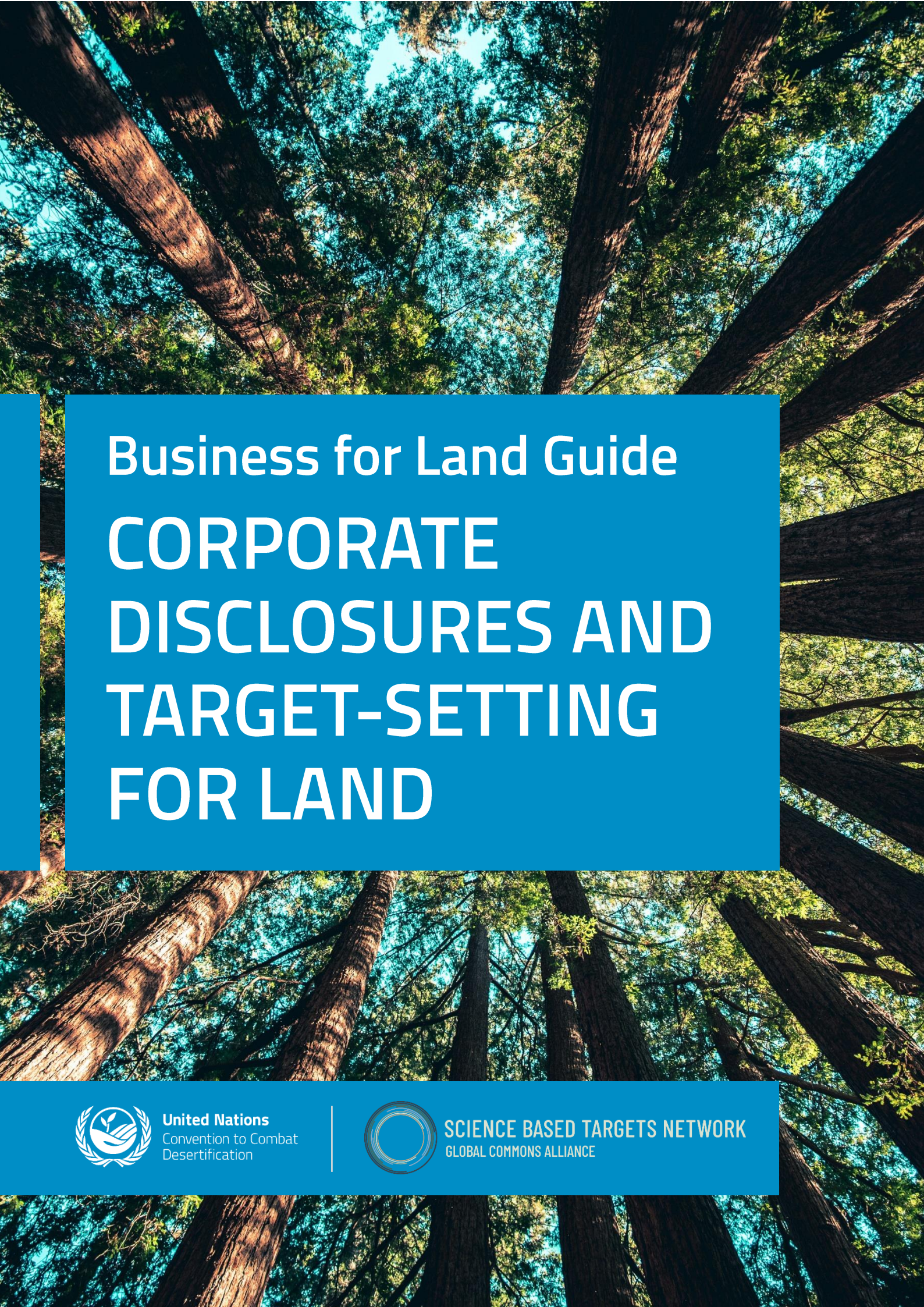

Business for Land Guide

CORPORATE DISCLOSURES AND TARGET-SETTING FOR LAND

United Nations
Convention to Combat Desertification

SCIENCE BASED TARGETS NETWORK
GLOBAL COMMONS ALLIANCE

WHO IS THIS GUIDE FOR?

When joining the Business for Land Initiative (B4L), members are invited to define at least one concrete action that they can take to further the health of land and water resources within their sphere of influence. This guide is meant to support companies in formulating commitments that support sustainable land and water management within their operations and value chains under the ESG pillar. The guide provides information about what land degradation and healthy lands are, how drought can impact businesses and people, why companies should make sustainable land and water management contributions under B4L and provide concrete guidance on how such commitments will look like. It explores both target setting and disclosure options to support UNCCD's mandate, namely the combating of desertification, land degradation, drought, and sand and dust storms, with a strong focus on the Land Degradation Neutrality framework 2018-2030.

WHAT IS THE BUSINESS FOR LAND INITIATIVE?

Business for Land (B4L) is the main initiative through which the UNCCD engages with the private sector on sustainable land and water management. The initiative aims to support the private sector in seizing opportunities and managing risks associated with land degradation and drought along value-chains and jointly work together towards restoring 1.5 billion hectares of land by 2030, in line with the Sustainable Development Goal 15.3.

Business for Land (B4L) operates through three core pillars:

- Business Operations and value-chains: Implementing sustainable changes in business operations and supply chains.
- Finance: Redirecting private funding towards land-positive and drought resilient business models.
- Advocacy: Fostering an enabling environment for sustainable land and water management practices.

To become a member of B4L, companies follow a 3-steps process:

- Express your interest via this form to becoming a B4L member, signing the Business 4 Land Call to Action and defining your strategy to safeguard healthy land and support UNCCD's mandate.
- Apply for the accreditation as an Observer of the "Business and Industry" group at the United Nations Convention to Combat Desertification and join the next COPs. Request your accreditation here.

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Business for Land

CORPORATE DISCLOSURES AND TARGET-SETTING FOR LAND

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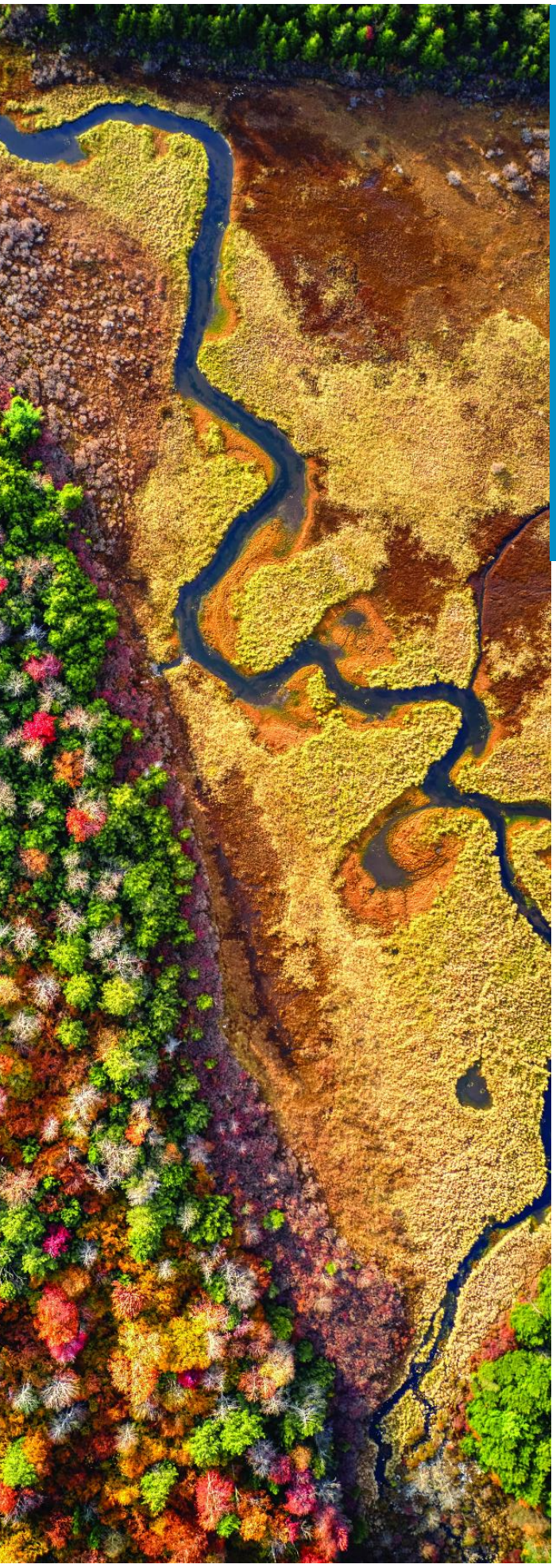

1. LAND DEGRADATION AND DROUGHT: GLOBAL THREATS TO THE ECONOMY

Land degradation is not only putting the health, livelihoods and security of an estimated 3.2 billion people at risk.[1] It also presents a tremendous cost to the economy, reaching about USD 878 billion per year.[2] Land is vital for plant growth and the provision of water and therefore underpins many of the world's economic sectors in one way or another. More than half of global annual GDP is moderately or highly reliant on natural capital in this way.[3] Accelerating land degradation puts this in jeopardy. 40% of the world's land is already degraded, meaning that some or all its productivity is lost.[4]

To mobilise global stakeholders in addressing this issue, the United Nations Convention to Combat Desertification, Land Degradation, and Drought (UNCCD) seeks to put a stop at accelerating degradation rates and reach land degradation neutrality (LDN). This is defined as a state whereby the amount and quality of land resources necessary to support ecosystem functions and services remain stable or increase within specified temporal and spatial scales and ecosystems.[5] As a global target, LDN is also embedded in the SDGs as target 15.3 of the goal "Life on Land".

15 LIFE ON LAND

Target 15.3: By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world.

What is land degradation?

Land degradation is a process through which the land's capacity to support life and safeguard ecosystem services is harmed. As such, land degradation negatively impacts food production, soil fertility, surface and groundwater availability, and carbon sequestration in the soil.

Human-led processes that degrade land are for example the sealing of surfaces, the pollution of soils with chemicals or fertilisers, excessive disturbance of soils, or the clearing of vegetation.

Importantly, land degradation has many interdependencies with other environmental challenges, including climate change and biodiversity loss.

To achieve LDN, UNCCD has been supporting governments in measuring land degradation and implementing sustainable land management practices. However, to achieve LDN globally, it is essential for companies to contribute to this cause. Around the world, private actors take a leading role in farming, mining or logging. The way they steward the land that their production depends on is an essential part to halting global land degradation. To support companies and corporations in embracing sustainable land management principles, UNCCD launched the Business for Land (B4L) Initiative to leverage private sector expertise and resources towards sustainable land and water management.

B4L in a nutshell:

- B4L was launched to catalyse private sector actions towards LDN.
- It brings together UNCCD Parties and private sector stakeholders worldwide with a keen interest in supporting and implementing LDN measures.
- It aims to help the private sector seize opportunities and manage risks associated with land degradation, desertification and drought.

The initiative has been structured around three pillars:

1. Business Operations and Value-chains: by inviting the private sector to work towards sustainable business operations, including across upstream and downstream supply chains.
2. Finance: focuses on the transition of private finance towards land-positive business models.
3. Advocacy: aims to promote a positive enabling environment for LDN, including in terms of regulation and economic policy.

At a time when companies are facing more regulatory and investor pressure to sustainably manage natural resources and become more resilient to environmental challenges, B4L seeks to support companies in understanding the links between land and their business. B4L is also inviting companies to submit individual commitments under at least one of the pillars to reflect how they can contribute to achieving LDN. This document seeks to provide guidance to those companies who have chosen to make a commitment under the Business Operations and Value-chains pillar and are thus looking to transform their business operations and/or value-chain. However, to avoid duplicating current efforts on disclosure and target settings, B4L encourages participants to track their progress and identify relevant targets through existing reporting and target setting frameworks and resources.

WHY SET TARGETS ON LAND?

As humanity crosses critical planetary boundaries, many businesses find themselves dependent on precarious ecosystem services and natural resources. Investors, wary of the risks that this poses to many business models, are increasingly making investment decisions based on companies' abilities to adapt to these challenges. Simultaneously, companies are facing augmenting scrutiny and requirements regarding the disclosure of their impact on land and its interrelated effects on nature/biodiversity loss and greenhouse gas emissions.
Regulators and investors have been raising thresholds for corporate disclosures and

actions on climate and nature. Acknowledging the challenges and costs associated with these requirements, several stakeholders are engaged in guiding and supporting companies setting targets and reporting on their nature-related impacts. These stakeholders have adopted the concept of financial materiality and increasingly double materiality.

In this context, it is critical that companies understand how material land is for them in the financial as well as impact sense. Over the past years, the materiality of land degradation for businesses has been increasingly documented, leading regulators and investors to include land degradation-related criteria in their work.

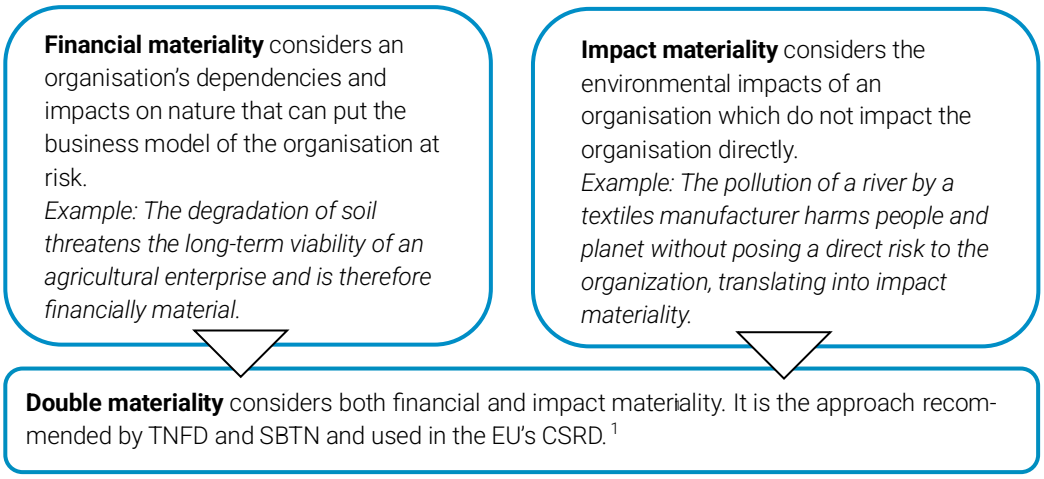

Figure 1: The relationship between financial and impact materiality to double materiality approaches.

[1] *Financial materiality and dependencies are both considered in SBTN's methods during the prioritization step (Step 2C), while the methods overall place a primary focus on impact materiality.*

Business sustainability

The World Economic Forum (WEF) has summarised as such the interdependencies between business and land: "It's really very simple: keep damaging the land, and profits will fall." Land resources – soil, water, and biodiversity – provide the foundation for the wealth of our economies. They meet the growing needs and desires for food, water, fuel, and other raw materials.[6] Land degradation reduces the provision of essential ecosystem services, including food availability, soil fertility, carbon sequestration, wood production, and groundwater recharge. These reductions impose significant social and economic costs and threaten the supply chains of many sectors.[7]

For the agricultural sector for instance, land degradation and desertification may reduce global crop yields by up to 12%, leading to an estimated reduction of about 23 million tons of food per year.[8] The annual cost of infrastructure damage caused by soil erosion and land degradation is estimated around USD 300 billion,[9] while the value derived from tropical rainforest plants by pharmaceuticals and cosmetics companies has been estimated at USD 108 billion.[10] With these numbers in mind, the urgency of sustaining healthy lands and ecosystems becomes crystal clear.

Dependencies and impacts at a glance:

Are you interested to explore how your business depends on and impacts nature? The ENCORE Database provides a sectoral overview on how your business model depends on various environmental services and assets and how it may drive degradation through specific impact drivers.

To safeguard value chains and become more resilient to the impacts of land degradation and drought, businesses need to understand this double materiality of nature. Becoming a member of B4L can help companies addressing

these risks in two ways. First, B4L offers support in monitoring businesses' relationships to land, making apparent the currently often unknown risks. Secondly, by introducing sustainable land management practices through B4L commitments, companies work towards addressing these risks. B4L support this by documenting approaches that companies can adopt across or within sectors. B4L also provides a platform for companies to share and access key learnings, so that businesses can progress in the adoption of cost-effective practices that benefit land as well as their bottom line.

Regulatory context

Regulators, aware of the financial and impact materiality of land to many businesses, have also begun to send strong signals to businesses. Focus thus far has been placed on deforestation. However, with increasing evidence on the importance of healthy land to many economic sectors, more attention is expected to be cast on other types of land degradation. Globally, we can observe a clear broadening of scope of environmental reporting and disclosure regulations, as well as a move towards mandatory reporting. The Business for Land Initiative aims to support companies in complying with a dynamic disclosures environment, as well as the development of unified and easily to administer disclosure standards.

The EU has been a leader in setting standards for companies' impact and disclosure on environmental matters. Criteria have been set for determining whether economic activities contribute to sustainable land use, considering factors such as the conservation of biodiversity, prevention of soil degradation, and sustainable land planning. To inform mandatory nature-related disclosures, the EU developed the European Sustainability Reporting Standards (ESRS) under the EU Corporate Sustainability Reporting Directive (CSRD). The disclosures are considered mandatory if companies estimate that biodiversity and ecosystem-related topics are material in financial and/or impact related terms.[11] In the last five years, individual states have also made significant steps towards more extensive disclosure regulations. In India, the 2021 Business Responsibility and Sustainability Reporting framework requires top companies to report on their material issues on sustainability, such as deforestation and biodiversity.[12] The German government endorsed the German Supply Chain Act in 2023, which prevents unlawful breaching of water bodies, lands, and forests within global supply chains.[13] Other countries are focusing on the socio-economic components of business' impact on nature, with Costa Rica's Payments for Environmental Services Program financing forest conversion and recovery, and Brazil new laws for equitable access/benefit sharing of nature-based solutions.[14] Following the publication of the TNFD recommendations in September 2023, Japan, New Zealand, South Africa and the UK have indicated that they are looking into the adoption of regulations to support implementation of TNFD-aligned disclosure.[15]

Regulations can also focus on accelerating practices with a positive impact on nature, as reflected in the adoption of EU Biodiversity Strategy targets to reach at least 25% of agricultural land farmed organically by 2030.[16]

Investor interest

Among investors, awareness of the links between land and the economy is rising. This also includes the risks that land degradation poses for their portfolios. CISL estimates that: "it is highly likely that trading companies with significant exposure to farmers operating on degraded land are more exposed to these factors than those with clients who are less vulnerable to extreme weather patterns (i.e., those that operate on healthy soil)".[17] These concerns are also shared by public investors, for example the Network for Greening the Financial System which includes 114 central banks and financial supervisors, acknowledged that risks associated with nature, alongside climate, are significant, growing, and in demand of immediate mitigation action.[18]

To mitigate these risks, investors are coordinating their efforts and launching investor campaigns. In 2023, the annual financial institution-led Non-Disclosure Campaign was launched

with the support of close to 300 global institutions. These institutions stated that they were directly engaging 1,607 of the world's highest-impact companies to demand that they disclose environmental data through CDP, with more requests for disclosure on deforestation than previous years (26% of the companies were asked to disclose on forests). Thus, companies are expected to not only document their financial returns but also their impact on land, water, biodiversity, and climate. In addition, companies that can demonstrate a land degradation and drought risks management strategy will increasingly be favoured by risk-adverse investors.

In addition to viewing land as a source of risk, investors are also acknowledging land as an opportunity. Land is emerging as a new area of interest as the possible returns of investment linked to sustainable land use are continuously better understood. According to UNCCD's latest Global Land Outlook, each dollar invested in restoring degraded land is estimated to return between USD 7-30 in economic benefits.[19] This means that investors are increasingly looking for businesses that leverage the potential of such business models.

In addition, philanthropic/public funding is being used to de-risk private investments. Existing co-financing mechanisms towards land restoration include a risk mitigation for land restoration project launched by the GEF. By 2020, the project had already leveraged USD 120 million in co-financing in addition to GEF's USD 15 million initial investment.[20] Simultaneously, land is emerging as a new theme for impact investment. These land-positive funds have in many cases already proven their financial viability. The Global Impact Investing Network reports that 32% of impact funds listed in its network contribute to SDG Life on Land.[21]

Mirova and UNCCD co-launched the Land Degradation Neutrality Fund. The key objective of this investment fund is to support land restoration with an initial timeline of 15-year and a size of USD 208 million. The LDN Fund uses blended finance with an initial public sector contribution to leverage and de-risk private sector investments. The fund also incorporates a technical assistance facility - managed by IDH Sustainable Trade Initiative - to maximise positive impacts and reduce commercial and ESG risks. The technical assistance facility has also developed a methodology to cost-effectively measure the LDN contributions at project level. This methodology monitors changes to land productivity, land cover, and soil organic carbon content, using freely available imagery where possible.

Following the success of the LDN Fund, Mirova has also launched Mirova Sustainable Land Fund 2, focus on equity, quasi-equity and debt investments in emerging market projects engaged in sustainable timbre, agroforestry, regenerative agriculture, and landscape approaches. The fund has a target size of 350 million euros and aims to make larger investments into mature land-based projects, focusing on value-chain development and landscape approaches.

2. BUSINESS FOR LAND AND ESG

Business for Land (B4L) aims at reconciliating the world's 2030 target for Land on Life with the efforts of companies regarding the management of land and water resources that underpin production. As such, B4L aims to help companies understand their dependencies and impacts, set targets, and engage in transformative action. B4L will also provide a platform to showcase those companies who are taking a lead in the sustainable management of land and water within their operations and value-chain, engage in a structured dialogue with UNCCD's parties to accelerate action. Lastly, B4L aims to drive the soundness and feasibility of land-related corporate disclosures while simultaneously advocating for greater cohesion and harmonization across reporting domains, especially related to the interlinkages with biodiversity and climate targets.

B4L EXPERT GROUPS

To support the mobilisation of the private sector for action towards LDN, B4L is setting up several expert groups. The groups will help coordinate current and future efforts in scaling up private sector efforts towards LDN as part of companies' overall sustainability approaches. The expert group will seek to support companies in understanding the double materiality of LDN by building on existing methodologies such as the LEAP approach from TNFD and develop impactful transition targets following the five steps approach from SBTN (detailed in the next section). By inviting a broad range of academic and business experts in ESG metrics, disclosure and target settings, and business transitions, the group aims to promote fact-based awareness on the potential and

necessary contribution of the private sector to LDN. The composition of the B4L ESG expert group will be finalised ahead of COP16 which will take place in December 2024.

B4L LAND COMMITMENTS

Private sector entities who want to join the initiative can express their interest with this registration form. Based on their preferences and the relevance of each B4L pillar to their business, every company can make one or several commitments under one to three of the pillars. Commitments under the Business Operations and Value-chains pillar relate to how the organization wants to introduce sustainable land and water management practices into its operations and supply chain. B4L only requires that participants submit SMART (specific, measurable, achievable, relevant and time-bound) commitments and that they indicate how they will report progress on these submitted commitment(s).

Companies are encouraged to use existing mechanisms to identify and report on their commitments, notably TNFD and SBTN frameworks. This document is designed to support B4L members in identifying relevant Business Operations and value-chains commitments and link them to metrics used in the reporting mechanisms that companies are already using for their wider ESG reporting. The targets suggested below are not exhaustive and B4L will seek to provide future updates of this corporate target documents to reflect on the learnings from B4L participants, and to build on the knowledge of the B4L expert group.

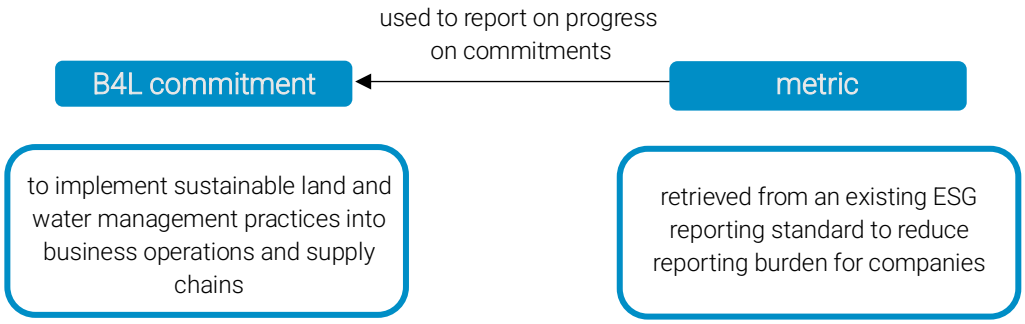

Figure 2: The connection between B4L commitments and metrics from existing reporting frameworks.

The insights laid out in this report have been developed in collaboration with major corporate disclosures, target-setting, and benchmarking initiatives (IFRS, SBTi, SBTN, TNFD, GRI, CDP, WBA, the Accountability Accelerator) business sector representatives (WEF, Business for Nature, WBCSD, EY, Genesis) and UN organisations (UN PRI, UNEP FI, UNEP-WCMC). In May and June 2024, two workshops were held to identify common metrics and methodologies across reporting standards and consider businesses' concerns and priorities when engaging in corporate disclosures and target-setting.

3. FORMULATING A BUSINESS OPERATIONS AND VALUE-CHAINS COMMITMENT ON LAND: CROSS-SECTORAL TARGETS

CONTEXT

While it is often relevant to formulate sector-specific targets, some generalised approaches to assessing dependencies and impacts and monitoring progress, as well as general land management targets may be appropriate in many cases. This section seeks to provide some information on the approaches relevant across sectors.

B4L wants to avoid creating additional reporting burdens, and rather foster collaboration with existing mechanisms on corporate disclosure and target setting, while raising the profile of LDN. Specifically, alignment with SBTN and TNFD approaches and metrics has been sought.

ASSESSING DEPENDENCIES AND IMPACTS, SETTING TARGETS

The Taskforce for Nature-related Financial Disclosures (TNFD) has emerged as a leader in the development of disclosure standards through which companies understand and report on their links to nature. Likewise, the Science Based Targets Network (SBTN) provides authoritative guidance to companies who wish to set measurable, actionable and time-bound targets that are grounded in societal goals and ecological thresholds.[1] TNFD and SBTN are thus distinct and complementary approaches, which B4L commitments seek to build on.[2]

Through TNFD's LEAP approach, companies can identify their dependencies and impacts with nature, estimate risks, and identify priority response areas.

The TNFD LEAP approach:

- Locate interface with nature by looking at interactions with nature by sector, value chain, and geography.
- Evaluate dependencies and impacts including their relative gravity and/or importance.
- Assess and prioritise risks and opportunities from a business-intelligible viewpoint.
- Prepare to respond to nature-related risks and opportunities and report.[3]

The SBTN five steps approach provides companies with a model to identify the double materiality of nature and respond through setting targets and actions.

The SBTN five steps approach:

- Assess impacts (materiality screening and value chain assessment).
- Interpret data and prioritise locations (target boundary, rank, prioritise, evaluate feasibility and strategic interest).
- Measure baseline, set targets and disclose.
- Act to meet targets.
- Monitor, report and verify progress over time.[4]

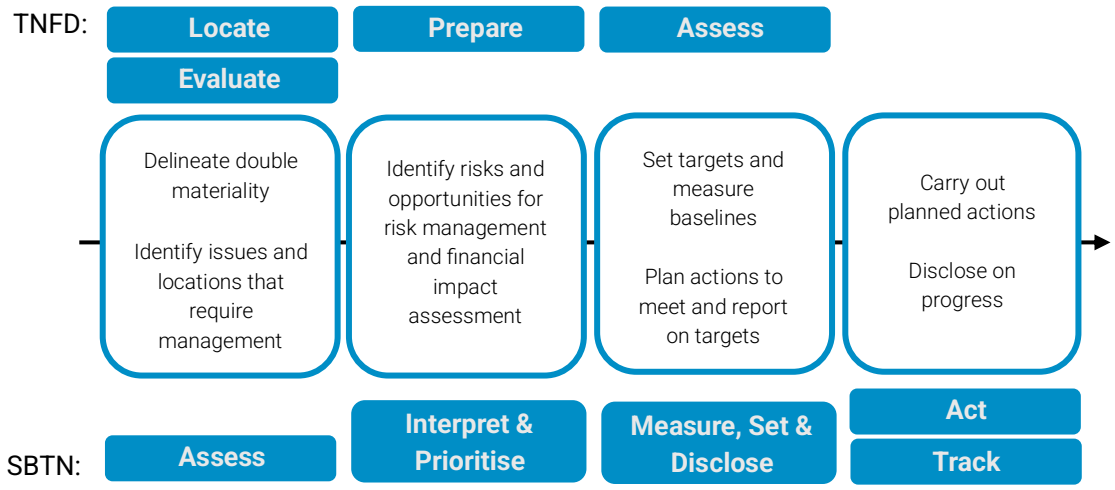

Figure 3: Alignment between TNFD and SBTN

As such, companies already using either one or both approaches can leverage these efforts to formulate a B4L commitment. Alternatively, companies which do not yet engage with TNFD/SBTN can use their methodologies to develop a B4L commitment. Nonetheless, the synergies between TNFD, SBTN and B4L commitments mean that companies eager to address their risk exposures and demonstrate their commitments to sustainability can simultaneously begin to engage with all three parties.

One key aspect of both SBTN and TNFD is a focus on social issues: human rights, access/benefits sharing, just transition and indigenous peoples. TNFD recommends that companies disclose their human rights policies and engagement activities with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the assessment of, and response to, nature-related issues. TNFD also encourages organisations to disclose the locations of their assets and activities that meet the criteria for priority locations, which include areas of importance for ecosystem service provision that bring benefits to Indigenous Peoples, Local Communities and stakeholders. Meanwhile, SBTN has developed cross-step guidance on the engagement of stakeholders across the target-setting process.[5]

While B4L seeks to support specific sectors in understanding their interdependencies with land, in addition to the relevance of using joint

methodologies, metrics and targets, there are also some common opportunities for businesses regarding the use of innovations. For example, existing start-ups in the field of satellite imagery and artificial intelligence, used for the identification of forest projects with carbon capture potentials such as Pachama, RESTOR and Silvia Terra, are already working with investors to help them identify and monitor forest carbon credits.[6] Technologies in large-scale farms (e.g. farm-management software levering data for improved planning and harvest cycles, drones to sow seeds) represent a large business opportunity of up to 95 billion USD per year by 2030. When valuing land spared by increased productivity, these solutions for increased productivity of existing lands will be critical to progress towards LDN with a growing population to feed.[7]

EXAMPLES OF TARGETS

All targets should be SMART (specific, measurable, achievable, relevant and time-bound), to maximise impact and ensure that companies can be held accountable.

Targets should consider the three general LDN indicators developed by UNCCD:

- Land cover and land use change: nationally refined land cover class where change in class may be characterized as positive or negative.
- Net primary productivity level: where a change in the absolute value may be positive or negative.
- Soil organic carbon stock (tonne of carbon per hectare, to 30 cm): where a change in the absolute value may be positive or negative.

Targets should also align with SBTN's action framework[8]:

- Avoid and reduce pressures on nature loss.
- Restore and regenerate so the state of nature can recover.
- Transform underlying systems to address the drivers of nature loss.[9]

As well as with SBTN three initial targets in its latest guidance document for corporate target settings on land:

- Target 1: No Conversion of Natural Ecosystems.
- Target 2: Land Footprint Reduction (asking companies to reduce their absolute land footprint or intensity of existing footprint in line with the global estimated agricultural land reduction that is required to meet global nature, climate, and sustainable development goals, totalling 500 million hectares by 2050).
- Target 3: Landscape Engagement.[10]

The dates indicated are to provide an example of SMART targets, with baseline, target date, geographic scope and numbers/percentages to be adjusted by companies as relevant.

No land conversion

These targets foster the avoidance of land use expansion by companies.

- Reduce to X by 2030 activities causing deforestation / conversion in our supply chain.
- Reduced to 0 the number and area size (in hectares) of sites owned, leased or managed in or near biodiversity-sensitive areas that the company is negatively affecting by 2040.
- Achieve X% of commodity volumes verified as deforestation-and/or conversion-free by 2035.
- Reduce land-based emissions by at least X% by 2050 (from a 2024 baseline).

Land restoration

With approximately 75% of land estimated to be already degraded, these targets focus on corporate targets to restore those lands focusing on land directly and indirectly impacted by operations from companies and its suppliers.

- Total monetary value of financial provisions made by the company for closure and rehabilitation of land.
- After prioritizing GHG reductions, remove X tons CO2 by 2030 through forest landscape restoration.

Sustainable land management

These targets ensure that current land managed by companies and their suppliers apply best practices to prevent land degradation.

- Include requirements on sustainable land practices in % of all supplier contracts of raw materials and commodities by 2030.
- Increase soil organic C by X%/year through regeneration in critical value chain sourcing locations by 2030.
- Implement crop rotation practices on X% of the land surface cultivated by 2030.

Land degradation neutrality enablers

- Consult Indigenous Peoples and Local Communities in 100% of land use change interventions across our direct operations by 2025.
- Conduct a materiality assessment of land-related impacts across core operations, downstream and upstream by 2025.
- Endorse a strategy for responsible sourcing practices beyond compliance for % of the company's raw materials and commodities by 2025.
- Implement end-to-end traceability technologies across the company's entire supply chain by 2040.

TRACKING PROGRESS

By using the TNFD and SBTN frameworks, B4L participants can jointly track their progress on B4L targets and existing reporting mechanisms. In its guidance document on setting land targets, SBTN provides a detailed methodology on how to set no conversion, land footprint reduction, and landscape engagement targets. Targets made under SBTN can be utilised as initial B4L commitments. Likewise, TNFD provides a list of core and additional metrics that should be used to report on nature-related impacts for corporate disclosures. B4L encourages companies to use data gathered on these metrics to assess progress on B4L targets. Additionally, companies can use SDG Indicator 15.3.1 on the "Proportion of land that is degraded over total land area" to also share their interdependencies on land through their SDG reporting.

On land cover and land use change, TNFD core metrics are:

- Total spatial footprint (km2) (sum of): total surface area controlled/ managed by the organisation, where the organisation has control (km2); total disturbed area (km2); and total rehabilitated/restored area (km2).
- Extent of land use change (km2) by type of ecosystem; and type of business activity.
- Extent of land conserved or restored (km2), split into voluntary; and required by statutes or regulations.
- Extent of land ecosystem that is sustainably managed (km2) by: type of ecosystem; and type of business activity.
- Restoration or negatively affected species and ecosystems (investment and extent (km2)) split into ecosystem/biome type and split into required by regulation; required by certifier; and voluntary.

On land productivity:

- Land-use intensity (tonnes or litres of output/km2).

Additional TNFD metrics can support further disclosures across sectors and based on companies' own materiality assessments, including:

- Natural forest cover loss within areas of direction operational control.
- Landscape-level or country-ecoregion-level natural forest cover loss within areas of indirect operational control (i.e. sourcing locations).
- Description of methods and tools used to assess natural forest cover loss.
- Spatial overlap (hectare) of business activities with Protected Areas.
- Spatial overlap (hectare) of business activities with deforestation hotspots.
- Forest Landscape Integrity Index (FLII) in sourcing locations or areas under direct operational control for forest-based enterprises such as logging.
- Total carbon sequestration by urban trees and forests.

4. FORMULATING A BUSINESS OPERATIONS AND VALUE-CHAINS COMMITMENT ON LAND: SECTORAL TARGETS

A sector-specific focus can help identify material issues and set relevant targets. This section will provide a brief overview of the land-based interactions of each sector, provide example targets, and give guidance on metrics used across established reporting standards that can be used to monitor B4L targets.

For businesses looking to understand the actions they can take to deliver against targets, the Sector Actions Towards a Nature-Positive Future collaboration between the World Economic Forum, WBCSD and Business for Nature has released guidance on the priority actions companies can take to reduce their impacts on nature, including on land, and capture new nature-related opportunities for 12 global sectors, with 5 more to come in early 2025.

FOOD AND AGRICULTURE

Context

This sector could deliver up to 30% of needed mitigation actions from now to 2050[1] and is critical to climate and nature outcomes. The food and agricultural sector is also well positioned to benefit from more sustainable land management practices and from the preservation and restoration of land. Overall, according to the WEF, restoring land can earn an extra 1.4 trillion USD in agricultural production every year.[2]

Mid to long term additional profits from regenerative agriculture practices can be seized by farmers and their buyers, including in the most geographies already facing

significant loss of land productivity. For example, the annual reduction of input costs (fertilisers, pesticides, irrigation) could save as much as USD 17 billion by 2040 for farmers across sub-Saharan Africa with increased benefits in semi-arid regions of West Africa.[14] This was also seen in the Sahel where the adoption of nature regeneration practices by farmers led to 35% to 170% of crop production increases.[15]

Addressing land degradation is required to maintain the financial sustainability of this sector. The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services estimates that land degradation and desertification may reduce global crop yields by up to 12%, leading to an estimated reduction of about 23 million tons of food per year. While the Economics of Land Degradation initiative considers the annual global economic loss for farmers due to land degradation at around USD 40 to USD 49 billion.

Recent estimates of nature-based risks and opportunities show that since the start of the century, around 20% of vegetated land faced a persistent decline in productivity with 1.3 billion people being now located on degraded agricultural land.[5] To address this issue, natural climate solutions for agriculture could be implemented by the private sector with a total value estimated around USD 85 billion for 2020-2030 and possibly reaching 20% reduction of human made GHG emissions in this period.[6] Awareness of the economic value of reforestation programs has also largely progressed. For example, the implementation of certain regenerative agriculture practices on the crop yields is proven to have a positive impact over the mid- and long term. The market value of farmers operating mostly on degrading land declines by about 13% while those on healthy soils see a valuation uplift of 6% according to scenarios run by the CISL.[7]

Examples of targets

- Invest X amount by 2025 in precision-farming technologies for optimal inputs (land, water, synthetic and bio-based fertilisers and pesticides).
- Launch X demonstration pilots to build farmer trust on sustainable land practices by 2025.
- Provide training programs to support implementation of best practices on land restoration accessible to X% of the companies' suppliers of most critical commodities relevant for the company, namely timber, palm oil, cattle, soy, rubber, coffee, and cocoa by 2030.
- Invest X amount by 2025 in solutions to collect and monitor data for controlled livestock grazing systems.

Tracking progress

The TNFD sector guidance on food and agriculture provides guidance on how to identify dependencies and impacts, assess risks, and respond. In addition, it provides a list of sector-specific disclosure metrics that can be used to track progress on B4L targets. For GRI guidance on this sector, *GRI 13: Agriculture, Aquaculture and Fishing Sectors* provides further guidance on what issues are likely to be material for this sector.

Further, when looking at food and agricultural products, some commodities have been under more scrutiny due to their impact on land degradation and, especially, deforestation. CDP estimates that 40% of tropical deforestation is driven by only four commodities: cattle, palm oil, timber, and soy.[8] Therefore, the CDP forest questionnaire focuses on timber, palm oil, cattle soy, rubber, coffee, and cocoa with a score given to the first four commodities.[9] Additionally, companies can also join existing roundtables to learn about relevant certifications and best practices, for example by becoming members of the Roundtable on Sustainable Palm Oil, Roundtable on Responsible Soy, or the Global Roundtable for Sustainable Beef.

PULP, PAPER, AND FORESTRY

Context

The implementation of sustainable forestry practices is not only beneficial to LDN but also contribute to new streams of revenue

generation for the pulp, paper and forestry sector. Up to USD 165 billion could be generating by having all timber, pulp, and paper products for the top 100 pulp and paper companies coming from Sustainable Forest Management-certified forests by 2030.[10] Achieving the Bonn Challenge of restoring 46% of the world's degraded forests could result in a return of investment between USD 7 and USD 30 for each dollar invested.[11]

The private sector can pioneer best practices to protect forest where regulatory frameworks and resources for their implementation remain limited, notably in some low- and middle-income countries. For example, in a 2023 report, World Bank researchers estimated that the total value of forests in the Democratic Republic of Congo for climate mitigation alone reaches as much as USD 6.4 trillion.[12]

Examples of targets

- Invest X amount by 2030 in solutions to collect and monitor data for controlled agroforestry practices.
- Increase volume of carbon sequestered by land owned, leased or management by X% until 2030.
- Maintain sustainable forestry practices on all land leased/owned/managed from 2025 onwards.
- By 2025, have 100% of fibre sources certified by third party certification standard.

Tracking progress

Similarly to the food and agriculture sector, certifications have been put in place to help companies identify best practices and be recognised for their efforts in implementing sustainable land practices, notably the certification system for timber and forest products provided by Forest Stewardship Council. The Sustainable Forestry Initiative (SFI) Fiber Sourcing Standard is linked to a third-party audit and certification enabling organisations to show that the raw material in their supply chain is from legal and responsible sources.[13]

According to the TNFD sector guidance for the forestry and paper sector, area of land use is a very high material impact driver for silviculture and other forestry activities. Additionally, across the forestry sector, companies' impact and dependencies will depend based on its land tenure arrangements therefore should set targets and disclose their impacts based on these.
The TNFD additional guidance for the forestry, pulp and paper sector advises companies to build on the SBTN Guidance on Nature Targets for Land to classify their activities, reporting on three levels of traceability and granularity namely: production unit of origin; sourcing area and limited/no traceability.

The following land-related impacts are advised for disclosure by the TNFD for companies operating in this sector:[14]

- Conversion of primary forests, other naturally regenerating forests, savannahs, grasslands and freshwater natural ecosystems linked to land owned, leased, operated, financed or sourced from, regardless of the future forest management plans.
- Long-term (3+ years) efforts in context-based landscape management approaches focused on fire prevention, or land ecosystems services
- Proportion (%) of land owned, leased or managed that is designated for restoration or conservation.
- Carbon sequestered by land owned, leased or managed, broken down by forest plantations and natural/semi-natural land and products.
- Quantity of high-risk natural commodities sourced from land, split into types, that are demonstrated deforestation and conversion-free.

MINING SECTOR

Context

The impact of the mining sector on land degradation has been known for decades, however there is a renewed focus and urgency in limiting

these impacts due to the role of the mining industry for the energy transition. With some critical minerals at the heart of new technologies for a successful energy transition, some of companies mining or purchasing those minerals seek to minimise their negative environmental impact including on land. According to the WWF, mining activities have seen an alarming acceleration with more than a third of the mining-related deforestation seen in the last 20 years occurred in just the last five years.[15]

Mining companies can foster best practices implementation and transparency on LDN, notably in areas where regulations remain limited and/or resources to monitor their implementation are scarce. In Nigeria for example, the number of open cast mines of solid minerals (limestone, granite, iron ore, gemstones etc) is increasing, leaving behind vast expanse of bare and degraded land (>10 hectares per mine) when the mining operation closes.[16] Mining companies should also take into consideration the specific land surrounding the mining site, as the impact on land will differ significantly based on this factor. For example, the deforestation of primary forests caused by mining for iron ore in the tropical rainforests of Gabon is likely to leave more devastating and longer-term ecological damage compared to mining iron ore in the deserts of northern Australia.[17] While the inclusion of indigenous peoples and local communities is relevant across sectors, the TNFD additional guidance on metals and mining highlight its importance to ensure responsible practices in this sector.[18]

With the mining sector being dominated by a limited number of multinational companies, the adoption of ambitious targets by these stakeholders can lead to a rapid progress on LDN across the entire mining sector.[19] The impact of mining activities is not only dependant on the size of companies in the sector, but also on geography, with more than 80% of direct mining-related deforestation taking place in just 10 countries (Canada, U.S., Peru, Brazil, Suriname, Ghana, Russia, Myanmar, Indonesia, Australia).[20]

Corporate disclosures and targets need to be tailored to the specificity of land use in the mining sector because, contrary to the agriculture sector, mining uses a small portion of land but very intensively.[21]

Examples of targets

These potential targets reflect the impact of mining sites beyond the sole mining of land at a given time, including activities linked to mining exploration and its exploitation such as the clearing of large areas of vegetation, construction of access roads and other infrastructure, excavation and disposal of vast amounts of waste rock and tailings.

- Commit to not using fire when preparing land for mining by 2025.
- Commit to avoiding extensive mining development on fragile and marginal soils and steep slopes by 2025.
- Invest X annually in preventive measures against ground subsidence including the proper design, excavation and maintenance of the tunnel from 2025.
- Commit to obtaining Free, Prior and Informed Consent for all life cycle stages to optimise post-mining land use and ensure closure is achieved.
- Invest X annually in precision mining tech, develop natural chemical or non-chemical extraction techniques from 2025.
- Invest X from 2025 to 2035 to supporting nature conservation and restoration projects.
- Commit to leaving infrastructure in place that may be useful for post- mining land uses for X% of its sites from 2025.

Tracking progress

The TNFD sector guidance for the metals and mining sector supports disclosures from companies operating in the sector. The guidance highlights the importance of area of land use as a material impact driver across all the metals listed.[22] Some of the specific recommendations

for corporate disclosures in the metals and mining sector from TNFD include disclosing information on:

- Land use management practices including alternative post-mining land use.
- Free, Prior and Informed Consent status for all life cycle stages to optimise post-mining land use and ensure closure is achieved.
- Disruption to ecosystems and ecological functions caused by the alteration of surface and subterranean ecosystems:
    - by exploration (e.g. drilling) and land clearance for exploration camps, particularly in remote and undisturbed areas.
    - the development and operational phases of metals and mining facilities.
- Land use change leading to displacement of communities for new asset construction or transportation routes.
- Collaborations and capacity building towards local partners to enhance the livelihoods and wellbeing of people who depend on the ecosystem.

These recommendations are additional to the TNFD core metrics that mining companies should use to report on their land related impact, with some slight tailoring suggested to match the sector specificities:

- Area of land conserved under a form of formal protection, based on local, national or internationally recognised protection designations, e.g. International Union for Conservation of Nature and Natural Resources (IUCN) Protected Area Management Categories III – VI or Other Effective Area-Based Conservation Measures, as defined in the Kunming-Montreal Global Biodiversity Framework.
- Area and proportion of land owned, leased, managed in or adjacent to, or potentially impacting on, sensitive locations.
- Area and proportion of land owned, leased, managed covered by plan to manage impacts on sensitive locations.
- Area and proportion of land owned, leased, managed covered by plan to manage impacts on sensitive locations that has been verified or approved by a third party.

Additionally mining companies can use the membership requirements and resources of the International Council on Mining and Metals (ICMM) to support its adoption of sustainable land management practices. For consumer goods particularly, the mining sector has also seen several certifications emerge, to promote responsible business practices such as the provision of fairtrade gold and precious metals, an initiative that links consumers of jewellery with the source of their purchase through standards and certification.[23]

REAL ESTATE AND CONSTRUCTION SECTOR

Context

According to the World Bank, the annual cost of infrastructure damage caused by soil erosion and land degradation is estimated around USD 300 billion. While by 2030, USD 21 trillion worth of global real estate assets could experience major write-downs in value given climate risks and the economic transition.[24] The lack of proper planning or management of new infrastructure's impact on land increases company's exposure to flooding, landslides or storm damages. The expected growth of urbanisation requires significant changes in the sector to mitigate the impact on land degradation, urban land area is currently project to increase by 1.2 million km2 by 2030, triple from 2020 surface.[25]

Examples of targets

- Commit to no new development in sensitive locations from 2025.
- Commit to the adoption of a strategy on how to prioritise development on land of limited natural value.

- Establish and maintain landscape corridors, ecological connections and animal crossings for X% linear infrastructure from 2025.
- Prioritize re-use and retrofitting for X% to grow by 2030.
- Invest X in circular material use by 2030.
- Increase by X% by 2030 green space created that overlaps with national or local ecosystem connectivity plans, where such plans exist, with reference to the plan adhered.
- Increase by X% by 2030 plant species that are native to the ecoregion in green spaces created/managed.
- From 2025, decontaminate all land after demolition, to restore the land to its pre-construction condition.
- Reduce X tonnes of pollutants released annually to soil by type (pesticides used by toxicity hazard level; chemical nitrogen fertilisers; mineral phosphorus fertilisers) across the portfolio of real estate managed from 2025.

Tracking progress

According to the TNFD sector guidance on engineering, construction and real estate, land ecosystem use is a major impact driver for the sector.[26] The guidance identifies specificities to the sector that should be part of its disclosure include impact on:[27]

- The fragmentation of ecosystems especially for linear infrastructure such as roads and railways.
- Soil pollution levels and land restoration after sites demolition and types of pollutants used by real estate management companies.
- Assessment of land ecosystem for new developments.
- Management of infrastructure where additional protections are required due to a change of regulation.
- Land-use changes distinguished by the land use before the development started, e.g. brownfield sites, undeveloped land, farmland, wetland.
- Land use changes that do not meet the definition of conserved or restored.
- Land ecosystem conserved or restored distinguished between area owned, leased or managed areas and beyond value chain mitigation.
- Green space created (using metrics such as green plot ratio; urban greening factor; area of green space created; planted area; area of tree planting; number of trees planted; surface area of a building on which plants are planted, including vertical area; share of area above threshold for normalised difference vegetation index).

POWER SECTOR

Context

With the growth of the renewable energy sector, new challenges have emerged regarding land use, such as land needs and sustainable land management for solar energy and onshore wind energy. Without mitigation measures, the construction of solar parks can decrease soil physical quality, lead to soil erosion, and hamper vegetation establishment.[28] But the deployment of renewable energy is not only a challenge requiring additional land, but it also provides significant opportunity for concomitant sustainable land use. For example, only about 2 to 3 percent of a typical wind park's official land area cannot be used for other purposes,[29] offering a range of opportunity for sustainable land-based activities. Additionally, by using sealed surfaces for the deployment of solar photovoltaics, the energy sector can minimise its impact on natural soil surfaces.[30]

In parallel, the power sector continues to rely on fossil fuels. Here, land degradation needs to be prevented during the exploration of new sites and management of existing sites. These activities often lead to land degradation through seismic testing, drilling, asset and facility construction, infrastructure development, pipeline installation and road building. Additionally, the depletion of easily accessible oil and gas resources is driving exploitation further into remote areas,

impacting natural lands.[31] The restoration of former fossil fuels site will also be critical for land degradation neutrality.

Examples of targets

- Invest X annually in mechanisms for land co-sharing between landowners, renewable energy solutions developers, utilities and energy regulators to promote sustainable land management from 2025.
- Deploy X% of future solar photovoltaics on sealed surfaced between 2025 and 2030.
- Increase by X% share of energy solutions deployed on degraded land vs new natural land by 2030 (from a 2024 baseline).
- Restore/regenerate all owned or leased land following the facility closure to its pre-development state from 2025.
- Commit to no land degradation impacts on UNESCO sites, sensitive or priority habitats for newly developed site for power generation from 2025.
- Invest X annually in research on innovative ways to reduce the negative impact of power production operating processes on land degradation from 2025.

Tracking progress

According to the TNFD sector guidance for electric utilities and power generators, land-use change is a highly material impact driver for hydropower and solar energy, and to a slightly lesser extend for wind energy. Producers of wind energy and biomass are expected to have the most impact and, therefore, should prioritise disclosure of their impact on land cover.[16] For the oil and gas sector, land use is a highly material impact driver for mining, exploration, production, refining, storage and transport, as well as for gas distribution and retail activities.[17]

The TNFD sectoral guidance also highlights the importance of land-related disclosure of, not only power producers, but also power transmission and distribution providers. These companies are dependent on the ecosystem services of soils and sediment retention and are financially impacted by damages caused by landslides and erosions.[18]

In addition to reporting on TNFD core metrics, the power sector should therefore disclose actions and progress on:

- Repowering and hybridisation solutions over the conversion of natural land.
- Restoration and enhancement around solar arrays, especially in previously degraded lands.
- Site preparation for construction and surface mining, and upstream production.
- Number and area of operations where Indigenous Peoples are present or affected by activities of the organisation.
- Area that is owned, leased and/or operated (e.g. rights-of-way, easements and area concessions) in the exploration, production (drilling, completion or fracturing) and decommissioning phases, as well as recently decommissioned sites or sites being restored.

CHEMICALS SECTOR

Context

The chemicals sector's land-related dependencies and impacts range from pollution of land and water, and supply-chain connections to the mining sector. Chemical fertilisers and pesticides particularly are a large contributor to land degradation. It is therefore critical that the sector supports disclosure of its impact on land as well as adopts targets to become a contributor to land degradation neutrality.

Examples of targets

- Increased by X% annual investments in bio-innovation technologies to reduce fertilizer and pesticide use from 2025.
- Deliver free training - accredited by a non-profit third party - to avoid overuse of fertilizers and pesticides to X% of the company's clients.
- Invest X in solutions to reduce use of fertilizer and pesticide per net productivity of land in the agricultural sector.

Tracking progress

According to the TNFD, land use change is particularly material for the following aspects of the chemical industry: inorganic and organic feedstock and raw materials sourcing, polymerisation as well as catalytic cracking, and fractional distillation and crystallisation.[19]

Based on the TNFD sector guidance for chemicals, companies from the chemical sector can illustrate their efforts towards LDN by disclosing information on:

- Nature conservation, restoration efforts and policy advocacy for changes that protect nature and support the halt and reversal of nature loss by 2030 and help protect the long-term viability of the chemicals sector.
- Cost-benefit analysis of different strategic and resource allocation decisions (e.g. options for threat abatement or restoration based on 'Species Threat Abatement and Restoration' (STAR), or relative positive or negative impacts from land-use change using Persistence Score).

TEXTILES

Context

Upstream raw material extraction makes up for 98% of the impact the fashion retail industry has on land use.[20] Some of the most disastrous effects the garment industry has had on landscapes have been documented in the media, including the impact of cotton production on the drying of the Aral Sea, which has led to higher scrutiny from consumers on the environmental impact of this industry. The industry also impacts land by promoting monocultures and by contributing to deforestation due to growing demand of some wood-based fibres. While there is an encouraging shift toward sourcing the 150 million trees required for such fibre production from certified forestry, it is crucial to sustain and enhance this progress. With viscose production expected to double over the next eight years, this effort becomes even more important.[21]

To tackle the industry's impact on the environment, the EU wants to reduce textile waste and increase the life cycle and recycling of textiles. This is part of the plan to achieve a circular European economy by 2050. The textile sector was the third largest source of water and land use in 2020. In that year, it took on average nine cubic metres of water, 400 square metres of land and 391 kilogrammes of raw materials to provide clothes and shoes for each EU citizen.[22]

In some regions, the production of textiles had to be reduced because of its impact on nature, rather than adjusted through regulations. The region of Patagonia, for example, was once a large producer of wool. However, intense grazing and the resulting soil erosion degraded 93 percent of the land to different degrees, forcefully reducing the sector's capacity to produce wool on these lands.[23]

Examples of targets

- Commit to full transparency in supply chains regarding sustainability of sourced materials by using third party certification standards from 2025.
- Commit to avoid sourcing materials from deforested areas by 2030.
- Invest X in circular material use by 2030 (for all material or specific material).

Tracking progress

According to the TNFD sector guidance on apparel, accessories, and footwear, companies can use a range of TNDF core metrics as well as additional metrics to disclose interdependencies with land. The sector also benefits from third party certifications that help show existing efforts in respecting environmental standards and prevent/minimise land degradation. For example, certifications from the Global Organic Textile Standard, ECO PASSPORT by OEKO-TEX, the Responsible Wool Standard, or Bluesign.

Some of the most used fibres with the highest land footprint, such as cotton (with a market share of 23%[24]), benefit from specific certifications to help companies showcase their effort to decrease their land and water related

impacts, for example the Better Cotton Initiative or Fairtrade Organic.

PHARMACEUTICAL AND COSMETIC SECTOR

Context

The pharmaceutical and cosmetic sector has been associated with water pollution risks. However, the sector also faces some interdependencies with land. Medicines and plants annual global trade derived from tropical rainforests has been estimated at USD 108 billion.[25] Therefore, the financial sustainability of the pharmaceutical and cosmetic sector is impacted by lower availability of these valuable commodities threatened by land degradation.

Additionally, the sector can negatively impact soil health through its operations, notably with direct emissions from drug manufacturing, patient and animal excretion, aquafarming, and disposal of unused or expired medicines.[26]

Examples of targets

- Commit to full transparency in supply chains regarding sustainability of sourced materials including on the use of palm oil and other plant-derived materials used in drug formulations/cosmetics.
- Commit to avoid sourcing materials from deforested areas by 2030.

Tracking progress

The TNFD sector guidance for the biotechnology and pharmaceuticals highlights the need for companies to disclose information on these following aspects to show their resilience as well as their implementation of sustainable land practices:

- Land biomass used as starting material for pharmaceutical production. If land and/or genetic diversity is degraded, this could impact raw material quality and availability.
- Evaluation of deforestation/ forest conversion, habitat loss, fragmentation and biodiversity loss at the landscape level.
- Transparency status in supply chains regarding sustainability of sourced materials. For example, there is ongoing scrutiny over the sourcing of palm oil or other plant-derived materials used in drug formulations, which if sourced from deforested areas, could lead to negative publicity and consumer boycotts.

ICT SECTOR

Context

The telecommunications sector has a significant land footprint, oftentimes in remote locations, to secure its network deployment. Its links to the mining industry as well as its reliance on water for cooling present additional linkages to healthy land and water[27].

On the flipside, the ICT sector is also a key enabler in many sustainable land and water management practices, supplying the digital tools and infrastructure needed to implement these efforts cost-effectively at scale. On a smaller scale, the innovations of the ICT sector play a critical role in many rural social development projects, driving community-led land restoration across the world.

Examples of targets

- Commit to achieving upstream and downstream supply chain transparency on key metals sourced for business operations by 2030 and engage with suppliers and off takers on land and water degradation mitigation strategies.
- By 2027, assess the land impact of network deployment and develop a strategy to minimise harmful impacts and maximise synergies with other land uses for biodiversity etc.
- Commit X funds into the development and implementation of integrated landscape management to plans to ensure water availability in strategic locations where substantial water is used for cooling technical infrastructure.

Tracking progress

TNFD does not issue specific ICT sector guidelines. Thus, metrics from the global and additional guidelines may be adopted (Section 5). In addition, ICT companies having set land-based targets under SBTN can harmonise B4L commitments with Target 1 – No Conversion of Natural Ecosystems, as well as Target 3 – Landscape Engagement.

FINANCIAL SECTOR

Context

The mobilisation of the financial sector for climate change and nature outcomes has significantly increased over the past years. For target setting on nature, one of the relevant frameworks to guide action is the UNDP BIOFIN comprehensive framework for biodiversity finance, which calls for the financial sector to:

- Generate revenue.
- Deliver better.
- Realign expenditures.
- Avoid future expenditures.
- Catalyse.[28]

To better deliver, some 'best' practices are already in place in critical geographies for land restoration. For example, the Sustainable Investment Management launched a Responsible Commodities Facility to provide subsidised credit lines to soy farmers, who pledged to avoid conversion of the Brazilian Cerrado or savannah.[29]

Examples of targets

- Commit X USD of new investments to existing funds contributing to land restoration by 2025.
- Commit to stop investments that contribute to land degradation and re-allocate X% of that amount to land degradation neutrality by 2025.
- Endorse a multi-asset strategy to prevent future land degradation and the associated revenue loss across all assets owned and/or managed by 2026.

Tracking progress

The financial sector can refer to the TNFD sector guidance for financial institutions on disclosure. However, due to the scope of the financial sector, the document's advice on land-related metrics and indicators for disclosure align with the core metrics of the global TNFD recommendations.[30] In addition to TNFD, the sector can refer to several investor pledges and initiatives that have been developed as joint actions For example, in 2020 a group of 26 financial institutions launched the Finance for Biodiversity Pledge which includes a commitment to set and disclose targets in order to increase positive and reduce negative impacts on biodiversity.

As B4L includes a financing pillar, B4L will prioritise engagement of the financial sector through the financing pillar to close the gap on financing LDN globally including in low- and middle-income countries.

INSURANCE SECTOR

Context

Acknowledging the impact of land degradation on its sector, the insurance industry has started to launch products, tools and solutions to mitigate land degradation-related risks. For example, some of the most common indices used to build agricultural index insurance contracts now include the normalised difference vegetation index and the area yield agricultural index.[31]

The insurance sector is also starting to react to evidence on the impact of land degradation on other sectors than the food and agriculture sector, such as home insurance. In recent storms, the wind protection value of mangroves in reducing house damage amounted to approximately USD 177 per hectare.[32]

Examples of targets

- Conduct a materiality assessment of land-related impacts across the portfolio by 2025.
- Increase total monetary value of insurance products offered to support the restoration and rehabilitation of land.

- Reduce by X% by 2030 the share of companies insured with links to deforestation/land conversion.
- Require the formal consultation of Indigenous Peoples and Local Communities in 100% of land use change interventions across our direct operations by 2025.

Tracking progress

TNFD core metrics provide a set of relevant indicators for this sector to disclose its interdependencies with land. However, the insurance sector can also refer to sectoral guidance based on the solutions offered notably to the food and agricultural sector, and to the real estate and construction sector (see relevant sections in this report).

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