scores of the measurement areas—governance and strategy, ecosystems and biodiversity, social inclusion and community impact, and core social indicators—they weigh 16%, 51%, 13% and 20%, respectively.

Assessment & Review Process

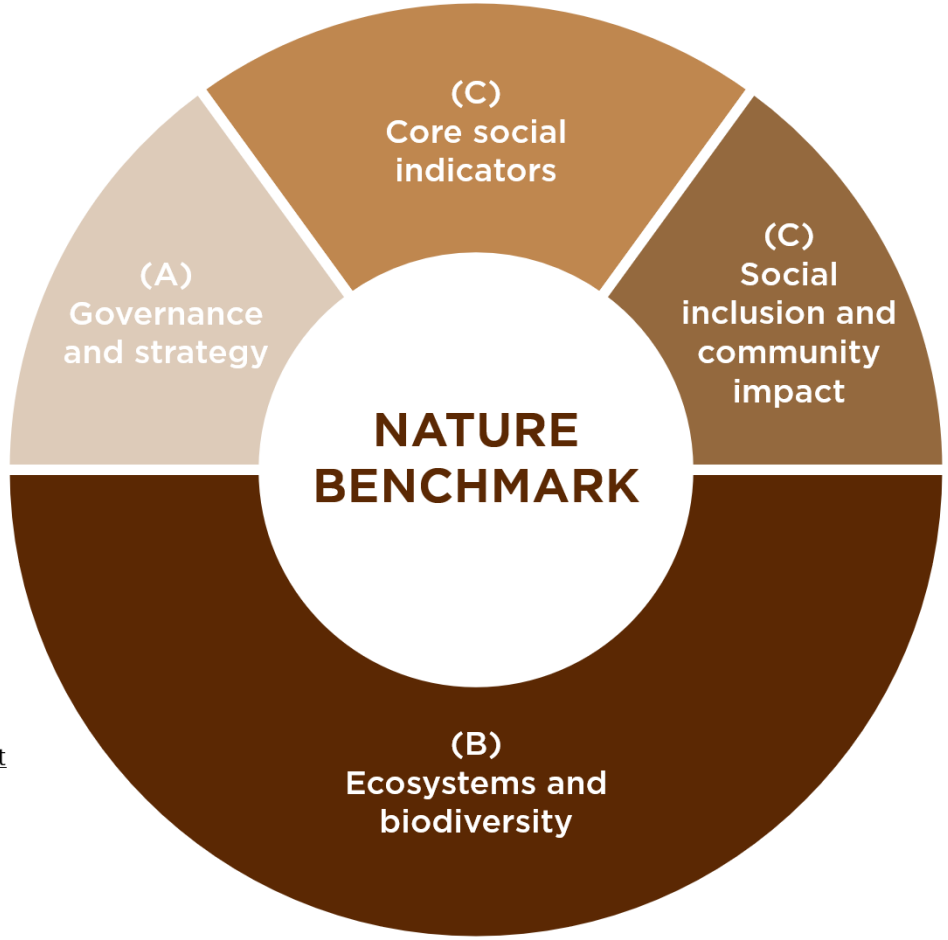
WBA analysed all publicly available group-level disclosure in English on the applicable group website, which was predominantly annual reports and sustainability reports. Draft assessments were then sent to each company inviting them to provide feedback. This feedback could include additional publicly available group disclosure published before 10th August 2022. These were then reviewed and finalised. Final assessments were then shared with each company before being published online.

Figure 1 – Distribution of weights of the measurement areas on the overall benchmark score

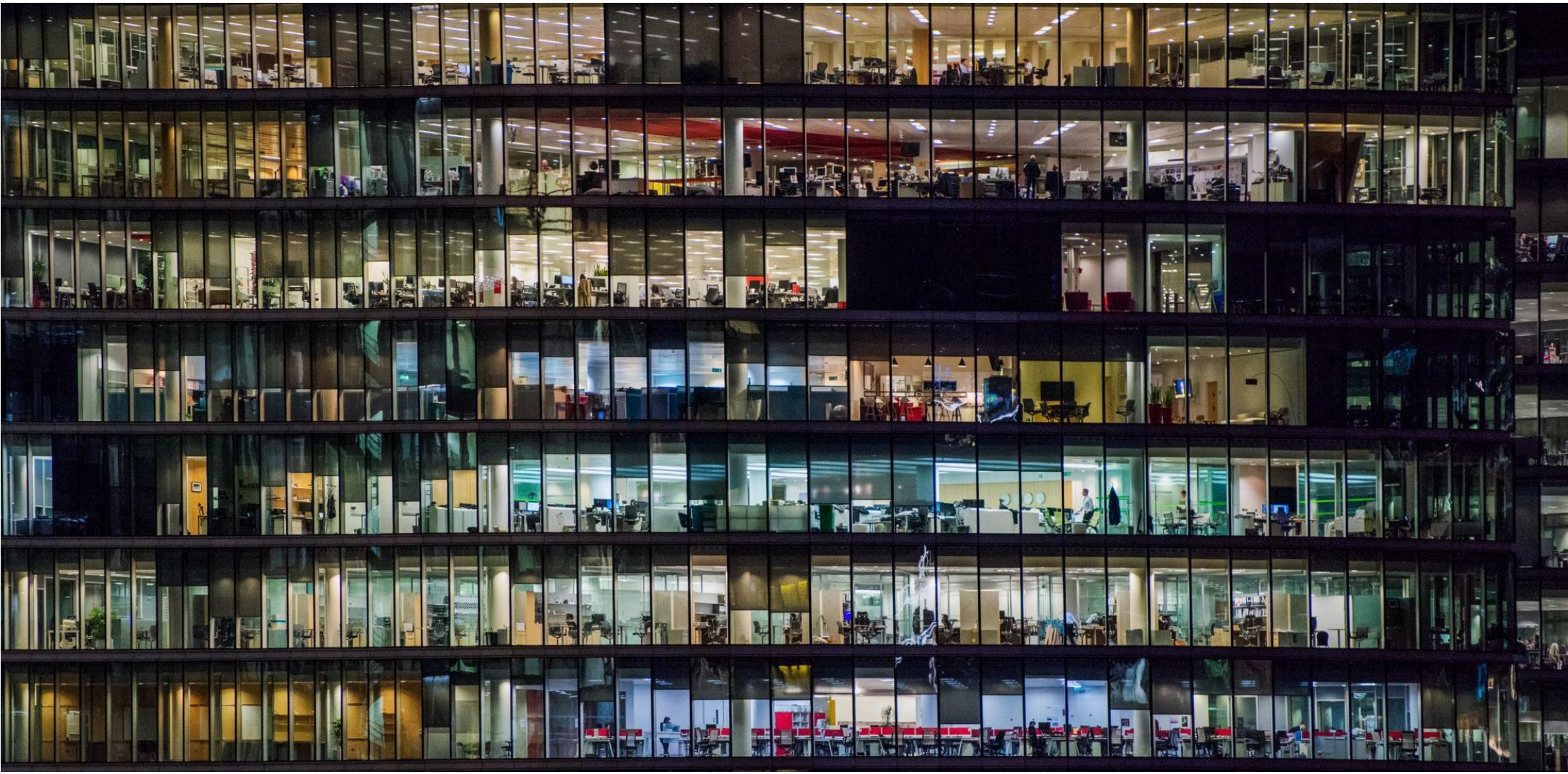
(A) Governance and Strategy
A1. Sustainability strategy
A2. Accountability for sustainability strategy
A3. Stakeholder engagement
A4. Lobbying and advocacy
A5. Circular and nature-positive transition

(B) Ecosystems and biodiversity
B1. Assessment of nature impacts
B2. Assessment of nature dependencies
B3. Key areas important for biodiversity
B4. Key species
B5. Ecosystem conversion
B6. Ecosystem restoration
B7. Resource exploitation and circularity performance
B8. Soil health
B9. Water withdrawal
B10. Water quality
B11. Hazardous substances and waste
B12. Plastic use and waste
B13. Air pollutants
B14. Scope 1 and 2 GHG emissions
B15. Scope 3 GHG emissions
B16. Invasive alien species

(C) Social inclusion and community impact
C1. Right to a safe, clean, healthy and sustainable environment
C2. Indigenous Peoples' rights
C3. Land rights
C4. Water and sanitation
+18 core social indicators (C5–C22) shared by all benchmarks



A: Governance and Strategy



A1. Sustainability strategy

Measurement area	A: Governance and strategy
Indicator	**A1. Sustainability strategy** **The company has sustainability objectives and targets embedded in its strategy and business model.**
Element a	**The company discloses its process for identifying and prioritising its most relevant sustainability topics and impacts, as well as the outcome of this process, in relation to its sustainability strategy.**
	The company needs to have a regular exercise at least every 2-3 years. For 2022 benchmarking, any assessment conducted or updated before 2018 does not count. The company needs to disclose a process which meets double materiality. The assessment must have involved external stakeholders, for example, through surveys or interviews. The company must report its environmental and social impact, instead of only taking a risk approach/assessment. It must also provide a list of the most relevant sustainability topics based on the process. Keywords: Materiality matrix, assessment, creation of value map
Element b	**The company has a sustainability strategy which (i) is based on an assessment of its impact on the state of nature, (ii) covers its contribution to the pressures on nature and (iii) considers the links between nature and people and their livelihoods.**
	The company needs to meet three criteria to score on this element: it must score in either the B1 or B2 indicators, in at least one of the indicators from B5 to B16, and in at least one of the indicators from C1 to C4.
Element c	**The company has group wide targets on key sustainability topics for the most material parts of its value chain.**
	The company must have time-bound and measurable targets for at least six of the following key sustainability topics (See 'Appendix – Table 1' for the topics relevant to each industry): • biological alterations/interferences • disturbances • terrestrial ecosystem use • marine ecosystem use • freshwater ecosystem use • water use, water pollutants • soil pollutants • solid waste • non-GHG air pollutants • GHG emissions The key sustainability topics must cover the most material parts of the company's value chain, including their own operations, as well as upstream or downstream operations.
Element d	**The company reports consistently against its targets.**
	The company must report on all of the targets it has set. At least one of the targets must meet all of the three following conditions: it must be time-bound, it must reference a baseline year unless it is a target to 0%, 100% or absolute numbers, and the company must disclose performance on the target on the reporting year.

A2. Accountability for sustainability strategy

Measurement area	A: Governance and strategy
Indicator	**A2. Accountability for sustainability strategy** **The company has a governance system that includes highest level responsibility and accountability for its sustainable development objectives and targets. Senior executive members have incentives to reward the effective delivery of relevant company strategies and initiatives.**
Element a	**The company discloses having persons, teams or committees within the company who are responsible for the implementation of its sustainability strategy.**
	The company needs to have a sustainability strategy that covers both nature and social aspects. Covering only one of the two aspects is not sufficient. In cases where the company does not have an explicit sustainability strategy, as long as it is acting on both environmental and social issues this is sufficient. The company must also disclose who is responsible for the implementation of this strategy. Keywords: CSR Director, ESG Director, CSR Department, ESG Department, Sustainability Department, Sustainability Director, Sustainability Committee
Element b	**The company provides evidence of assigning decision-making and oversight responsibility for its sustainability strategy to the highest governance body.**
	As a prerequisite to meet this element, the company must have met element a. It must then also attribute responsibility to the highest governance body. For example, it might describe that the Board reviews the sustainability strategy, or that a specific member of the Board is also the Chair of the Sustainability Committee. Keywords: oversight, responsible
Element c	**The company provides evidence of linking performance criteria in senior executives' remuneration policies to targets and objectives which cover nature (including biodiversity) and social issues.**
	The company must state that it links senior executives' remuneration to specific targets and objectives that cover both nature and social issues. Covering only one of the two aspects is not sufficient. The targets on which the remuneration depends must be explicitly stated. Topics related to nature include those covered by indicators B1 to B16. Social issues can include targets associated with diversity and inclusion, but do not include governance related topics such as corruption. The target should extend beyond the sales or revenues of a product, even if it is from a socially or environmentally focused product. Keywords: LTIP (Long Term Incentive Plan), SHE, vesting

Element d	**The company provides evidence that its highest governance body has expertise with respect to the company's most material pressures on nature.**
	The expertise of the highest governance body must cover both nature and social aspects. The expertise must explicitly mention one of the following: academic or professional training, former experiences in specialized organizations, or proven technical knowledge. The conditions for this element can also be met in instances where companies describe that the highest governance body has direct access to expertise, such as a specialised committee composed of external experts for which a board member is the chairperson. In these cases it must be specified what the scope of the committee is and how often it meets. Keywords: Competency matrix, board expertise, board biography

A3. Stakeholder engagement

Measurement area	A: Governance and strategy
Indicator	**A3. Stakeholder engagement** **The company engages with stakeholders on sustainable development issues and incorporates the outcomes of these activities in its strategy and operations.**
Element a	**The company discloses an overview of the issues raised during its stakeholder engagement activities.**
	The company discloses the issues raised by stakeholders, and specifies what stakeholder group they correspond to. The list of issues should go beyond the materiality assessment.
Element b	**The company discloses its process for identifying relevant stakeholders across its value chain.**
	The company defines who they consider their stakeholder groups to be or how the company determined with which stakeholders to engage. A simple statement such as "based on their strategic importance to the company" or "based on its impact on our business" is sufficient.
Element c	**The company discloses its process for engaging with stakeholder groups, including frequency and channels, beyond its materiality assessment or similar equivalent.**
	The company must disclose what channels it used to engage with the different stakeholder groups. It is insufficient for the company to specify a list of channels if they do not indicate how these correspond to each stakeholder group. The company must also state with what frequency it engages with stakeholders.
Element d	**The company discloses the outcomes of its stakeholder engagement activities and their integration into its sustainability strategy.**
	The company explains how it has responded to key issues raised by its stakeholders. The company must disclose specific and concrete outcomes based on the year's engagement. A general description of guidelines or a recap of the materiality assessment is insufficient.
Element e	**The company's stakeholder engagement covers nature (including biodiversity) and social issues.**
	Stakeholder engagement needs to cover both nature and social issues. The issues related to nature must go beyond GHG emissions and touch on aspects related to ecosystems or biodiversity. Social issues must go beyond safety, and include aspects such as diversity, inclusion, or women's representation.

A4. Lobbying and advocacy

Measurement area	A: Governance and strategy
Indicator	**A4. Lobbying and advocacy** **The company advocates for nature-positive policies and regulations and discloses any misalignment with its lobbying activities as well as the measures it takes to address misalignment.**
Element a	**The company discloses a list of trade associations of which it is a member for all geographies.**
	The company needs to disclose at least 5 trade/industry associations of which it is a member. Partnerships and other organisations other than trade or industry associations do not count.
Element b	**The company discloses a clear and detailed framework for assessing alignment of its trade associations with nature-positive policies.**
	The company must state a concrete framework that it uses to assess alignment with nature-positive policies. For issues related to climate a valid framework could be the Paris Agreement. For issues related to biodiversity, valid frameworks include policies and regulations that address any of the drivers of biodiversity loss, or those intended to protect specific species such as the Endangered species Act in the US or the Birds and Habitats Directives in the EU.
Element c	**The company provides evidence of annually applying the framework across all trade associations.**
	The company explains how the assessment has been applied to each industry association it is a member of.
Element d	**The company reports any misalignment between the lobbying activities of its trade associations and nature-positive policies.**
	The company must provide details on the misalignment it has identified. General remarks about misalignment without explaining what it is and why it exists are not sufficient.
Element e	**The company discloses an action plan to address misalignment which includes clear escalation steps.**
	"We may" is not accepted.
Element f	**The company discloses clear deadlines for each of its escalation steps and consistently reports on their application.**
	The action plan should include escalation steps and clear deadlines. The company should disclose examples of action to address misalignment.
Element g	**The company discloses an annual review of all the advocacy activities it has undertaken.**
	Company should disclose all advocacy activities on specific items of regulation and legislation which are material to the company's operations, business sector, and/or the region(s) in which it operates.

A5. Business model transition

Measurement area	A: Governance and strategy
Indicator	**A5. Business model transition** **The company's business model embeds circularity and follows a pathway that aligns with nature's full recovery by 2050.**
Element a	**The company assesses the risks and opportunities related to the transition to a circular economy and determines the impacts of staying in a linear economy.**
	The company needs to show that it looks at both the risks and opportunities of transitioning to a circular economy. A strong emphasis is given to how the company analyses its dependence on the linear economy as well as on it reflects on the impact that staying in a linear economy would have on the business model. Keywords: Linear, linear risk, Circular risk assessment, circular scenario analysis
Element b	**The company provides evidence of integrating circularity in its strategy at the group level.**
	Evidence that a company is integrating circularity in its strategy includes a description of circular targets or commitments or mentions in policy documents or CEO messages about "circularity" or "resource-recycling/recycling-oriented society" (more often used by Japanese companies). There must be evidence of C-suite level responsibility for the circularity strategy, and thus isolated mentions on the company website, for example, are not sufficient. A mention in the sustainability report is typically enough. Keywords: Circular, Circularity
Element c	**The company discloses a strategy that would lead its business model to become nature positive, which includes a time-frame in line with milestones for halting biodiversity loss (no net loss) and reversing the trend (biodiversity net gain).**
	The company must disclose a specific timeline and action plan to become nature positive. Simply stating a long-term goal without interim milestones or KPIs is not sufficient. Keywords: 'No Net Loss' (NNL), 'Net gain' (NG), "Net Positive Impact" (NPI), net positive, mitigation, mitigation hierarchy, AR3T, mitigate, avoid, reduce, conservation hierarchy
Element d	**The company applies a mitigation hierarchy approach to its biodiversity targets.**
	The company must show a decision-making framework involving a sequence of steps starting with the avoidance of impacts, followed by the minimization of inevitable impacts, on-site restoration and finally, where feasible and necessary, biodiversity offsets. Evidence must be provided of both clear targets and that the mitigation hierarchy is applied systematically. Keywords: 'No Net Loss' (NNL), 'Net gain' (NG), "Net Positive Impact" (NPI), biodiversity strategy, biodiversity plan, SBTN, CBD, Aichi Targets, science-based, net positive, nature positive, Global Biodiversity Framework

Note: indicator A5 was not scored in the 2022 Nature Benchmark.

B: Ecosystems and biodiversity

B1. Assessment of impacts on nature

Measurement area	B: Ecosystems and biodiversity
Indicator	**B1. Assessment of impacts on nature** **The company conducts a biodiversity assessment to understand its biodiversity impacts in its operations and the most material elements of its value chain.**
Element a	**The company assesses its impacts on nature, including biodiversity, within its own operations.**
	The company discloses an identification process to determine the impacts its own operations have on nature. This includes disclosing the results of the process, along with the methodology used. The element focuses on all types of impact (actual, potential, direct, indirect). The assessment should cover all the company's (own) operations. In the case that it does not cover all operations, this can be met if it covers roughly a third of operations and the company discloses have a timebound commitment to cover all operations. Element can be partially met.
Element b	**The company assesses its impacts on nature, including biodiversity, in the upstream activities of its value chain.**
	The company needs to disclose the same process as above, but for its upstream operations. This includes disclosing the results of the process, along with the methodology used. The assessment needs to cover all of its upstream operations. In the case it doesn't cover all upstream value chain, this can be met if it covers roughly a third of upstream value chain and the company discloses have a timebound commitment to cover all operations.
Element c	**The company assesses its impacts on nature, including biodiversity, in the downstream activities of its value chain.**
	The company needs to disclose the same process as above, but to its downstream activities. This includes disclosing the results of such process, along with the methodology followed. The assessment needs to cover all of its downstream operations. In the case it doesn't cover all, this can be met if it covers roughly a third of downstream value chain and the company discloses have a timebound commitment to cover all operations.
Element d	**The company assesses whether its impacts on nature, including biodiversity, contribute to a cumulative effect, with other stakeholders, on the locations within its own operations.**
	The company identifies whether it contributes to cumulative impacts in its own operations. Results and methodology should be included in the disclosure.
Element e	**The company quantifies its impacts on nature, including biodiversity.**
	The company discloses methods and tools used to quantify its impacts, along with the results. Only own operations are required for this element.

B2. Assessment of nature dependencies

Measurement area	B: Ecosystems and biodiversity
Indicator	**B2. Assessment of dependencies on nature's contributions to people** **The company assesses its dependencies on nature, including biodiversity and nature's contributions to people (NCP), both within its own operations and the upstream and downstream elements of its value chain**
Element a	**The company assesses its dependencies on nature within its own operations.**
	The company discloses an identification process to determine its dependencies on nature. This includes disclosing the results of such process, along with the methodology followed. The assessment should cover all (own) operations. In the case it doesn't cover all operations, this can be met if it covers roughly a third of operations and the company discloses have a timebound commitment to cover all operations.
Element b	**The company assesses its dependencies on nature of its upstream business relationships.**
	The company needs to disclose the same process as above, but to its upstream operations. This includes disclosing the results of such process, along with the methodology followed. The assessment needs to cover all of its upstream operations. In the case it doesn't cover all upstream value chain, this can be met if it covers roughly a third of upstream value chain and the company discloses have a timebound commitment to cover all operations.
Element c	**The company assesses dependencies on nature of its downstream business relationships.**
	The company needs to disclose the same process as above, but to its downstream activities. This includes disclosing the results of such process, along with the methodology followed. The assessment needs to cover all of its downstream operations. In the case it doesn't cover all, this can be met if it covers roughly a third of downstream value chain and the company discloses have a timebound commitment to cover all operations.
Element d	**The company quantifies its dependencies on nature in its own operations.**
	The company discloses methods and tools used to quantify its dependencies, along with the results. Only own operations required for this element.

B3. Key areas important for biodiversity

Measurement area	B: Ecosystems and biodiversity
Indicator	**<u>B3. Key areas important for biodiversity</u>** **The company discloses the locations where it operates as well as those locations' position and impact on areas important for biodiversity.**
Element a	**The company discloses all the locations (owned and controlled) where they conduct activities.**
	Companies should disclose the country and region for this to be met. A map without sufficient detail is not enough. All types of locations are to be included, such as offices and production sites.
Element b	**The company discloses the locations that are in or adjacent to areas important to biodiversity within its own operations.**
	The company should disclose the name of the location and the name of the area important to biodiversity. Areas important for biodiversity refers to areas of land, sea or fresh water which have been identified as important for biodiversity, such as: • protected areas on national, regional and international lists • areas of high biodiversity value and High Conservation Value Areas • Key Biodiversity Areas • biodiversity hotspots • IUCN Protected Area Management Categories • IUCN Green List • UNESCO Heritage (natural criteria) • Ramsar Convention
Element c	**The company discloses the locations of its upstream business relationships, including suppliers, that are in or adjacent to areas important to biodiversity.**
	The company should disclose the name of the location and the name of the area important to biodiversity. Areas important for biodiversity refers to areas of land, sea or fresh water which have been identified as important for biodiversity, such as: • protected areas on national, regional and international lists • areas of high biodiversity value and High Conservation Value Areas • Key Biodiversity Areas • biodiversity hotspots • IUCN Protected Area Management Categories • IUCN Green List • UNESCO Heritage (natural criteria) • Ramsar Convention

Element d	**The company has a management plan for locations within its own operations adjacent to areas important to biodiversity, and discloses the percentage of land, freshwater and sea use in such locations.**
	The company's management plan must rely on science-based metrics that integrate biodiversity. Management plans can be included in documents such as Environmental Policy, Sustainable Development Policy, or location-related documents. The management plan should specify the percentage of land or sea/freshwater covered by the management plan (or specify if other metric is used, for example, the percentage of operations), which metrics are used to track progress or application of management plan and whether timebound targets are established.

B4. Key species

Measurement area	B: Ecosystems and biodiversity
Indicator	**B4. Key species** **The company discloses the species found within its own operations' locations as well as those within its business relationships' locations. The company also discloses the status of these species, in accordance with national and international conservation lists.**
Element a	**The company discloses species existing in or adjacent to its own locations.**
	The company discloses all species present in or adjacent (or in close proximity) to its own locations, regardless of whether these species are listed in any type of conservation list (national or international).
Element b	**The company discloses species existing in or adjacent to the locations of its business relationships, including suppliers.**
	The company discloses all species present in or adjacent (or in close proximity) to its business relationships locations, regardless of whether these species are listed in any type of conservation list (national or international).
Element c	**The company discloses the status of species found in and adjacent to its own locations according to national and international conservation lists.**
	The company discloses the status of all species, regardless of status (for example, disclosing species of Low Concern status).
Element d	**The company discloses the status of species found in and adjacent to its upstream business relationships, including suppliers, according to national and international conservation lists.**
	The company discloses the status of all species, regardless of status (for example, disclosing species of Low Concern status).
Element e	**The company has a strategy towards the conservation of species impacted by its own operations and value chain, aiming for a net-positive impact on threatened species in particular.**
	The company has a strategy, policy document, or operations document regarding the conservation of species impacted by its activities (both own operations and value chain). At this stage, companies can meet this element with only own operations, or only value chain.

B5. Ecosystem conversion

Measurement area	B: Ecosystems and biodiversity
Indicator	**B5. Ecosystem conversion** **The company demonstrates that it is minimising its footprint from its business activities across all relevant ecosystems and/or looking to achieve conversion-free supply chains across relevant high-risk commodities.**
	Avoid
Element a	**The company commits to achieving zero conversion throughout its supply chains for all its relevant high-risk commodities or all material realms (i.e., land, freshwater and marine).**
	The commitment must apply to all the company's high-risk commodities or material realms. When the company does not list all of its relevant high-risk commodities and/or material realms, a commitment is accepted if it applies to all company activities or to the company in the broader sense. Commitments are accepted even if the company does not specify if it applies to all its supply chains.
Element b	**The company provides qualitative evidence of achieving zero conversion throughout its supply chain.**
	Demonstrating actual actions for at least one high-risk commodity, material realm, or supply chain is enough to score. Demonstrations of actual actions can be mentioning and/or describing initiatives or programs, engaging and collaborating with suppliers (in the context of ecosystem conversion issues), or disclosing commodities sourced according to certification programs and standards.
Element c	**The company has time-bound targets to achieve zero conversion for all relevant high-risk commodities or across all material realms (i.e., land, freshwater, and marine).**
	The company must have targets for each high-risk commodity and/or material realms.
Element d	**The company discloses the proportion of high-risk commodities which are conversion free (if applicable).**
	The company must disclose progress for all its relevant high-risk commodities.
Element e	**The company discloses the sourcing regions of its high-risk commodities and its traceability system (if applicable).**
	The company must disclose the sourcing regions for all its high-risk commodities. Specific geographical boundaries are not required. If the company discloses this but not its traceability system, it will still score for this element.
Element f	**The company provides evidence of having achieved 100% zero conversion supply chains for all its relevant high-risk commodities (if applicable).**
	The company must demonstrate that it sources all its high-risk commodities without any kind of conversion. Certification schemes will be assessed to verify they will achieve zero conversion.
	Minimise Additional elements for companies without a zero-conversion commitment due to their business model incompatibility (for example, extractives, oil and gas, or metals and mining, construction companies). If companies have scored any elements between a – f, then these elements are non-applicable.

Element g	**The company commits to minimising ecosystem conversion for all material realms throughout its value chain.**
	The commitment should specifically mention minimise/reduce-type terms and ecosystem conversion, land degradation, deforestation, and similar terms. Commitments do not have to specifically mention the whole supply chain. Broad terms such as "minimise environmental impact" are not accepted.
Element h	**The company provides qualitative evidence of minimising ecosystem conversion for all material realms throughout its value chain.**
	Examples of qualitative evidence could include a policy by the company, minimizing conversion-programs on sites, projects by the company in public disclosure on minimizing ecosystem conversion where it operates.
Element i	**The company has a system to monitor, review and improve its performance of minimising ecosystem conversion for all material realms throughout its value chain.**
	The company must provide details about the system. Including how it monitors, reviews, and improves its performance. Mentioning a system without detail is not enough to score.
Element j	**The company has quantitative targets to minimise ecosystem conversion for all material realms throughout its value chain.**
	Targets related to offsetting are not valid. The target should be set per company's sites.

B6. Ecosystem restoration

Measurement area	B: Ecosystems and biodiversity
Indicator	**B6. Ecosystem restoration** **The company demonstrates restoration activities in its value chain across all relevant ecosystems.**
Element a	**The company has a commitment regarding the restoration of ecosystems.**
	The company has a commitment to restore ecosystems across the most relevant parts of its value chain. The commitment can be in the form of a public policy or a statement by the company. Ideally, restoration and regeneration actions should align with existing commitments. For example, Bonn Challenge commitments exist in many countries and aim to have 350 million hectares of degraded land under restoration by 2030 (non-exhaustive, other challenges / commitments out there also).
Element b	**The company discloses details and outcomes of ecosystem restoration projects in areas affected by its own operations or upstream business relationships.**
	Outcomes include measurable and quantifiable improvements of the restoration project directly related to the company's actions. Actions that a company might take to regenerate and restore might include the following, depending on whether they are looking at land, freshwater, oceans or biodiversity: • Ecological restoration. • Supporting individual species recovery and/or diversity. • Rehabilitation of degraded lands. • Replenishment of freshwater systems. • Management of production areas. • Allowance for ecological permeability. • Compensatory conservation/target-based ecological compensation. An example could be restoration of degraded land back to a productive state or even further back to its natural state, prehuman impact.
Element c	**The company has a target for its ecosystem restoration activities.**
	Not differentiating between targets in this iteration though should be following existing commitment framework as outlined in part a). Examples of targets could include: • Land use change, specifically deforestation and conversion, using the Accountability Framework Initiative • Resource exploitation, for example specifically water quantity and quality, using contextual targets for water • Bonn Challenge commitments exist in many countries and aim to have 350 million hectares of degraded land under restoration by 2030. • Ecosystem integrity, specifically on working lands using regenerative agricultural practices in line with the European Commission.

Element d	**The company meets element b) and discloses ecosystem restoration efforts beyond areas affected by its own operations or upstream business relationships (e.g., compensation or offset mechanisms).**
	This looks beyond the company's value chain. Companies may refer to and align with the IUCN policy regarding offsets.

B7. Resource exploitation and circularity performance

Measurement area	B: Ecosystems and biodiversity
Indicator	**<u>B7. Resource exploitation and circularity performance</u>** **The company demonstrates it is working towards decoupling economic prosperity from resource consumption and environmental degradation.**
Element a	**The company provides qualitative evidence of working towards a circular economy at distinct phases of its products' lifecycle.**
	Examples covering at least two of the following are required: • Avoid: Inputs, Recycled inputs/Material sourcing/other. (if b met, this is met) • Reduce: Design/Manufacturing/More efficient • Re-Use & Repair. With this, actions must not be one-off programmes; they must be at multiple locations and all year-round. Pilots do not count. • Recycling/Waste: GRI 306, breakdown of waste and destination Examples of not met: • Lifecycle assessments and certifications alone are insufficient. • The use of renewable energy • Mentions of partnerships/alliances/associations without specific data on role and projects done by the company • Initiatives that require specific actions from consumers and/or only at employee level (such as volunteer programs). Keywords: Circular, Input, Reuse, Recycling
Element b	**The company discloses its inputs, including its material footprint, according to an international standard. The reporting includes materials used by weight or volume and recycled input materials.**
	The company reports on materials used by weight or volume, recycled inputs (reused if there is), basic disclosure on material footprint elements (especially fuel and biomass). Quantitative breakdown of inputs is needed. Can be partially met. GRI 301 -Inputs: • Materials used by weight or volume • Distinction renewable, non-renewable • Recycled inputs Keywords: Inputs, raw materials, resource use, fuel, biomass, inputs
Element c	**The company discloses which organisms it directly exploits for commercial uses, including wild animal and plant species.**
	The company should specify species (for example, saying ''mammals', 'rodents', 'reptiles' is not enough).

Element d	**The company discloses a management plan related to the direct exploitation of resources, to avoid overexploitation and the use of threatened species. This management plan must include science-based metrics, such as maximum sustainable yield.**
	This should include targets and metrics.
Element e	**The company reports quantitatively on its group-wide circularity performance (e.g. circular material productivity).**
	Partially met could include Environment Profit & Losses with clear circular link (methodology used needs to be clear and accessible), turnover of products based on renewable resources and/or sustainable materials (if not at group-level but clear methodology). Can be partially met. Keywords: CTI revenue, circular material productivity
Element f	**The company meets element e. and demonstrates it is decoupling financial performance and linear resource consumption.**
	Need to express quantification of financial results on the organisation: revenues coming from linear or circular inflows compared to all revenues. Need to meet element e. as without strong numbers, it would mean nothing and to show progress (moving away from linear economy). Keywords: CTI revenue, circular material productivity

B8. Soil health

Measurement area	B: Ecosystems and biodiversity
Indicator	**<u>B8. Soil health</u>** **The company adopts practices that reduce soil degradation and improve soil health across the most material parts of its value chain.**
Element a	**The company provides qualitative evidence on improving soil health and/or increase agrobiodiversity in its production and/or sourcing practices.**
	Improving soil health includes reducing soil pollution, soil erosion, soil fertility reduction, soil salinization or waterlogging. Reporting can include regenerative practices on soil health parameters, such as soil organic carbon, soil pH, species diversity. Soil investigation does not count as met. This includes practices that involve the sustainable use of biodiversity in agriculture, food production, sourcing practices of commodities, manufacturing-sites for extractive industries. Increasing agrobiodiversity includes adopting techniques such as crop rotation, mixed farming systems diversity, intercropping, crop livestock farming systems to increase the diversity and variety of plants, animals, and microorganisms. Keywords: 'Soil health', 'regenerative practices', 'regenerative agriculture', 'soil fertility', 'soil pollution'
Element b	**The company provides quantitative evidence on improving soil health and/or agrobiodiversity in its production and/or sourcing practices.**
	See above guidelines on soil health also but the company is using quantitative metrics, such as: soil health parameters, soil organic carbon, soil pH, species diversity (increase in the variety of plants, animals and microorganisms etc).
Element c	**The company has a target to improve soil health in its production and/or sourcing practices, and reports progress against it.**
	WBA is not differentiating between targets here.
Element d	**The company has a target to increase soil health and /or agrobiodiversity in its production and/or sourcing practices, and reports progress against it.**
Element e	**The company discloses quantifiable data on its impact on soil health and/or agrobiodiversity in its production and/or sourcing practices.**
	Improving soil health includes reducing soil pollution, soil erosion, soil fertility reduction, soil salinization or waterlogging. Reporting can include regenerative practices on soil health parameters, such as soil organic carbon, soil pH, species diversity. For extractive industries, elements can include quantifiable data on its impact on soil health, disclosing metrics such as soil organic matter and carbon and reduction of land affected by erosion, and agrobiodiversity, such as the increase in the variety of plants, animals and microorganisms. Example of such targets/evidence includes companies disclosing x% of their land is currently under regenerative agriculture, measuring soil health after they have left extractive sites, levels of (agro-biodiversity.

B9. Water withdrawal

Measurement area	B: Ecosystems and biodiversity
Indicator	**B9. Water withdrawal** **The company reduces water withdrawal across the most material parts of its value chain.**
Element a	**The company provides quantitative evidence of reductions in water withdrawal across its own operations.**
	The company must show year-on-year reduction. Aggregated reduction, for example from a baseline year, does not count. For this iteration of the benchmark, we accept water consumption for this element.
Element b	**The company has a time-bound target to reduce water withdrawal across its own operations and reports progress against the target.**
	The company's targets must show absolute reduction for water use. Targets tied to intensity, production, or profit does not count. Targeting specific areas (such as water stressed areas) do not count. Targets aimed at maintaining withdrawal levels does not count. For this iteration of the benchmark, we accept water consumption for this element.
Element c	**The company provides evidence of dependency on water-stressed areas across its own operations.**
	The company must mention a water stress assessment, usually the WRI Aqueduct Tool or the WWF Water Risk Filter, but other assessments are accepted. Disclosure based on estimates do not count. If a company reports zero dependency on water-stressed areas, they get points for this and element (d) if there is evidence of assessment.
Element d	**The company discloses the proportion of withdrawals from water-stressed areas across its own operations.**
	The best practice is site-specific breakdowns, but for this iteration, an aggregated proportion is enough to score.
Element e	**The company provides evidence of engaging with upstream business partners to reduce water withdrawal.**
	The company must demonstrate efforts such as a policy or programme. General language like engagement or dialogue does not count.
Element f	**The company provides evidence of dependency on water-stressed areas in its value chain and has a target to engage with upstream business partners on the management of water-stressed areas, and reports progress against it.**
	Companies need to have all elements to score.

B10. Water quality

Measurement area	B: Ecosystems and biodiversity
Indicator	**B10. Water quality** **The company reduces water quality pressures across the most material parts of its value chain.**
Element a	**The company provides qualitative evidence of reducing water quality pressures.**
	Examples of qualitative evidence include policies, programmes, using new technology, or improving processes. The company must show actions beyond legal compliance.
Element b	**The company discloses a processes for managing and monitoring discharge water quality.**
	The company must describe what the process involves or refer to external certifications they follow (such as ISO). Disclosure of having a process alone is not enough to score.
Element c	**The company reports regularly on water quality parameters such as BOD and COD, TSS, mass of nutrients such as nitrogen and phosphorous, mass of inorganic pollutants such as heavy metals and chemical compounds.**
	For this iteration, reporting on just one element is sufficient, but best practice should comprehensive.
Element d	**The company has targets to reduce water quality pressures, and reports progress against them.**
	The company must have both parts to score.

B11. Hazardous substances and waste

Measurement area	B: Ecosystems and biodiversity
Indicator	**B11. Hazardous substances and waste** **The company reduces the production of hazardous substances and/or hazardous waste across the most material parts of its value chain.**
Element a	**The company provides qualitative evidence of reducing the production of hazardous substances.**
	Examples for this element could include policies aimed at reducing hazardous substances, or evidence of having achieved reduction of hazardous substances. The company must show efforts beyond legal compliance. Partnerships, such as those with the ZDHC, does not count by itself. However, if the company shows efforts to use the partnership towards further action, such as supply chain engagement, policies, or programmes, then it could score for this indicator.
Element b	**The company has targets towards phasing out the production of hazardous substances or increasing the production of safer alternatives, and reports progress against it.**
	Partnerships, such as those with the ZDHC, does not count by itself. However, if the company shows efforts to use the ZDHC guidelines as a methodology for setting targets, then it could score for this indicator.
Element c	**The company has a commitment to not developing or marketing new chemicals or products with (substance of very high concern) SVHC properties.**
	The company must show efforts beyond legal compliance.
Element d	**The company provides qualitative evidence of reducing the production of hazardous waste.**
	Examples of this could include processes or policies.
Element e	**The company has set targets towards reducing total amounts of hazardous waste, and reports progress against it.**
	The company must report against the progress, and include a baseline year.
Element f	**The company reports on (i) the proportion of hazardous waste treated to reduce pollution compared to total waste, (ii) hazardous waste diverted from disposal, and (iii) directed to disposal.**
	The company must report information on the total amount of waste generated (including non-hazardous and if diverted, disposal or not by type), the proportion of this that was diverted from disposal (for example, through reusing, recycling and/or recovering) and the proportion of waste disposed by type (such as incineration or landfilling).

B12. Plastic use and waste

Measurement area	B: Ecosystems and biodiversity
Indicator	**B12. Plastic use and waste** **The company reduces plastic use and waste across the most material parts of its value chain.**
Element a	**The company provides qualitative evidence of reducing plastic use and waste in its own operations.**
	The focus is on the most relevant part of the company's material chain. For producers, it should relate to their own products. Examples include commitments, policies, or activities. Compostable plastics can be accepted, but recyclable, biodegradable, and bioplastics do not count. Recycling, volunteering, or partnership activities do not count.
Element b	**The company provides quantitative evidence of reducing plastic use and waste in its own operations.**
	The focus is on the most relevant part of its value chain for each company. Metrics tied to intensity of plastic use are accepted.
Element c	**The company has targets regarding reduction of virgin polymer production or overall plastic use and waste or increase in the proportion of reusable or refillable packaging, and reports against the target.**
	The focus is on the most relevant part of its value chain for each company. The targets must be set at the group level. The targets should aim for absolute reduction. Targets tied to intensity are not accepted.
Element d	**The company reports on metrics of reused or recycled products.**
	The focus is on the most relevant part of its value chain for each company. This indicator only includes plastic. Metrics include any of the following: proportion of reused or recycled products, proportion of virgin polymer use, or proportion of single-use plastics. The company should report on the more material topic, either production or packaging. For example, a fashion company disclosing metrics on plastic packaging is not met.
Element e	**The company reports on the amount of plastic waste generated, and proportions directed from or to disposal.**
	The focus is on the most relevant part of its value chain for each company.
Element f	**The company provides evidence of actions to reduce plastic and waste in its upstream activities.**
	For example, working with suppliers to reduce plastic and waste.
Element g	**The company provides evidence of actions to reduce plastic and waste in its downstream activities.**
	For example, reducing plastic waste at consumer-level.

B13. Air pollutants

Measurement area	B: Ecosystems and biodiversity
Indicator	**B13. Air pollutants** **The company reduces the production of air pollutants across the most material parts of its value chain.**
Element a	**The company provides qualitative evidence of reducing air pollutants across the most material parts of its value chain.**
	Qualitative evidence includes descriptive evidence of measures taken to reduce non-GHG emissions across the most material parts of the company's value chain. Quantitative reductions in non-GHG emissions are also accepted.
Element b	**The company discloses its management and monitoring processes to measure and reduce its air pollutants.**
	Companies should publicly disclose an Air Quality Management Systems/Index. This includes detailed information about measures (such as techniques, processes, tools) the company has in place to measure, manage, and reduce air pollutants.
Element c	**The company reports regularly on air quality parameters of air emissions identified in relevant regulations as harmful air pollutants by international bodies for its industry.**
	Reporting data on non-GHG emissions. The company should state that these have been identified as the most material to the company through a materiality process due to its industry and geographical locations. Air pollutants that companies should be reporting on include nitrous oxides (NOx), sulphur oxides (SOx), persistent organic pollutants (POP), volatile organic compounds (VOC), hazardous air pollutants (HAP), particular matter (PM) and other standard categories of air pollutants.
Element d	**The company has time-bound targets to reduce air pollutants across the most material parts of its value chain.**
	Company has time-bound targets to reduce non-GHG emissions.
Element e	**The company reports regularly against these targets.**
	Company must meet element D for this to be met. Company has a target to reduce non-GHG emissions (element D) and reports its progress, which includes demonstrating a reduction against the previous year.

B14. Scope 1 and 2 greenhouse gas emissions

Measurement area	B: Ecosystems and biodiversity
Indicator	**B14. Scope 1 and 2 greenhouse gas emissions** **The company reduces its scope 1 and 2 greenhouse gas (GHG) emissions in line with a 1.5-degree trajectory.**
Element a	**The company discloses quantitative reductions in its scope 1 and 2 emissions.**
	The company's combined scope 1 and 2 emissions total decreased against the previous year.
Element b	**The company has time-bound targets to reduce its scope 1 and 2 emissions**
	Company has a time-bound target to reduce its scope 1 and 2 emissions. Net-zero targets are accepted only when it is clearly specified that this target includes the company's scope 1 and 2 emissions. Emission intensity targets are accepted only if the company discloses that the reduction in emission intensity this will lead to absolute emission reductions.
Element c	**The company reports progress against these targets.**
	Company must meet elements A and B to meet this element. Company has a target to reduce its scope 1 and 2 emissions (element b) and reports its progress, which includes demonstrating a reduction against the previous year (element a).
Element d	**The company's scope 1 and 2 emissions targets are aligned with the 1.5-degree trajectory.**
	Company has scope 1 and 2 emission reduction targets aligned with 1.5°C trajectory, approved by the Science Based Targets initiative.

B15. Scope 3 greenhouse gas emissions

Measurement area	B: Ecosystems and biodiversity
Indicator	**B15. Scope 3 greenhouse gas emissions** **The company reduces its scope 3 greenhouse gas (GHG) emissions in line with a 1.5-degree trajectory.**
Element a	**The company discloses segments of its scope 3 emissions**
	The company reports quantitative data for segments of the company's scope 3 emissions. Segments refers to cases where companies do not provide full disclosure of their emissions – usually this is labelled as a limited disclosure and may be restricted by location or only contain a few of the emissions categories and not the entire list that comprises of scope 3 emissions.
Element b	**The company discloses quantitative reductions in its scope 3 emissions.**
	The company's scope 3 emissions show a reduction against the previous year. When the company reports its scope 3 segments separately, the overall total scope 3 emissions must show a reduction.
Element c	**The company has a time-bound target to reduce scope 3 emissions.**
	Company has a time-bound target to reduce its scope 3 emissions. Net-zero targets are accepted only if it is clearly specified that this includes the company's scope 3 emissions. Emission intensity targets are accepted only if the company discloses that the reduction in emission intensity this will lead to absolute emission reductions.
Element d	**The company reports progress against its scope 3 emissions target.**
	Company must meet elements b and b to meet this element. The company has a target to reduce its scope 3 emissions (element c) and reports its progress, which includes demonstrating a reduction against the previous year (element b).
Element e	**The company's scope 3 target is aligned with the 1.5-degree trajectory.**
	Company has a scope 3 emission reduction target aligned with 1.5°C trajectory, approved by the Science Based Targets initiative.

B16. Invasive alien species

Measurement area	B: Ecosystems and biodiversity
Indicator	**<u>B16. Invasive alien species</u>** **The company discloses how it manages the risks posed by invasive alien species (IAS) in its own operations and the most material parts of its value chain.**
Element a	**The company identifies the activities that could lead to the introduction of IAS in its own operations.**
	The company discloses it has conducted an analysis (for example, a risk assessment) to identify the company's activities that might lead to the introduction of invasive species and discloses the outcomes of the assessment.
Element b	**The company identifies the activities that could lead to the introduction of IAS in its value chain.**
	The company discloses it has conducted an analysis (for example, a, risk assessment) to identify the activities throughout its value chain that could lead to the introduction of invasives species and discloses the outcomes of the assessment.
Element c	**The company discloses any introduction of IAS resulting from its own operations or its value chain.**
	The company discloses any introduction of invasive species due to its own activities. Mentioning invasive species that were introduced previously or by others in area where they operate is not enough.
Element d	**The company discloses its processes to prevent the introduction of IAS or to manage IAS that have been introduced as a result of its own operations.**
	The company has a process to either prevent introduction of invasive species (for example, pathway management) or to manage already introduced IAS (reproduction control, monitoring), or both in either element of the operations (own operations or value chain, or both).

C: Social inclusion and community impact

C1. Right to a safe, clean, healthy and sustainable environment

Measurement area	C: Social inclusion and community impact
Indicator	**C1. Right to a safe, clean, healthy and sustainable environment** **The company respects the right to a safe, clean, healthy and sustainable environment of local communities and communities who are directly impacted by their activities.**
Element a	**The company has a commitment to respect the right to a safe, clean, healthy and sustainable environment of local communities.**
	The indicator requires a reference to communities or other users in their surroundings, such as neighbours, neighbouring communities, local communities, affected communities. The commitment may reference aspects clean air, non-toxic environment, safe and clean environment as well. Health and Safety protocols are not accepted, as they generally target employees and not local communities. The indicator only accepts commitments in policy documents and not sustainability reports. However, a case-by-case review was done for this iteration.
Element b	**The company demonstrates that its human rights risks and impacts identification process includes a focus on the health of local communities.**
	The company identifies human health as a salient risk. A reference to local communities and/or other users in the surroundings is needed. In the current iteration, the indicator does not prescribe which salient issues are relevant, as this can vary by company. Keywords: healthy environment, clean air, non-toxic environment, human health risks, local communities, affected local communities
Element c	**The company provides evidence of tracking its actual or potential negative impacts on the health of local communities.**
	This should include both scale (the outcome of the impact; frequency) and scope (the number of individuals who are or could be affected; frequency; geographies). 'Tracking impacts' here is not to be confused with 'tracking responses', which is not eligible. The indicator accepts "assessing" or "assessment" of impact in the health of local communities.
Element d	**The company provides evidence of how it prevents, mitigates or remediates its actual and potential negative impacts on the health of local communities.**
	The company needs to show concrete actions taken to address actual/potential impacts. It can be an example of the specific conclusions reached or a global system to take action to prevent, mitigate or remediate its salient rights issue. The company would automatically achieve a score for C9 (CSI 5) for meeting this element, but it could meet C9 (CSI 5) without providing any specific information regarding the health of local communities.
Element e	**The company has a commitment to zero tolerance for acts of violence, threats, intimidation or judicial harassment committed against land and environmental rights defenders.**
	If the companies' commitment refers to 'human rights defenders' but makes no reference to land/environment, it can still be considered met. The company should reference all types of attacks identified (acts of violence, threats, intimidation or judicial harassment), however, this has been checked on a case-by-case basis depending on the wording used. Keywords: land and environmental rights defenders, human rights defenders, land defenders, environmental defenders.

C2. Indigenous Peoples' rights

Measurement area	C: Social inclusion and community impact
Indicator	**C2. Indigenous peoples' rights** **The company respects indigenous peoples' rights and obtains affected Indigenous Peoples' free, prior and informed consent regarding whether and how to carry out projects.**
Element a	**The company has a commitment to respect Indigenous Peoples' rights or references the relevant part(s) of ILO Convention No. 169 on Indigenous and Tribal Peoples or the UN Declaration on the Rights of Indigenous Peoples.**
	The company must explicitly state that it is committed, or it respects the Indigenous People's rights, or the UNRIP or the ILO 169. Expressing concern about these groups or observing and recognising the importance of rights is not enough to be considered a commitment.
Element b	**The company discloses its processes to identify and recognise the rights of Indigenous Peoples when activities in its own operations may impact their rights AND describes how it obtains Indigenous Peoples' free, prior and informed consent regarding whether and how to carry out projects.**
	Engagement must include carrying out assessment with Indigenous communities, not simply sharing the results with them. The company also needs evidence of a process whereby the company identifies with whom they should engage. The company must disclose their commitments in their own policies. The indicator does not accept ICMM membership because the ICMM has no monitoring mechanism to track whether members are upholding these commitments, and the ICMM does not have to report back.
Element c	**The company requires its business relationships to identify and recognise affected Indigenous Peoples and to obtain their free, prior and informed consent regarding whether and how to carry out projects.**
	Forest protection policies (FPP) will also be accepted if it includes clear language on requirements in regards to identifying and recognising Indigenous People and to obtain FPIC. Keyword: Forest Protection Policy, Canopy, CanopyStyle, Pack4Good Initiative
Element d	**The company describes how it works with its business relationships to improve their practices in respecting the rights of Indigenous Peoples.**
	The company should indicate how it is building the capacity of the supplier to improve their practices in respecting the rights of Indigenous Peoples. This can be, for example, through training, tools, resources, or awareness programmes.

C3. Land rights

Measurement area	C: Social inclusion and community impact
Indicator	**<u>C3. Land rights</u>** **The company respects the rights of legitimate tenure holders when acquiring, leasing or using land, paying particular attention to vulnerable tenure rights holders.**
Element a	**The company has a commitment to respect ownership and use of land and natural resources and related legitimate tenure rights, as set out in the relevant part(s) of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT), or the IFC Performance Standards.**
	Where companies do not explicitly mention the VGGT, examples can include: • Conducting due diligence around land rights during new business ventures. • Stating that the company actively ensures that it does not infringe upon the existing legitimate land and forest tenure rights of communities present in the area during negotiations. • Conducting FPIC This is not the same as a commitment to Indigenous land rights. Rather, this indicator is relevant for every population or community, including urban communities. It is not sufficient to follow local applicable laws around land rights, as many countries have insufficient systems in place to secure land tenure rights.
Element b	**The company, when acquiring, leasing land or making other arrangements to use or restrict the use or access to land or natural resources, discloses its processes to (i) identify legitimate tenure rights holders, including through engagement with affected communities in the process, paying particular attention to vulnerable or marginalised tenure rights holders, and (ii) negotiate with them to provide adequate compensation.**
	The company must describe how it identifies legitimate tenure rights holders. This can be through engagement with relevant local stakeholders or through processes regulated by international standards. It has to provide a negotiation process/FPIC process/engagement protocol to guarantee adequate compensation. This indicator looks for evidence of current and recent cases. If the company has not engaged in any land transactions in the past two years, it should describe its approach to identifying and negotiating legitimate tenure rights holders in general.
Element c	**The company requires its business relationships to have a process to identify legitimate tenure rights holders when acquiring, leasing or making other arrangements to use land, paying particular attention to vulnerable or marginalised tenure rights holders, and to negotiate with them to provide adequate compensation.**
	This information must be codified in a policy document, such as supplier code of conduct or similar.
Element d	**The company works with its business relationships to improve their practices on land use and acquisition.**
	The company should indicate how it is building the capacity of the supplier to improve their practices on land use and acquisition. This could involve training, tools, resources developed for suppliers, and awareness programmes.

C4. Water and sanitation

Measurement area	C: Social inclusion and community impact
Indicator	**C4. Water and sanitation** **The company respects the right to water and does not negatively affect access to safe water.**
Element a	**The company has a commitment to respect the right to water.**
	The commitment must be in a public policy document. The commitment must refer to local communities or neighbouring communities. The indicator also accepts the CEO Water Mandate. Keywords: Safe water/access to water/right to water/water quality/water provision
Element b	**The company discloses its processes to implement preventive and corrective action plans for identified specific risks to the right to water and sanitation in its own operations.**
	Communities or other users should be a central part of what is being addressed with corrective action plan.
Element c	**The company requires access to water and sanitation, including refraining from negatively affecting access to safe water, to be included in contractual arrangements with its business relationships.**
	This information must be codified in a policy document, such as supplier code of conduct or similar.
Element d	**The company works with its business relationships to improve their practices on access to water and sanitation.**
	The company should indicate how it is working with its business relationships, for example, working with suppliers to build their capacity and improve their practices on access to water and sanitation. This could include training, tools and resources developed for suppliers, or awareness programmes. Access to water or local communities must be explicitly referenced, not just water usage or environmental targets in general.

Appendix

Table 1 – Key sustainability topics for batch 2 industries

Construction & Engineering	Construction Materials & Supplies	Containers & Packaging	Apparel & Footwear
Terrestrial ecosystem use	Terrestrial ecosystem use	Terrestrial ecosystem use	Terrestrial ecosystem use
Water use	Water use	Water use	Water use
GHG emissions	GHG emissions	GHG emissions	GHG emissions
Non-GHG air pollutants	Solid waste	Non-GHG air pollutants	Non-GHG air pollutants
Soil pollutants	Biological alterations/interferences	Soil pollutants	Soil pollutants
Disturbances	Disturbances	Solid waste	Solid waste
Freshwater ecosystem use	Freshwater ecosystem use	Biological alterations/interferences	Biological alterations/interferences
Marine ecosystem use	Marine ecosystem use	Water pollutants	Disturbances
			Water pollutants

Table 2 - List of high-risk commodities, high-risk areas, and accepted certification schemes (as equivalent to zero conversion)

Commodity	High-risk areas	Accepted certification schemes
Palm oil	• Southeast Asia	• RSPO – except the two categories: RSPO credit system ('Book and Claim') and 'Mass Balance'. Only accept 'Identity Preserved' and 'Segregated'. • International Sustainability and Carbon Certification (ISCC). • Sustainable Agriculture Network (SAN) standard. • Roundtable on Sustainable Biomaterials (RSB).
Cocoa	• West Africa	• UTZ-Rainforest Alliance • FairTrade
Coffee	• Central and South America • East Africa • Southeast Asia	• UTZ-Rainforest Alliance • FairTrade • 4C
Soy	• South America	• RTRS Production • ProTerra certification • International Sustainability and Carbon Certification (ISCC) • Roundtable on Sustainable Biomaterials (RSB)
Timber	• South America • Southeast Asia • Central Africa	• FSC Forest Management certification • PEFC Sustainable Forest Management certification • SFI Forest Management standard certification • Preferred by Nature – SmartLogging • Roundtable on Sustainable Biomaterials (RSB) • Sustainable Biomass Program
Cattle products	• South America	• RA SAN Standard for Sustainable Cattle Production Systems • Roundtable on Sustainable Biomaterials (RSB) • International Sustainability and Carbon Certification (ISCC) • GRSB + GTPS (Beef) – these are not certifications per se but companies may mention that they are participating.
Rubber	• Southeast Asia • Central and West Africa	• FSC Forest Management certification • PEFC Sustainable Forest Management certification

Glossary

Abundance	The size of a population of a particular life form. (IPBES, 2019)
Area of high biodiversity value	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 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)
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)
Commitment	A commitment is approved at the highest levels of the business, or by a formalised group of persons charged with ultimate authority in an organisation, e.g. the board. A commitment can span entire documents or a few paragraphs on the organisation's website. Examples of accepted wording are (this is not an exhaustive list – other examples can be found): We commit to/are committed to XX, We fully support XX, Commits to respect XX convention, We follow the principles of the XX convention, The company is committed to implementing the UNGPs, We adhere to the XX convention, We uphold the XX right/convention etc., We support the right to XX, We are committed to respecting the rights under the XX convention, We fully endorse and support the principles enshrined in the XX convention, We recognise our obligation to respect XX, We abide by XX (WBA definitions).

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)
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)
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)

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)
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)
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)
Human rights due diligence	An ongoing risk management process that a reasonable and prudent company needs to follow in order to identify, prevent, mitigate and account for how it addresses its adverse human rights impacts. As set out in the UN Guiding Principles 17-21, this includes four key steps**:** assessing actual and potential human rights impacts; integrating and acting on the findings; tracking responses;and communicating about how impacts are addressed.

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)
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)
Land and environmental rights defenders	Land and environmental rights are interlinked and are often inseparable. As a result, the two broad categories of defenders advocating for the environment and for land rights are often characterised as 'land and environmental rights defenders'. While land/environment explicitly links to the Nature benchmark, human rights defenders is the overarching category within which many types of defenders sit.

Legitimate tenure rights holders	Existing tenure rights holders, whether recorded/ formal/recognised or not, which can include those of customary and informal tenure, groups under customary tenure systems, those holding subsidiary tenure rights, such as gathering rights (FAO CFS VGGT).
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)
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)

Nature's contributions to people (NCP)	All the contributions, both positive and negative, of living nature (for example, all organisms, ecosystems and their associated ecological and evolutionary processes) to people's quality of life. Beneficial contributions may include 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-positive	In this methodology, nature-positive is in line with the vision of the Post-2020 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)
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)
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)
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)
Qualitative evidence	In most cases, companies showing quantitative reduction for indicators asking for qualitative evidence can also receive scoring.

Quantitative evidence	Quantitative reductions most show year-on-year reduction. Reporting on aggregated reduction, for example against a baseline year, does not count.
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)
Statement	The term statement is used to describe a range of forms a company may use to set out publicly its responsibilities, commitments and expectations. This may be a separate policy or commitment within other formal policies, or provisions within other documents that govern the company's approach such as a company code, business principles etc. (WBA definition)
Supplier	Entity upstream from an organisation (i.e. in the organisation's supply chain), which provides a product or service that is used in the development of the organisation's own products or services. A supplier can have a direct business relationship with the organisation (often referred to as a first-tier supplier) or an indirect business relationship. (GRI, 2021)
Targets	Targets must include a baseline year, and time-bound goals. Usually, the company is expected to report against the target. In most cases, targets must show absolute reduction, rather than tied with intensity.
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)
Vulnerable groups	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/AIDS-affected 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)

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