

# Nature Action Playbook

A Step-by-Step Approach to  
Building a Nature Roadmap

**WATCH &  
JEWELLERY**

INITIATIVE 2030

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The Nature Action Playbook provides guidance for companies starting their nature journey. It was developed in the alignment with WJI 2030 Nature Roadmap, and it aims to help companies operationalise it. After a year of testing with the WJI 2030 members, guidance is released to public in January 2026. As the nature-business landscape keeps evolving this document will be updated when needed. We also invite you to share your feedback with us to help us keep this guidance relevant and helpful. If you want to help us make this document better, please do reach out at [together@wjinitiative2030.org](mailto:together@wjinitiative2030.org). WJI 2030 developed this guidance for companies in watch and jewellery sector, however, the initial steps are sector agnostic and can help any company regardless of the sector they operate in, to understand their interface with nature.

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# Introduction

The nature and business nexus is a relatively new topic in sustainability. It has only been around for the last couple of years, compared to topics of climate or water, which have been the focus of sustainability work for the last couple of decades. Because of this, stakeholders are still defining what and how should be done to address this topic. There is a lot of new material available, but this can make it hard for companies to understand how to connect all the pieces together and how to approach the topic of nature. This is slowing down the progress businesses are making towards protecting our planet.

To address this issue, the Watch and Jewellery Initiative 2030 (WJI 2030) is developing a series of sector-focused tools aimed at helping companies at different nodes of the watch and jewellery value chain identify, understand and act on their impacts and dependencies on nature. The first such resource was a document called Nature Primer, published in late 2023, which, in only a couple of pages, set the scene for nature in the business setting. It already outlined the steps companies will need to consider started progressing on this topic.



Building on this primer, in the following year, WJI 2030 released a full sector-level Nature Roadmap, which serves as a reference document for any company in the sector, and beyond solely watch and jewellery sector, to really understand how companies interact with nature, what the business interface with nature is and how it needs to be addressed. This includes screening the impacts and dependencies, prioritising areas for actions, completing impact assessments, setting targets and disclosing the work. This process is framed by the ACT-D framework: assessing, committing and disclosing publicly what the company is doing about its interface with nature.

The WJI 2030 Nature Roadmap is a very detailed and comprehensive source of information for anyone across any sector who needs to understand what and how companies need to do to start their nature journey. The nature journey is a process which starts with companies defining their current situation and setting up a plan for future actions that will ensure both the resilience of the business to any nature-related changes and the recovery and protection of nature from the impacts associated with the companies' value chain.

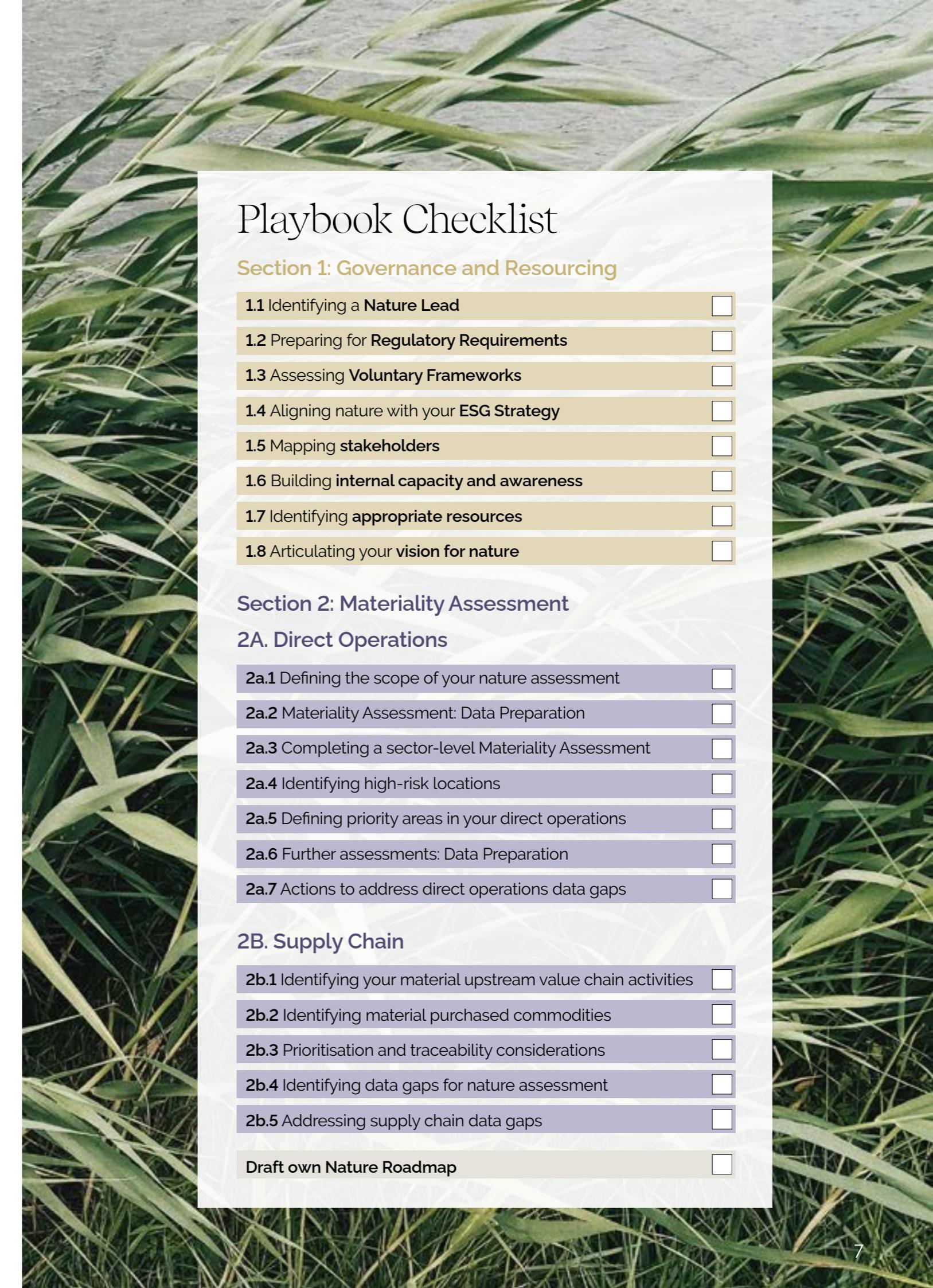
## INTRODUCTION

The WJI 2030 Nature Roadmap provides guidance at the sector level, so the next step was to translate it into practical action for companies. Therefore, WJI 2030 worked with a team experienced in supporting companies on their nature journeys to develop the Nature Action Playbook, which sets out concrete steps to get started. The Nature Action Playbook is a set of guidance documents that cover what we suggest being the first 20 steps on the nature journey. While there are many ways to do this work, the proposed path may be easiest for companies to start engaging with nature and building internal understanding and buy-in. With these steps, companies will complete the first screening to understand what the priorities are and what should be the next in-depth steps that companies should take in the future. Guidance consists of 20 questions and answers with numerous additional resources, templates, external references and additional materials for those who want to dive in deeper. The guidance is split into two main sections: Governance and Resourcing, and Materiality Assessment.

The first one focuses on governance, the internal organisation of nature-related work within the company across the teams, both vertically and horizontally. This section helps companies understand which information companies need to collate to start the journey with confidence and clarity. It helps define the scope of work, the responsibilities and the frameworks in relation to which company will start developing its nature journey. The final part of this section is focused at helping companies define their level of ambition and their vision for nature.

Once the governance is set, companies can start working on nature materiality screening. Several different publicly available tools are proposed here, guidance on how to use them and a list of additional content. Through the developed templates, companies can get an idea on how to go about collecting data to support screening and future impact assessments, with the final aim of prioritising hotspots of potential impacts and dependencies that companies should focus on to get a full understanding of the risks and impacts associated with nature. Having this clarity, the company will be able to define the next steps, such as impact assessment, action plan development, strategy development and taking action on the ground.

The Nature Action Playbook guidance was developed in 2024 and has since been used and tested by WJI 2030 members. The test phase provided valuable insights on specific challenges and solutions that are applicable to different types of companies because member cover variety of business types in this value chain. This includes differences both regarding their position in the value chain - from processing companies, midstream suppliers manufacturing specific components and then all the way to brands and retail companies, and regarding their size - the membership includes a range of companies from SMEs, even one person companies, to large multinational luxury groups. All of these learnings during the test period and review of the progress of the members helped us further improve the guidance, and we are now ready to release it to the general public. While this document is primarily aimed at companies operating within the watch and jewellery industry value chain, companies from other sectors can also benefit from this guidance.



## Playbook Checklist

### Section 1: Governance and Resourcing

- 1.1 Identifying a Nature Lead
- 1.2 Preparing for Regulatory Requirements
- 1.3 Assessing Voluntary Frameworks
- 1.4 Aligning nature with your ESG Strategy
- 1.5 Mapping stakeholders
- 1.6 Building internal capacity and awareness
- 1.7 Identifying appropriate resources
- 1.8 Articulating your vision for nature

### Section 2: Materiality Assessment

#### 2A. Direct Operations

- 2a.1 Defining the scope of your nature assessment
- 2a.2 Materiality Assessment: Data Preparation
- 2a.3 Completing a sector-level Materiality Assessment
- 2a.4 Identifying high-risk locations
- 2a.5 Defining priority areas in your direct operations
- 2a.6 Further assessments: Data Preparation
- 2a.7 Actions to address direct operations data gaps

#### 2B. Supply Chain

- 2b.1 Identifying your material upstream value chain activities
- 2b.2 Identifying material purchased commodities
- 2b.3 Prioritisation and traceability considerations
- 2b.4 Identifying data gaps for nature assessment
- 2b.5 Addressing supply chain data gaps

Draft own Nature Roadmap

## INTRODUCTION

# About the Nature Action Playbook

Nature Action Playbook is a set of guidance documents and templates, developed to support companies in the starting steps of their nature journey. Upon answering the 20 questions, companies should be able to draft their own Nature Roadmap, defining their current position, ambition and actions that they aim to take toward nature. Guidance is organised in two main topics – Governance and Materiality screening. Materiality is further divided into direct operations and supply chain, to reflect different data availability, and operational control companies have over the two segments of their value chains. Downstream is not included here for several reasons. The tools available to estimate the impacts of downstream value chains are not as developed as those for upstream nodes of value chains. At the same time, the downstream impacts of the watch and jewellery sector are lower due to the nature of the products - the luxury items are made to last, and are very rarely discarded, producing waste. Packaging and marketing items are likely the largest contributors to downstream impacts.

The two main sections are split into questions, guiding companies through the steps of their nature journey. Each question is followed by an explanation of why this topic is important for a company. To help companies answer the questions, a set of clear, simple steps is given that companies can take to answer each question. Where appropriate, templates are provided through links to the online versions, which can help companies complete suggested actions. These are tables with preformatted columns and rows, or text documents providing examples of how something can be written. All of these templates are provided as guidance or suggestions only and can be formatted to add any additional information or categories of data that are relevant for your company.

Companies that are already collating some of the needed data or have otherwise started these steps may have in place different documents and forms. In these cases, it is not expected that companies switch to what is suggested here, but they can choose to cross-reference the two sets of documents to ensure nothing is missing in their current approach.

After addressing all the questions proposed in the Nature Action Playbook, companies can use the [Nature Roadmap template](#) document to group their answers into sensible sections of their own Nature Roadmap.

Because SMEs often have different processes in place and different resources available, this guidance tries to reflect on how each of these questions can be adjusted to make it easier for SMEs to follow the same guidance. In some of the 20 questions, different approaches or requirements are highlighted that SMEs can consider when completing these steps.

For those who want to dive deeper into certain topics, additional guidance and further readings are suggested to help them navigate the growing body of resources on this topic.

While the guidance is extensive, the practical steps companies can follow are organised in clear, bite-sized steps with concrete guidance. Such an approach will hopefully help any company, regardless of their size, maturity or position in the value chain, to advance in these initial steps of their nature journey.

## FAQs

### FAQ

#### **Do I need to follow the steps outlined in the Nature Action Playbook in the order they appear?**

The Nature Action Playbook is simply a guideline, providing a logical step-by-step flow to develop your Nature Roadmap. The process is, however, completely flexible and may be used in a way that best aligns with your existing work, processes and/or policies.

### FAQ

#### **Can we develop our company's Nature Roadmap on our own, without external support?**

Yes, absolutely. The Nature Action Playbook intends to break down the process into simple yet pragmatic steps and templates for any individual/team to follow, regardless of nature capabilities or prior experience. All recommended tools and datasets are publicly available and free to access so these should not limit you either. If you still feel additional advisory would be valuable, you may choose to seek external guidance and still follow the NAP.

### FAQ

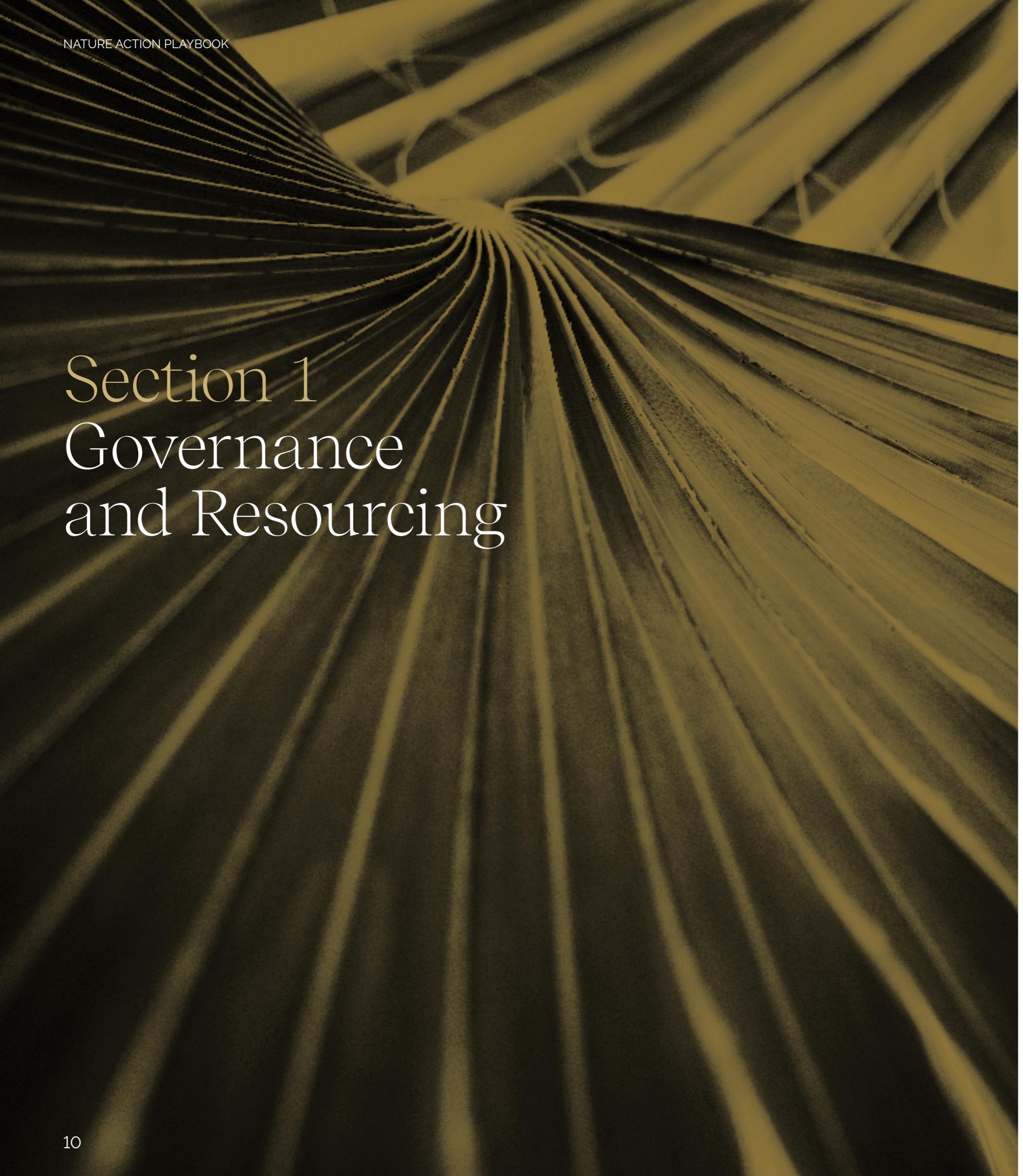
#### **What if I have already taken another approach to developing our Nature Roadmap?**

Don't worry if you have followed a different approach. The Nature Action Playbook aims to be a supportive guide for companies at any stage of the nature journey. For example, some WJI 2030 members who had already advanced before using the Nature Action Playbook chose to use the guidance as a checklist to validate their approach. Others have used it to review and update certain steps, aligning with the NAP process and strengthening their overall approach. The most important thing is that your process and rationale for the approach are well documented.

### FAQ

#### **What should our Nature Roadmap look like?**

There are no requirements for your Roadmap to be formatted or designed in a particular way. The Nature Action Playbook provides practical templates for certain steps of the process as well as a source of visual inspiration. You may choose to use the [Nature Roadmap template](#), which is an illustrative template that details suggested content for each section of your Roadmap, in accordance with Nature Action Playbook steps. These templates should be adapted to meet your specific needs.



# Section 1

## Governance and Resourcing

The Governance and Resourcing section helps teams establish the frame within which to operate. This means clarifying responsibilities, resources and requirements the company needs to be aware of when planning and implementing its nature journey. One of the main aims of this section is to demonstrate and document that companies already are doing many things to address their interface with nature, even if the main driver was not defined in such a way. Most parts of a sustainability agenda are intrinsically linked to nature (climate, water, circularity, human rights, benefit sharing...). Understanding this and linking efforts can reduce burden and bring cost-benefit optimisations that will make the business more resilient to nature-related risks in less time.

These steps are generally completed only once, as they serve to define the framework within which the company will tackle its interaction with nature. However, after the initial screening is completed, and data assessed, it could be possible that companies realise some of the regulatory or voluntary frameworks should be on their agenda and can therefore then update the relevant section of this work.

# 1.1 Identifying a Nature Lead

Have you identified a *Nature Lead* within your company?

The purpose of this action is to identify a qualified individual who will drive the company's strategic approach to integrating nature positive practices into its operations, ensuring alignment with sustainability goals and reducing the organisation's ecological footprint. The objectives of the Nature Lead position include developing and implementing strategies to conserve biodiversity, mitigate environmental risks, and embed nature-based solutions within the business. The scope of this role encompasses a broad range of responsibilities, including leading biodiversity stewardship efforts, ensuring regulatory compliance with existing reporting frameworks requirements, engaging internal and external stakeholders, and developing and leading projects that mitigate the company's impact on natural ecosystems.

While external consultancy support may still be necessary, appointing a Nature Lead will be vital for guiding progress on nature internally. Key outcomes of this position will include measurable reductions in the company's nature footprint, successful implementation of nature-based solutions, improved biodiversity at different levels of the value and supply chain, enhanced stakeholder participation and the embedding of a nature positive mindset throughout the organisation.



## Specific Steps:

### STEP 1

#### Establish the purpose and scope of the role.

Clearly outline the goals for the role as well as the area of influence within the company.

For the roles and responsibilities of the Nature Lead, you can refer to the *In-depth* box below.

- **Objectives:** Clearly outline the goals for identifying a Nature Lead. This could include implementing sustainable practices, mitigating risks, or driving innovation in products and services.
- **Area of business:** Decide which areas of the business will be included (e.g., supply chain, product development, marketing), the specific nature-related issues to address (e.g., biodiversity, water use, carbon footprint) and where the role will sit within your business. While many equivalent roles sit within sustainability functions, enterprise-wide centres of excellence or working groups—including existing ones established to address climate change—can be leveraged to support the Nature Lead in helping different functions to build capacity and roll out required actions.

### STEP 2

#### Define desired skills and attributes.

Based on the above, define what skills will need to be prioritised to address the goals and objectives of the company.

- **Technical skills:** This includes expertise in environmental management, data analysis, as well as previous knowledge of the company or its suppliers/customers.
- **Soft skills:** Emphasise the importance of communication, collaboration, problem-solving, and leadership skills, as the nature lead will work across departments and with external stakeholders.
- **Passion and alignment with the company's vision:** Seek candidates who demonstrate a genuine commitment to environmental issues and sustainability, as well as a strong alignment with the company's nature vision and commitments.

## 1.1 IDENTIFYING A NATURE LEAD

## STEP 3

**Define budget.**

Based on the company's commitments, including regulatory requirements as well as voluntary initiatives, the company should set out a prearranged budget for this role.

- **Scale of operations:** Larger companies may have more complex sustainability needs, necessitating a higher budget for the Nature Lead role.
- **Projected impact:** Consider the potential Return of Investment (ROI) of hiring a Nature Lead, such as reduced operational costs or risk, improved brand reputation, or enhanced compliance with regulations, helping to mitigate financial risks.

## STEP 4

**Prepare onboarding inductions.**

Be prepared to onboard the Nature Lead with all the necessary information that will inform addressing nature strategies and commitments.

- **Internal knowledge:** Collate any historical data on the company's operations related to nature (e.g. energy use, water consumption, etc.) and supply chain (e.g. commodity sourcing data). This will include previous sustainability reports (if available) as well as documentation around existing environmental policies and practices.
- **External knowledge:** Summarise past interactions with stakeholders related to nature, including feedback received from employees, suppliers, customers, and local communities. Request sustainability data from suppliers regarding their sourcing practices, environmental impact assessments, and any certifications they hold. This step will be outlined in more detail in section 1.5.

## STEP 5

**Monitor performance and provide feedback.**

Ensure that the new role addresses the gaps in your nature strategy and works collaboratively to ensure the successful implementation of your company's nature roadmap, once established.

- **Development:** Schedule regular meetings to discuss progress, challenges, and opportunities in achieving nature positive goals.
- **Check-ins:** Offer opportunities for ongoing training, professional development and attendance at relevant events to keep the nature lead informed about emerging trends and best practices in sustainability. This step will be outlined in more detail in section 1.7.

**Small and medium enterprises (SMEs)**

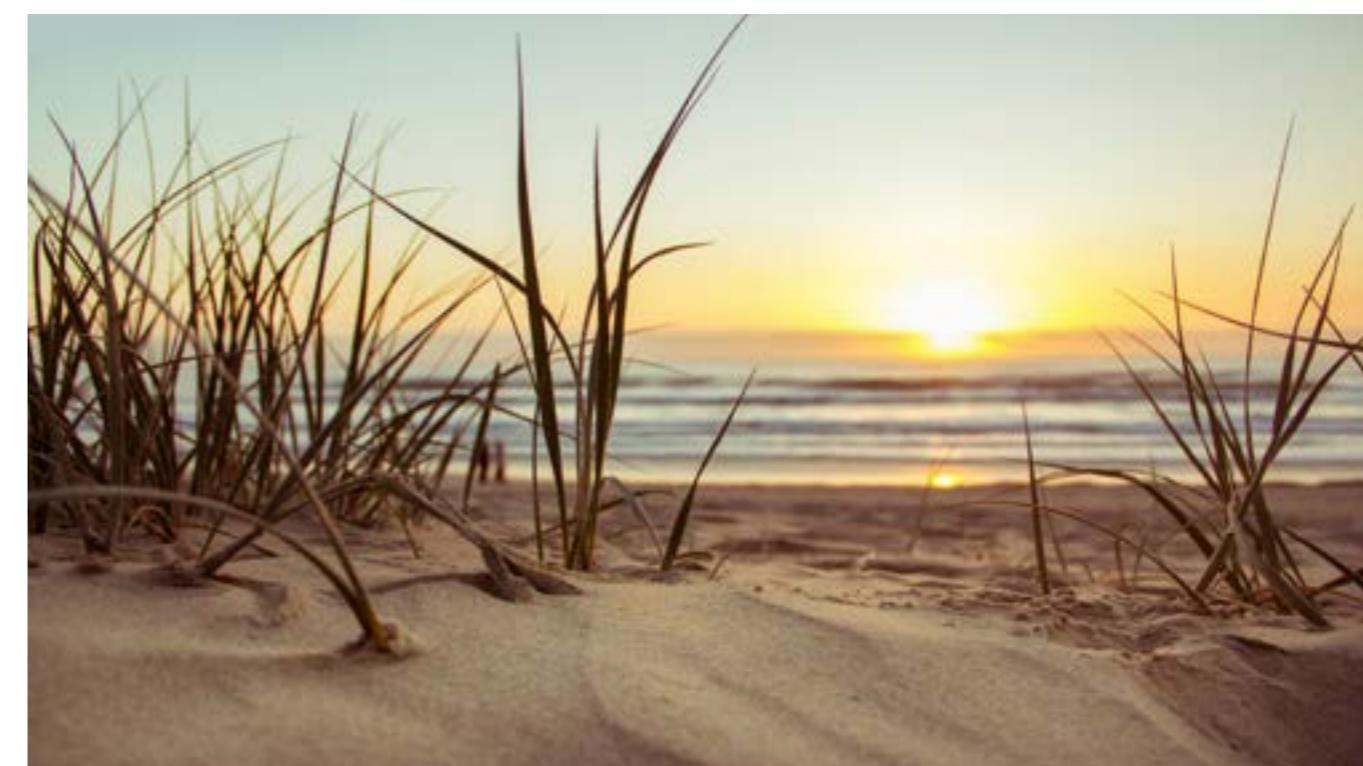
Small and Medium Enterprises (SMEs) are essential to driving nature positivity forward, even though they often operate with limited budgets and staffing resources, less maturity in the nature landscape, as well as competing priorities. Although these constraints can make it challenging to implement sustainable initiatives and carry out comprehensive measurements and reporting, it's important to acknowledge that significant progress is both achievable and necessary within SMEs.

Unlike larger enterprises, SMEs may benefit from adopting alternative strategies when seeking a Nature Lead. For example, they can consider shared roles or consultancy arrangements. By hiring a part-time sustainability consultant or distributing sustainability responsibilities across various departments, SMEs can effectively manage resource constraints.

This strategy not only allows for a more tailored approach to sustainability but also embeds nature-related initiatives more broadly within the organisation, fostering greater awareness among teams.

Additionally, SMEs can leverage partnerships and external support by collaborating with local universities, industry groups, or sustainability organisations to gain access to expertise and training. Engaging with business and community groups can also facilitate knowledge sharing and enhance sustainability efforts.

Lastly, instead of hiring externally, SMEs can invest in upskilling their existing staff through sustainability training programs. This approach helps integrate sustainability into the company culture without the need for new hires, empowering current employees to contribute meaningfully to the organisation's sustainability goals.



## 1.1 IDENTIFYING A NATURE LEAD

## In-depth:

## Responsibilities of a Nature Lead

The Nature Lead, potentially together with a Nature team or with the help of technical experts (e.g., consultants), will likely focus on the following tasks and responsibilities:

- Develop a clear vision and strategy** 
  - Create a clear vision for nature as the company's guiding principle, setting science-based targets and integrating them into a comprehensive strategy.
- Conduct an environmental impacts and dependencies assessment** 
  - Analyse how the company's operations, supply chains, and products to identify impacts, dependencies and associated risks related to the natural environment. (See the Glossary in Annex 1 for definitions of nature-related impacts and dependencies)
  - Develop priority actions to mitigate environmental harm and enhance sustainability.
- Ensure regulatory framework compliance** 
  - Stay informed about relevant environmental policies and frameworks, ensuring the company's compliance and leveraging these to guide nature positive strategies.
  - Support relevant teams in the preparation for required nature-related disclosures.
- Responsible sourcing and supply chain management** 
  - Collaborate with procurement to ensure sustainable sourcing practices that minimise environmental impact and promote circular economy principles.
- Build internal capacity and awareness** 
  - Foster collaboration across internal departments and with external stakeholders to co-create initiatives that promote biodiversity and ecosystem resilience. This could include leading an internal nature working group or centre of excellence.
  - Organise training programs to raise awareness, build capacity to implement priority actions, and strengthen buy-in and understanding of the relevance of nature to different functions within your business.
- Oversee nature initiatives** 
  - Lead the development, oversight, and delivery of nature-related initiatives, ensuring their appropriateness and integrity.



## Strengthen the integration of nature in your strategy

- Facilitate development, consultation and implementation of a company nature strategy, integrated within your enterprise-wide strategy.
- Align the company's ESG strategy with nature positive goals, recognising the interconnections between environmental sustainability, social issues, and governance.



## Engage with external stakeholders and initiatives

- Engage with diverse stakeholders, incorporating their feedback into nature positive strategies to build trust and collaboration.
- Represent the company at industry working groups and external multi-stakeholder initiatives.
- Coordinate sub-contracting arrangements with consultants or partners to deliver projects aligned with objectives.



## Additional Resources

- **The role of business within the Nature Positive journey: The "nature positive" journey for business: A conceptual research agenda to guide contributions to societal biodiversity goals, [White et al. 2024](#)**
- **Practical guidelines for businesses in developing their nature positive goals: [The Nature Strategy Handbook](#)**
- **Explanation of the key terminology surrounding nature positive goals and sustainable actions: [TNFD Glossary](#)**

## 1.2 Preparing for regulatory requirements

Do you understand the nature-related regulatory requirements for your company and the relevant reporting timeline?

Understanding the regulatory landscape around nature is essential for ensuring that your company not only complies with legal obligations but also actively manages nature-related risks and opportunities.

This understanding helps to build a foundation for implementing effective sustainability strategies, reduces the potential for legal liabilities, and enhances the company's reputation among stakeholders.

### Specific Steps:

#### STEP 1

##### Identify relevant laws for your region or country.

Conduct a regulatory landscape review, familiarising yourself with the various nature-related laws that may impact your business in the jurisdictions relevant to your direct operations and downstream consumers.

- **Consult international laws and agreements:** This can include treaties, conventions, and regulations from organisations such as the United Nations, World Trade Organisation, and regional agreements. Some notable frameworks to consider are:
  - The [EU Green Deal](#), which includes frameworks such as the Corporate Sustainability Reporting Directive ([CSRD](#)), EU Deforestation Regulation ([EUDR](#)) or other emerging regulatory frameworks (e.g., Corporate Sustainability Due Diligence Directive – [CSDDD](#)). We have provided more detail on CSRD and EUDR in the In-depth box below, which includes an update incorporating changes approved in December 2025 under the [Omnibus I package](#).
  - UNFCCC's [Paris Agreement](#) or the Convention on Biological Diversity's (CBD's) [Kunming-Montréal Global Biodiversity Framework \(GBF\)](#).
- **Consult with the European Commission Websites:** The [European Commission's website](#) is a primary resource for EU legislation. You can also find [detailed information about specific laws](#), their objectives, and who they affect. This can also include the [European Environment Agency \(EEA\)](#) to find resources and reports on environmental policies and regulations in the EU.
- **Consult resources from regulatory authorities:** Each State has its own regulatory bodies in charge of implementing international laws. These authorities often provide guidance specific to local companies and sectors. Visit their websites for resources related to compliance.

#### STEP 2

##### Review industry guidelines.

Gain insights into what the industry advises on.

- **Industry associations** often publish resources and guidelines that interpret EU laws for specific sectors. These documents, including the [WJI 2030 Nature Roadmap](#), can help you understand how laws apply to your business.

#### STEP 3

##### Conduct a compliance assessment.

Evaluate your company's activities against the requirements of relevant laws.

- **Legal experts or compliance professionals** who can provide clarity on how specific regulatory requirements apply to your business. They can help you navigate complexities and develop compliance strategies, considering factors such as the type of business (e.g., manufacturing, trading), the kind of products or services offered, as well as the geographic scope of operations (EU vs. non-EU).

#### STEP 4

##### Conduct a gap analysis.

Assess your current progress towards addressing the reporting requirements of each regulatory framework and the priority steps needed to ensure compliance.

- **Environmental professional consultants** can help you understand what is missing in your nature positive journey and what further steps you need to undertake.

#### STEP 5

**Implement priority actions to prepare for regulatory compliance.** Based on the kind of regulatory framework and the step that is missing to reach compliance, a plan can help to inform further steps.

- **Develop an action plan:** Based on the gap analysis, create a clear action plan to address any compliance gaps identified. This might involve adjusting operational practices, enhancing sustainability efforts, or adopting new processes that align with regulatory requirements.

## 1.2 PREPARING FOR REGULATORY REQUIREMENTS

**Small and medium enterprises (SMEs)**

The scope reduction of the Corporate Sustainability Reporting Directive (CSRD), approved in December 2025, removed companies with fewer than 1,000 employees and less than €450 million turnover from mandatory reporting, eliminating the need for a simplified mandatory standard for SMEs. Instead, SMEs are encouraged to adopt the voluntary sustainability reporting standards, which larger companies can request from them as part of their value chain reporting requirements.

Under the Omnibus I package adopted in December 2025 these voluntary standards are the maximum that companies within the scope of mandatory reporting can request from those in their value chain.

While these adjustments reduce immediate compliance pressure, SMEs should anticipate continued demand for ESG data from investors and supply chain partners, making adoption of the voluntary standards a strategic investment

**In-depth:**  
**Examples of regulatory framework requirements**

**Corporate Sustainability Reporting Directive - CSRD**

The Corporate Sustainability Reporting Directive (CSRD) is an important part of nature-related regulatory requirements, as it requires disclosure of environmental impacts, dependencies, risks and opportunities, including on biodiversity. The requirements support the EU's sustainability ambitions, by increasing the provision of reliable corporate sustainability information that allows the public, investors and regulators to accurately assess environmental performance.

The **Omnibus I package**, introduced in February 2025 and approved in December 2025, significantly altered the scope and content of CSRD disclosures. The "stop the clock" directive and "quick fix" legislation adopted earlier in the year had already delayed compliance deadlines. Associated European Sustainability Reporting Standards (ESRS) have also been revised, although these remain in draft form and retain most of the original requirements.

Key changes adopted throughout 2025 can be summarised as follows:

- **Timelines:** The CSRD originally took effect for financial years starting 1 January 2024, with first reports due in 2025 for companies previously under the Non-Financial Reporting Directive (NFRD), CSRD's predecessor. Now, reporting will only start from 2027 for EU companies and from 2028 for non-EU ultimate parent companies.
- **Scope:** Those in scope for mandatory reporting was originally EU companies exceeding two of 250 employees, €50 million turnover and €25 million on the balance sheet. Those thresholds have risen to companies with both 1,000 or more employees and €450 million or more turnover. Thresholds for non-EU companies have also increased.
- **Content:** In parallel the European Sustainability Reporting Standards (ESRS), which CSRD reporters need to comply with, have also been revised. Minimum general disclosures including materiality assessments are still required, as well as topic-specific disclosures including those under E4 Biodiversity and Ecosystems. However, sector-specific standards have been removed and the number of required data points has been reduced. These changes are designed to reduce the assessment burden of reporting. The revised ESRS are still in draft form, and are expected to be adopted in mid-2026.

There have also been changes to note on value chain (see earlier section on SMEs) and post M&A reporting.

To check if CSRD applies to your organisation, you can:

- **Review compliance information** – The European Commission's site provides comprehensive details on [CSRD scope](#), requirements and implementation timelines.
- **Review the latest Omnibus Regulation** – This legislative package redefined the scope and value chain requirements of reporting companies.
- **Assess your company size and structure** – Determine whether your organisation meets CSRD criteria, noting recent changes:
  - Large companies meeting asset, turnover or employee thresholds.
  - Non-EU companies with significant EU activities.
- **Review timelines for different requirements** – Prepare early for compliance and ensure systems are in place for sustainability reporting.

## 1.2 PREPARING FOR REGULATORY REQUIREMENTS

**EU Deforestation Regulation – EUDR**

The EU Deforestation Regulation (EUDR) is a key EU legislative framework designed to prevent deforestation and forest degradation linked to global supply chains. It ensures that products associated with deforestation are not placed on or exported from the EU market, promoting sustainable sourcing practices. The EUDR was adopted in June 2023.

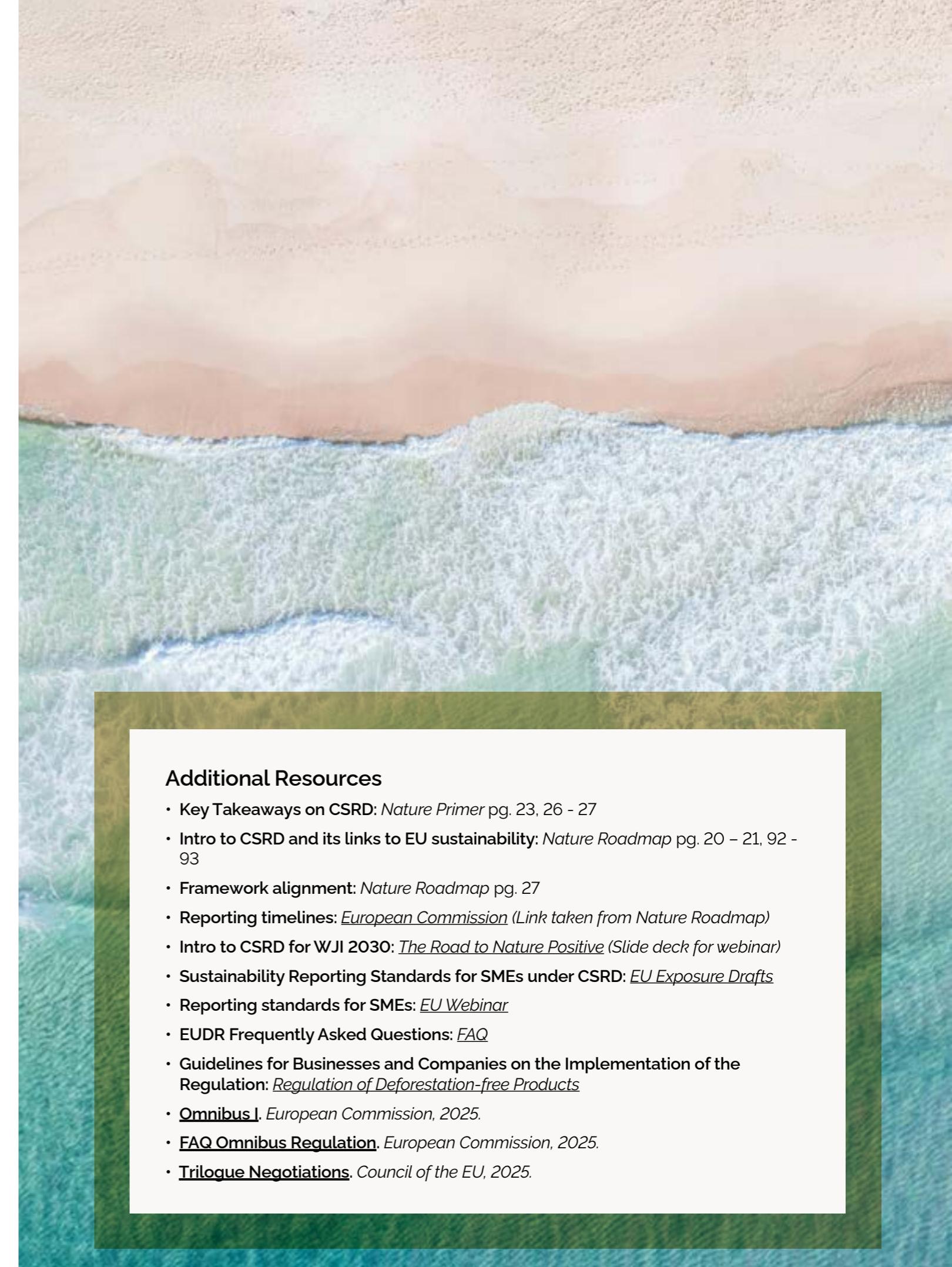
In 2025, there have been a number of updates to the legislation. A key one is that the original compliance deadline of 30 December 2025 has been extended to 30 December 2026 for large and medium operators and 30 December 2027 for micro and small operators.

To determine if the EUDR applies to your organisation, noting that there may be further changes agreed in the simplification review planned for April 2026:

- **Understand the scope of the EUDR** – Familiarise yourself with the key provisions and requirements of the [EUDR](#), which aims to prevent the placing of commodities linked to deforestation on the EU market. The regulation primarily targets specific commodities such as natural rubber, cattle (here relevant for leather) and wood products, but other products like packaging and office furniture might also come under the regulation.
- **Identify your business activities** – Assess whether your organisation is involved in:
  - Producing, processing, or trading the specified commodities.
  - Importing these commodities into the EU.
  - Selling these commodities within the EU market.
- **Review company size and type** – The EUDR applies to:
  - All companies operating in the EU that handle the relevant commodities, regardless of their size.
  - Non-EU companies exporting these commodities to the EU.
- **Review timelines for requirements** – Compliance obligations remain tied to the original deadline until amended, with proposed extensions as noted above.

**Due diligence obligations** – Companies must implement measures to verify that products are deforestation-free, including geolocation data, legality checks, and risk assessments, and submit a Due Diligence Statement (DDS). Recent updates allow annual DDS submission instead of per shipment, and limit that need for a DDS to only the operator that first imports the product to the EU market.

**Monitoring and Enforcement** – National authorities will oversee compliance. Penalties may include fines of at least 4% of EU turnover, confiscation of goods, and trading restrictions.



## 1.3 Assessing voluntary frameworks

Do you understand the relative benefits of different voluntary frameworks and how to determine which voluntary reporting standards your company might align with?

Voluntary nature-related frameworks are important for companies because they help manage nature risks, enhance corporate reputation, and meet growing investor and consumer expectations for sustainability.

By proactively addressing material nature-related risks, companies can reduce operational risks, improve resilience, and align with evolving market trends. These frameworks also enable businesses to differentiate themselves in competitive markets and attract responsible investments, fostering long-term value creation while contributing to global environmental goals.



### Specific Steps:

#### STEP 1

##### **Identify and review existing voluntary frameworks.**

Familiarise yourself with the various existing voluntary frameworks by conducting a landscape review of existing voluntary frameworks that may be relevant for your business and sector, such as the following:

- Taskforce on Nature-related Financial Disclosures ([TNFD](#)),
- Science-based Target Network ([SBTN](#))
- Other emerging Frameworks (e.g. [GRI](#), [ISSB](#))

Analyse the current and emerging regulatory trends that may impact your business and consider if aligning with a specific framework helps meet stakeholder expectations or regulatory compliance. For example, the TNFD and CSRD have an interoperability framework, with actions taken towards TNFD helping to meet CSRD requirements. Equally, the ISSB have signalled that they will look to the TNFD's recommendations when developing their next nature-related standard, having recently commenced a research project on biodiversity, ecosystems and ecosystem services.

#### STEP 2

##### **Review Industry guidelines and conduct a peer benchmark.**

Consider how your industry interacts with the environment, and review how peers are responding. Industry associations often publish resources and guidelines that interpret frameworks for specific sectors. These documents can help you understand which voluntary frameworks might apply to your business. For instance:

- [WJI Initiative 2030](#)
- [ICMM](#)
- [World Gold Council](#)

## 1.3 ASSESSING VOLUNTARY FRAMEWORKS

## STEP 3

**Identify your level of ambition.**

Understand your level of ambition and approach in managing your company's relationship with nature (see section 1.8).

- **Aim and goals:** Define your company's aims in relation to nature positive journey. Are you looking primarily to reduce your impact, mitigate risks and ensure compliance, or would you also like to demonstrate leadership among peers?

## STEP 4

**Consultation and decision making.**

Consult internally to decide on frameworks for future alignment.

- **Strategic alignment:** Ensure that the selected framework(s) align with your overall corporate sustainability strategy and can be integrated smoothly into existing processes.
- **Reach consensus:** Host internal workshops or meetings to evaluate the pros and cons of each framework and reach a consensus on which frameworks align best with your company's strategic goals and sustainability priorities.

## STEP 5

**Conduct a gap analysis.**

Evaluate your current progress towards the selected framework(s)' recommendations and associated gaps.

- **Collate and review internal nature-related data, policies and documentation:** This information should address aspects related to your strategy, risk management, governance, and metrics and targets. This information can be used to assess progress towards each of the recommendations of the respective voluntary framework(s).
- **Identify gaps:** Screen data collection, reporting, or operational practices that need to be addressed to comply with the selected voluntary frameworks.

## STEP 6

**Create an Implementation Roadmap.**

Develop an action plan with clear, prioritised actions and timelines for addressing identified gaps and progressing towards full alignment with the voluntary framework. This plan should also include:

- **Data collection and reporting mechanisms**
- **Stakeholder engagement strategies** (see section 1.5)
- **Training and capacity-building for relevant departments** (see section 1.7)
- **Milestones for compliance and disclosure**
- **Resource requirements** across your teams, including budget, expertise, and data and tools needed for sustainability reporting or target-setting (see section 1.8)

**Small and medium enterprises (SMEs)****TNFD**

The guidance published by the TNFD is relevant to Small and Medium Enterprises (SMEs). These smaller companies can have a stronger and more direct relationship with nature-related impacts, dependencies, risks and opportunities (See the Glossary in Annex 1 for definitions), although they might have fewer options in diversifying resources or sourcing to meet sustainability requirements.

Adoption of the TNFD framework can help SMEs with meeting requests from their suppliers and downstream customers, or parent companies. However, the TNFD recognises that SMEs may require more support in order to align with the TNFD's recommendations due to capacity constraints. Additional guidance and recommendations are currently being developed for SMEs to help reduce the burden of highly technical and data-intensive reporting requirements.

## 1.3 ASSESSING VOLUNTARY FRAMEWORKS

**In-depth:**

## Examples of voluntary framework requirements

### Taskforce on Nature-related Financial Disclosures - TNFD

TNFD provides a framework to identify, manage and respond to nature-related financial risks and opportunities, ensuring companies consider nature in their decision-making and reporting.

Determining whether you choose to adopt the Taskforce on Nature-related Financial Disclosures (TNFD) as a framework involves assessing your business's activities, stakeholder expectations, and the nature of your operations.

While TNFD is currently a voluntary framework, increasing pressure from investors and regulators may lead to future mandatory nature-related disclosures. TNFD is strongly linked to other reporting frameworks and standards, as not only is there an interoperability between TNFD and other regulatory frameworks such as CSRD, but TNFD is also expected to inform ISSB's next nature standards.

Here's how to evaluate whether you would like to adopt the TNFD, and to understand the associated timelines:

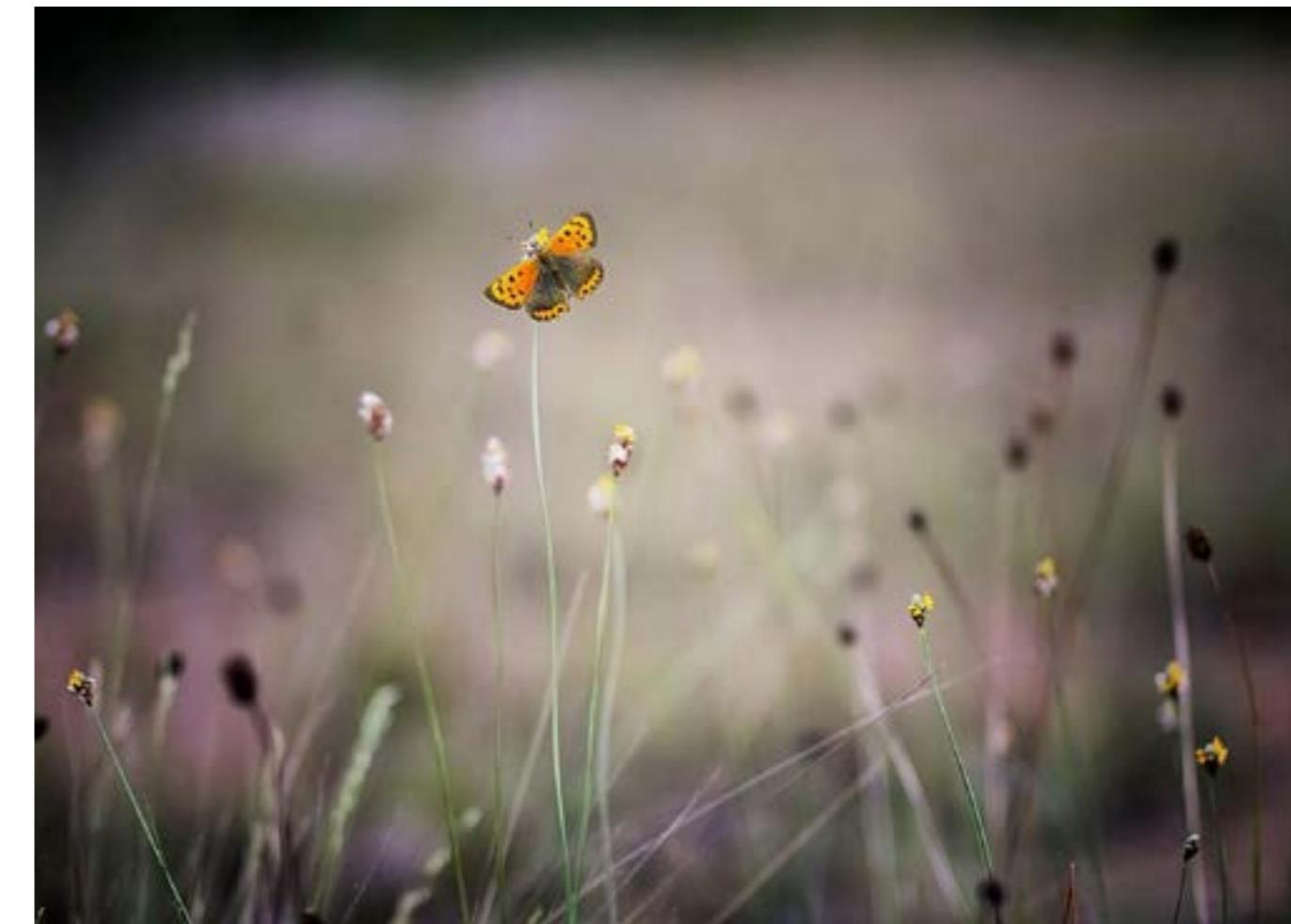
- **Identify your goals:** Understand your ambition and approach in managing the links your company has to nature.
  - TNFD focuses on managing nature-related risks and opportunities for disclosure, but also to inform a company's business strategy – does that align with your company's vision?
- **Define the character of ambition:** TNFD can be the right choice if your company is ready to:
  - Focus on risk management and reporting
  - Prioritise risk disclosure and integrate nature-related financial risk into their nature strategy
- **Define the alignment of the framework with your industry type:** TNFD focuses on financial risk and can therefore be more suitable to businesses with high financial exposure connected to environmental degradation.
- **Stakeholders' requirements and regulatory trends:** Understand your commitment to nature in relation to your stakeholders. The TNFD may be more relevant if stakeholders (e.g., investors, regulators) are requesting disclosure of nature-related risks, alongside climate risks.
- **Identify the resources needed to align with each framework:** Assessing each framework based on its information and capacity requirements can help you to prioritise which to align with in the short-term (e.g. TNFD), and which could be longer-term ambitions once you are further along in your journey (e.g. SBTN).

In the case TNFD applies to you and your type of operation, you can start by:

- **Conducting a TNFD gap analysis.** Start by reviewing your current progress in relation to the TNFD's recommended disclosures. This analysis should also include a peer benchmarking component to help inform your initial level of ambition.
- **Conducting a nature-related risk assessment.** By using the TNFD's [LEAP Approach](#), you can begin to locate and evaluate the nature-related impacts and dependencies within your value chain, and to assess potential associated risks and opportunities. This approach can help you to prioritise clear actions based on which areas are most material for your business, both in terms of the impact you may have on nature, as well as the potential financial materiality of biodiversity loss on your business. (See the Glossary in Annex 1 for definitions of nature-related impacts and dependencies, risks and opportunities)

The TNFD was launched in 2021, aiming to create a framework for organisations to disclose their nature-related risks and opportunities.

The [final TNFD framework](#) was released in 2024, **together with other supporting documents** (e.g., [Sector-specific guidance](#), [Getting started](#), etc.). Companies that choose to align with TNFD should be prepared to align their disclosures and reporting practices.



## 1.3 ASSESSING VOLUNTARY FRAMEWORKS

**Science-based Target Network - SBTN**

SBTN focuses on setting measurable, science-based targets for nature, helping companies align with global ecological boundaries.

Setting targets aligned with the Science Based Targets for Nature (SBTN) framework involves specific requirements and timelines that help organisations set and communicate science-based targets for nature and ecosystem health. In addition to that, SBTN is aligned with the GBF goals for biodiversity and with the planetary boundaries framework.

- **Identify your goals:** Understand your ambition and approach in managing the links your company has to nature:
  - SBTN focuses on setting achievable targets to reduce environmental impacts – does that align with your company's strategy?
- **Define the character of your ambition:** SBTN can be the right choice if your company is ready to:
  - Take proactive action to address nature-related impacts
  - Looking to set specific targets to drive operational changes and achieve measurable nature positive outcomes.
- **Define the alignment of the framework with your industry type:** Currently, SBTN is more typically applied by companies with agri-based value chains that would like to set actionable goals to manage their nature-related footprints. However, while it might be more difficult to align the watch and jewellery sector's value chain to SBTN, the stepwise approach can still be very informative for guiding you in setting clear actions and targets.
- **Stakeholders' requirements and regulatory trends:** Understand your commitment to nature in relation to your stakeholders.
  - SBTN might be more relevant if your focus is on **external sustainability commitments** and you're trying to show **leadership** in environmental responsibility by aligning with global nature goals.
- **Identify the resources needed to align with each framework:** Assessing each framework based on its information and capacity requirements can help you to prioritise which to align with in the short-term (e.g. TNFD), and which could be longer-term ambitions once you are further along in your journey (e.g. SBTN).
  - SBTN requires a substantial amount of data and enough capacity for target setting to be able to establish baselines and monitor progress towards targets. Traceability should be consistent across your supply chain to be able to follow SBTN's guidance for steps 1 and 2. As a first step, TNFD can help set the foundations needed for SBTN.

In the case SBTN applies to you and your type of operation, you can start by:

- **Sign up for SBTN Corporate Engagement Programme:** An opportunity to provide feedback to SBTN's development of methods, tools and guidance.
- **Get familiar with the SBTN Corporate Manual:** In it, you will find important guidance on where to start and what to consider when starting your SBTN journey.
- **Review internal data** from sustainability reports, environmental audits, and performance assessments to see where your company already tracks environmental data.

The Science Based Targets for Nature (SBTN) was officially launched in July 2020, and the latest guidance documents for setting targets for Land and Freshwater were published in 2024. Organisations are encouraged to conduct their baseline assessments and set targets within the first 12 months of committing to the SBTN framework.

- **Annual Reporting:** After establishing targets, companies should provide annual updates on progress, ideally aligning this with their existing sustainability reporting cycles.

**Additional Resources**

- **Key Takeaways on SBTN and TNFD:** *Nature Primer* pg. 23, 24 - 25
- **Intro and overview of SBTN:** *Nature Roadmap* pg. 17
- **Understanding process and scope of initial screening of SBTN:** *Nature Roadmap* pg. 41
- **Case study on SBTN and TNFD benefits and use:** *Nature Roadmap* pg. 66 – 67
- **Purpose of SBTN and TNFD:** *Nature Roadmap* pg. 92
- **Intro to TNFD and SBTN for WJI 2030:** *The Road to Nature Positive* (Slide deck for webinar)
- **Getting started on SBTN:** *SBTN Corporate Manual*
- **Getting started on TNFD:** *Getting started with adoptions of the TNFD Recommendations*
- **Getting started on TNFD and SMEs:** *Getting started with the adoption of the TNFD Recommendations*
- **Interoperability between TNFD and CSRD:** *Webinar*

## 1.4 Aligning nature with your ESG Strategy

Have you identified how nature-related topics fit within your broader ESG and business strategy?

Integrating nature-related topics into your ESG strategy is essential for a comprehensive approach to sustainability, as this can address key issues like biodiversity, resource conservation, and ecosystem health. Doing so helps mitigate climate risks, preserve natural resources, and meet evolving regulatory and stakeholder expectations, while enhancing long-term resilience and value creation.

Beyond ESG reporting frameworks, however, embedding a nature positive vision at the core of business operations involves setting clear goals and recognising the company's material impacts, dependencies, risks, and opportunities related to nature across the value chain (See the Glossary in Annex 1 for definitions of nature-related impacts and dependencies, risks and opportunities).

### FAQ

**How do we define the scope of the Nature Roadmap - should we develop at the Group or Company level?**

The scope of your Nature Roadmap can be defined at either the Group or Company level. When deciding, it is important to take into account:

- Internal reporting structures
- Existing ESG- or nature-related work
- Operational realities

If sustainability or nature reporting is consolidated at the Group level or if procurement function is centralised, aligning and developing your roadmap at that level may be most appropriate. Conversely, if your company already has active sustainability or nature-related programmes, it may be preferable to develop the roadmap at the Company level.



## 1.4 ALIGNING NATURE WITH YOUR ESG STRATEGY

## Specific Steps:

## STEP 1

**Identify your touchpoints with nature throughout your existing strategy.**

This includes relationships between nature, water, waste, circularity and governance issues.

## STEP 2

**Map the details of these relationships within your strategy.**

Look at the relationships between nature and other ESG factors—such as how climate action supports biodiversity, how water stewardship links to human rights, and how pollution control relates to governance. This could be represented using a visual diagram ([see the template](#)).

## STEP 3

**Use this draft diagram or concept to help inform internal consultations around how nature fits within your strategy.**

This can help to socialise and build understanding and awareness ([see section 1.7](#)). This is also an opportunity to consult with different functions across your business, from procurement and commercial to risk management and reporting.

## STEP 4

**Gather information required for an early screening of your nature-related impacts and dependencies.**

Collate relevant data required for an early screening of your touchpoints with nature, both from an impact's perspective (both positive and negative, such as impacts on land use, water availability, pollution, and ecosystem services) and a dependencies perspective (such as reliance on raw materials, water, or ecosystem services). This will form the basis for a more in-depth assessment of potential materiality, either in line with CSRD's double materiality assessment or an SBTN-aligned materiality screening ([see section 2](#)).

**Table 1. Template:** Explanation of the intertwined connection between ESG and Nature-related issues in the face of the nature positive journey of businesses.

ESG	Description	Link to Nature Strategy	Data availability		Current progress	
			Direct Ops.	Supply chain	Direct Ops.	Supply chain
Environment	Climate	Climate change impacts biodiversity, ecosystems, and natural resources, making it crucial to adopt sustainable practices that mitigate these effects.	Refers to the company's efforts to reduce greenhouse gas emissions and adapt to climate change.			
	Water	Healthy ecosystems rely on clean and accessible water sources; responsible water management helps protect habitats and biodiversity.	Involves the management of water resources, conservation efforts, and the impact of water usage on communities and ecosystems.			
	Waste	Waste pollution can harm natural habitats and wildlife; effective waste management contributes to healthier ecosystems and reduced landfill impact.	Focuses on waste management practices, recycling efforts, and reducing overall waste generation.			
	Pollution	Pollution negatively affects ecosystems and public health; addressing pollution is essential for preserving biodiversity and promoting ecosystem resilience.	Encompasses air, soil, and water pollution resulting from industrial processes and other activities.			
Social	Human Rights	Healthy ecosystems support human well-being; protecting natural resources can prevent conflicts over resource scarcity and help ensure the rights of communities dependent on nature	Addresses the company's policies to ensure respect for human rights throughout the supply chain.			
	Community Engagement	Engaging with communities can foster environmental protection, as local knowledge is key to protecting biodiversity and managing ecosystems sustainably	Involves supporting local communities through education, job creation, and environmental stewardship.			
	Health and Safety	The preservation of natural ecosystems contributes to public health by reducing pollution and promoting cleaner environments	Ensures the company provides safe working conditions and prioritises the health of employees and local communities.			

## 1.4 ALIGNING NATURE WITH YOUR ESG STRATEGY

ESG	Description	Link to Nature Strategy	Data availability		Current progress	
			Direct Ops.	Supply chain	Direct Ops.	Supply chain
<b>Social</b>	<b>Supply chain management</b>	Ethical sourcing can prevent environmental degradation and biodiversity loss from the unsustainable extraction of natural resources.	Focuses on ethical sourcing, ensuring that products and materials are sourced responsibly and without harm to people or ecosystems			
	<b>Board Oversight and Accountability</b>	Strong governance structures are critical for ensuring accountability in corporate biodiversity and environmental protection goals.	Ensures the board has clear oversight of ESG risks and opportunities, including environmental and social risks.			
<b>Social</b>	<b>Ethics and Compliance</b>	Ethical governance supports compliance with environmental regulations, reducing risks of habitat destruction and promoting responsible use of natural resources	Emphasises transparency, anti-corruption, and adherence to legal standards in all business practices.			
	<b>Stakeholder Engagement</b>	Engaging stakeholders in sustainability initiatives can lead to better environmental outcomes and stronger biodiversity conservation efforts	Involves actively communicating and addressing the concerns of shareholders, employees, customers, and communities.			
	<b>Risk Management</b>	Effective risk management includes recognising and addressing nature-related risks, such as biodiversity loss, which can impact business operations and financial performance	Includes identifying and mitigating risks related to ESG factors, such as climate risks or environmental liabilities.			

**Small and medium enterprises (SMEs)**

ESG reporting standards and regulations are rapidly evolving, serving as a powerful catalyst for innovation, impact, and growth. This trend will significantly affect SMEs, as those unable to meet these ESG requirements risk facing increased downstream pressures from clients and investors.

For SMEs, aligning the nature journey with their ESG strategy involves a streamlined process that begins with identifying touchpoints with nature in their existing strategies, focusing, however, on direct impacts and dependencies rather than extensive value chains. This is followed by creating a simple visual map that illustrates the key relationships between nature and other ESG factors, such as climate and water stewardship.

Internal consultations are typically more informal, engaging a smaller group of stakeholders to gather diverse perspectives on how nature integrates into the overall strategy. Lastly, data collection for early screening of nature-related impacts and dependencies is less resource-intensive, relying on readily available internal data to assess significant areas without the complexity often found in larger companies.

By prioritising these steps, SMEs can effectively incorporate nature-related considerations into their sustainability efforts, enhancing their resilience and compliance with evolving regulatory expectations.

**Additional Resources**

- **ESG Reporting and Accountability framework development:** *Nature Roadmap* pg. 6
- **Industry baseline for ESG reporting:** *Nature Roadmap* pg. 19
- **Sustainability integration forms with ESG queries:** *Nature Roadmap* pg. 67
- **Partnership with ESG Book:** *Stakeholder Report* pg. 33
- **Member baseline survey – ESG Maturity:** *Stakeholder Report* pg. 28

## 1.5 Mapping stakeholders

Have you mapped internal and external nature-related stakeholders?

Mapping nature-related stakeholder groups is crucial for a company's mission to address environmental issues effectively. Stakeholders, such as local communities, environmental organisations, regulators, investors, and customers, each influence sustainability outcomes by offering unique perspectives and concerns. Understanding these viewpoints helps companies align their strategies with broader environmental and social expectations, fostering more balanced decision-making.



Engaging with stakeholders through dialogue enhances transparency, builds trust, and encourages collaboration, leading to innovative solutions and better risk management. To achieve this, it is essential to gather tailored information for each group, asking questions that reflect their specific needs and expertise, ensuring more comprehensive and relevant insights.

### Specific Steps:

#### STEP 1

##### **Begin mapping your known stakeholder landscape.**

This could include suppliers, initiatives, government agencies, NGOs, customers, and Indigenous Peoples and Local Communities (IPLCs).

#### STEP 2

##### **Engage with colleagues and employees.**

Start by seeking feedback through dialogue with your team members and employees. This will help kickstart actions.

- **Internal sustainability initiatives:** Identify existing projects or initiatives related to sustainability or nature conservation within the company.
- **Perceptions of nature-related risks:** Gather insights on how employees perceive the company's impacts and dependencies on nature.
- **Suggestions for improvement:** Solicit ideas for enhancing nature-positive actions and reducing nature-related impacts.

#### STEP 3

##### **Talk to suppliers.**

The biggest impact on nature will probably start at the beginning of your supply chain. Beginning to develop a stakeholder engagement strategy, prioritising Tier 1 upstream suppliers, can help you identify major nature-related issues. Ultimately, engaging with stakeholders can provide more detailed insights into the ESG strategy mapping process.

- **Sourcing practices:** Understand where and how suppliers source materials, including any certifications or standards they adhere to.
- **Environmental impact assessments:** Collect information about any assessments suppliers have conducted regarding their environmental impacts.
- **Collaboration opportunities:** Identify opportunities for collaboration on sustainability initiatives and improvements.

## 1.5 MAPPING STAKEHOLDERS

## STEP 4

**Engage with expert and interest groups.**

There is a wide range of nature experts (academics, NGOs, consultants) that can support your learning process in the nature journey.

- **Research and data availability:** Identify existing studies, reports, or data on nature-related issues relevant to the industry.
- **Best practices:** Gather insights on best practices and successful case studies from other companies or sectors.
- **Training and workshops:** Explore opportunities for training sessions or workshops to educate staff on nature-related issues.

## STEP 6

**Connect with Indigenous Peoples and Local Communities (IPLCs).**

IPLCs are ethnic groups who descend from and identify as the original inhabitants of a given region. Some WJI 2030 members have an opportunity to connect with these landowners, right holders and custodians of valuable knowledge in sourcing locations.

- **Traditional knowledge:** Document any traditional ecological knowledge held by IPLCs that could inform sustainable practices.
- **Rights and land ownership:** Understand the rights of IPLCs concerning land and natural resources in sourcing areas.
- **Community engagement:** Explore opportunities for partnership or engagement with local communities in sourcing and conservation efforts.

## STEP 5

**Engage with customers.**

Identify and understand the interest levels of your customers through engagement, data collection and analysis.

- **Customer awareness:** Assess the level of awareness and concern customers have regarding sustainability and nature-related issues.
- **Preferences and values:** Identify customer preferences related to sustainable products or practices.
- **Feedback mechanisms:** Establish channels for customers to provide feedback on sustainability practices.

**Small and medium enterprises (SMEs)**

Given their limited capacity and resources, SMEs can begin by creating open channels for dialogue with employees through internal workshops and brainstorming sessions. Improving internal communication about sustainability can also be achieved by introducing newsletters or designating specific staff members to share goals, progress updates, and personal success stories. To gain insights from their suppliers, SMEs can develop questionnaires to address key issues like material sourcing and water use. Unlike larger enterprises that can often set sustainability standards for their suppliers, SMEs need to work closely and collaboratively with them to identify and prioritise nature positive alternatives and practices.

Engaging with local NGOs, who often actively seek collaborations with companies on specific projects, can provide valuable expertise and support for the company's sustainability journey. Being deeply connected to local communities can be a significant advantage for SMEs, as it helps achieve local environmental goals and strengthens partnerships. Similar benefits can be realised by joining industry networks, with organisations like WJI 2030 serving as successful examples of such collaboration. Regarding customer expectations, it's crucial for smaller enterprises to map the needs and preferences of their customers. This can be done through direct conversations, formal surveys, and feedback forms. With a less complex value chain, SMEs can maintain more direct and personal engagement with stakeholders, building stronger and less formal relationships.

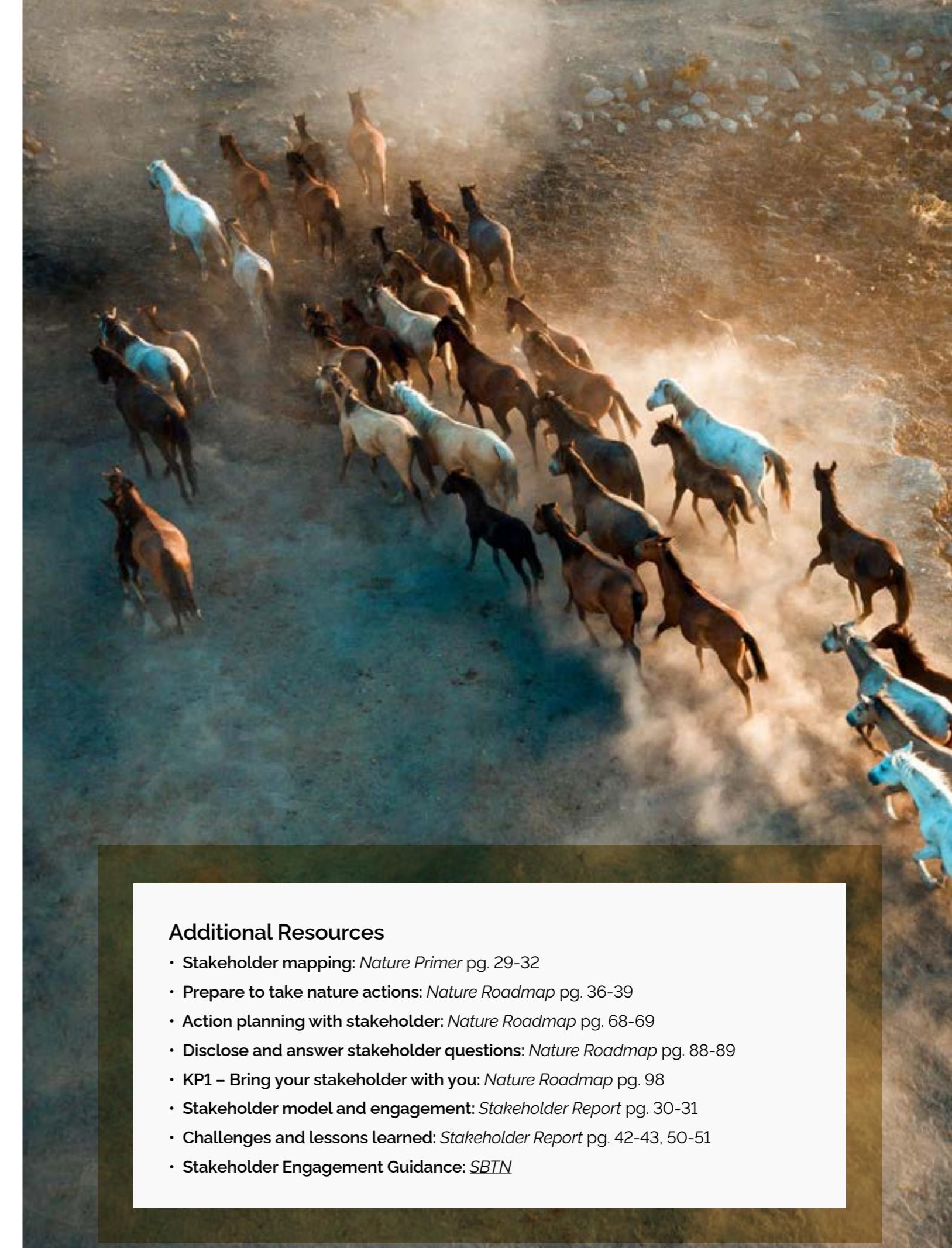
## 1.5 MAPPING STAKEHOLDERS

**Table 2. Stakeholders mapping template.**

Groups	Step of the journey <sup>1</sup>	Link to nature	Topics of interest	Ease of engagement	Nature-related initiatives	Contact
People and Teams						
<i>Employee A</i>						
Suppliers						
<i>Supplier A</i>						
<i>Supplier B</i>						
Customers						
<i>Customer A</i>						
Experts and Interest groups						
<i>Group A</i>						
IPLCs						
...						

Notes:

<sup>1</sup>Refers to the part of the journey that the stakeholder relates to most (e.g. voluntary frameworks, resource management, supplier engagement strategy, building internal capacity, etc.).

**Additional Resources**

- Stakeholder mapping: *Nature Primer* pg. 29-32
- Prepare to take nature actions: *Nature Roadmap* pg. 36-39
- Action planning with stakeholder: *Nature Roadmap* pg. 68-69
- Disclose and answer stakeholder questions: *Nature Roadmap* pg. 88-89
- KP1 – Bring your stakeholder with you: *Nature Roadmap* pg. 98
- Stakeholder model and engagement: *Stakeholder Report* pg. 30-31
- Challenges and lessons learned: *Stakeholder Report* pg. 42-43, 50-51
- Stakeholder Engagement Guidance: [SBTN](#)

# 1.6 Building internal capacity and awareness

Have you completed actions to build capacity and awareness of nature within your company?

Completing actions to raise nature awareness is crucial in a company's mission to address nature-related issues, as it fosters a culture of environmental responsibility across the organisation. By educating employees, partners, and stakeholders about the importance of biodiversity, resource conservation, and ecosystem health, companies can inspire more informed decision-making and sustainable practices at every level.

Encouraging employees to live sustainably is equally important, as it enables them to contribute to the company's sustainability goals through their own actions, ensuring that they can perform their jobs in a truly sustainable manner. This proactive approach not only helps mitigate nature-related risks but also creates opportunities for innovation and long-term value creation through sustainable development.



## Specific Steps:

### STEP 1

#### **Educating employees on the importance of nature to your business.**

It is essential for supporting an environmental culture and ensuring that everyone understands their role in promoting nature positive practices. Keep the company informed about biodiversity and ecosystems and the impact they have on the business. When mapping stakeholders, consider their skills and responsibilities to identify who needs specific training, ensuring the right people receive relevant education for the role they will cover in the company's nature positive journey.

- **Formal training programmes:** Develop structured training sessions that educate employees about the significance of biodiversity and sustainable practices. These programs can include workshops and seminars led by experts and include real-world examples of successful nature positive initiatives that will motivate employees and demonstrate the importance of their contributions to nature positive practices.
- **Partnerships with environmental organisations:** Collaborating with environmental organisations can facilitate workshops, guest speaker events, and volunteer opportunities that allow the company to engage directly with conservation efforts.

### STEP 2

#### **Promoting resource conservation practices.** Adopting sustainable policies within your company's operations offers numerous benefits that contribute to long-term success and resilience. Key initiatives include.

- **Efficiency programs:** By optimising energy and resource use, companies not only enhance productivity but also help employees understand practical steps they can take to reduce environmental impacts, fostering a culture of sustainability that aligns with the company's environmental goals.
- **Sustainable supply chain management:** Collaborating with suppliers who prioritise sustainable practices can strengthen your supply chain. This can position your company favourably in the marketplace, attracting customers who value environmentally responsible practices.

## 1.6 BUILDING INTERNAL CAPACITY AND AWARENESS

## STEP 3

**Design frameworks to support cross-function collaboration and upskilling.**

To ensure that this is done in line with nature-related topics, companies can begin to design governance frameworks that will encourage cross-function integration of nature (building on section 1.1), which could include:

- Identify opportunities for cross-department collaboration to integrate sustainability into all business functions, thus ensuring that every aspect of the company considers environmental impacts and aligns with nature-related priorities.
- Identifying the potential to establish or expand the scope of existing sustainability committees to facilitate communication, share best practices and develop a unified nature strategy.

## STEP 4

**Fostering innovation through sustainability** to ensure that an adequate budget is allocated and invested in sustainable technologies.

- **Allocate dedicated budget for green R&D:** Set aside funds specifically for researching and developing sustainable technologies, processes, and materials that minimise environmental impact.
- **Establish sustainability criteria in product development:** Ensure that sustainability is a core factor in designing new products, services, and technologies.

## STEP 5

**Building environmental responsibility into corporate culture** by implementing sustainability programs and campaigns, incentivising employee to build a group culture of environmental awareness.

- **Launch nature positive campaigns:** This can rely on internal communication such as newsletters or workshops, to share initiatives, goals and success stories focusing on environmental awareness.

**Small and medium enterprises (SMEs)**

For SMEs, raising nature awareness is vital for effectively addressing environmental issues and cultivating a culture of responsibility. By educating employees and stakeholders about biodiversity and resource conservation, SMEs can inspire informed decision-making that directly impacts their operations. Unlike larger companies, SMEs can implement personalised training and engagement initiatives that foster close-knit relationships among team members, enhancing motivation and accountability. This grassroots approach not only empowers employees to contribute to sustainability goals but also helps SMEs differentiate themselves in the market, attract eco-conscious customers, and mitigate risks. Ultimately, this focus on nature awareness can lead to innovative solutions and long-term value creation tailored to the unique strengths of smaller enterprises.

Educating employees on the importance of nature to your business can be done effectively in SMEs through informal workshops, newsletters, or team meetings. These personal and direct approaches ensure active communication on nature-related topics. Promoting resource conservation practices that can start on a smaller scale, such as reducing paper use in the office or fostering a nature-aware culture by introducing green spaces and rewilding local areas with native species. Encouraging sustainable decision-making in SMEs can involve smaller groups of leaders, making the integration of sustainability into decisions more straightforward. Fostering innovation through sustainability can focus on employee-led projects, leveraging internal creativity rather than external sources. Thus, building environmental responsibility into corporate culture is often easier in SMEs due to their close-knit teams, where personalised initiatives and dedicated advocates create a strong sense of ownership and commitment to sustainability.

**Additional Resources**

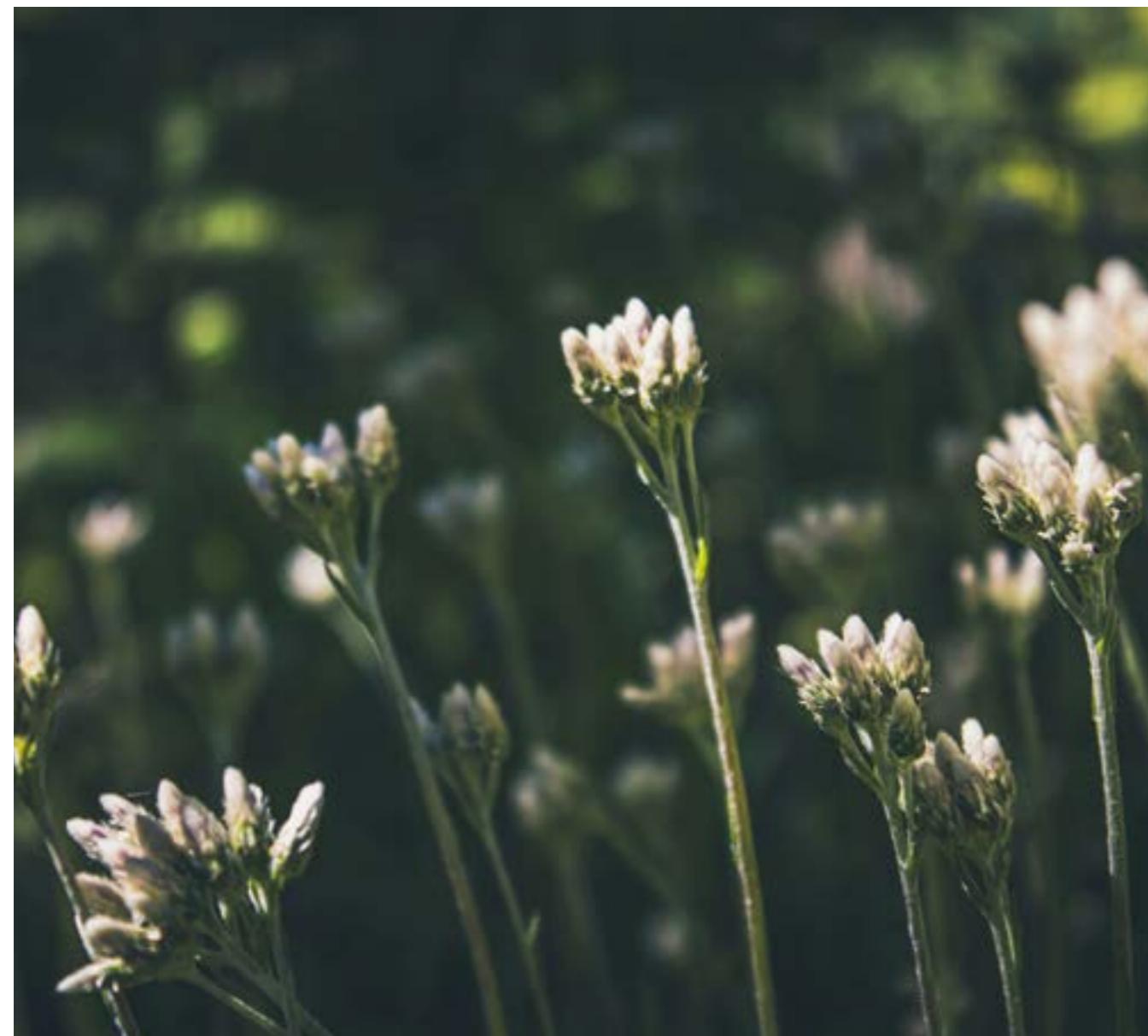
- **KP1 – Bring your stakeholder with you:** *Nature Roadmap* pg. 98
- **Checklist – Assess:** *Nature Roadmap* pg. 50-51
- **Nature Awareness – Step 1 of Nature Positive Roadmap:** *Nature Primer*, whole document
- **Challenges and lessons learned:** *Stakeholder Report* pg. 42-43, 50-51
- **Drivers of biodiversity loss:** *Stakeholder Report* pg. 14-15, *Nature Primer* pg.15
- **Nature actions,** *Business for nature*

## 1.7 Identifying appropriate resources

Have you identified the appropriate resources required (data, human and financial) and time to be allocated to address nature within the company?

Identifying the appropriate resources is essential in the early stages of addressing nature-related issues within a company. Having access to reliable environmental data allows for accurate assessment of nature-related risks and impacts. Human resources, including internal expertise and external consultants, are crucial for developing and executing strategies.

Allocating the necessary financial resources ensures that initiatives are properly funded and can be sustained over time. Clear time allocation for these efforts is also key, allowing for realistic goal setting and progress tracking. This careful planning ensures that the company is well-equipped to implement nature-focused actions effectively and strategically.



### Specific Steps:

#### STEP 1

**Identify human resource requirements** and use these requirements to assess the availability of required expertise within and outside the company. In previous steps, identifying the links of your nature positive journey to your ESG strategy will have helped to identify potential structural gaps and current progress in your nature positive journey. In that regard, the stakeholder mapping then supported the identification of knowledge gaps. Building on these steps, the following steps will help you to identify existing capacity within your organisation to begin to fill these gaps, and any additional requirements:

- **Review availability of internal experts on nature:** This could involve a skills audit across the priority areas of focus.
- **Assess allocation of roles and responsibilities** based on internal knowledge on environmental topics and potential

#### STEP 2

##### Assess data requirements.

This allows your company to assess the level of readiness and to start a potential gap analysis process early enough.

- **Identify necessary data:** Determine what environmental data is required to understand the company's nature-related risks, impacts, and dependencies based on the reporting framework chosen.
- **Ensure data reliability:** With the previous steps providing a comprehensive map of data availability, it is now essential to evaluate the identified gaps and determine the appropriate next actions. It is critical to ensure that data is sourced from credible internal systems or reputable external databases. This data must be current, accurate, and relevant to support informed decision-making.

#### STEP 3

##### Allocate financial resources.

Addressing nature-related issues often requires financial investment to ensure the effectiveness of initiatives.

- **Budget for sustainability initiatives:** Set aside financial resources to support nature-focused projects, such as eco-friendly product development, green infrastructure, or biodiversity conservation programs.

## 1.7 IDENTIFYING APPROPRIATE RESOURCES

## STEP 4

**Set clear timeframes** to ensure understanding of deadlines for reporting, as well as time covered by certain nature-related projects.

- **Define timelines for key actions:** Establish realistic timeframes for data collection, strategy development, and implementation of nature positive actions.
- **Plan for ongoing monitoring and updates:** Allocate time for periodic reviews to assess progress, adjust strategies, and update resource requirements as necessary.

### Small and medium enterprises (SMEs)

When addressing nature-related issues, SMEs should prioritise identifying and leveraging internal expertise by designating sustainability champions or forming small teams, while also seeking external support (in the form of partnership or consultancy) as needed. However, it is essential that any external support includes a focus on building internal capacity, such as training the internal team to utilise outcomes effectively, rather than creating long-term reliance on external consultants. Furthermore, SMEs must assess and focus on the most relevant environmental data for their specific assessment, being very specific in targeting research priorities.

Financial resources should be strategically reallocated from existing resources, with a budget set for sustainability initiatives, while exploring available grants, incentives and opportunities for co-benefits. Establishing realistic timelines for short-term, achievable goals is essential, and much more practical for smaller enterprises. In addition to that, they can rely on a more direct relationship with their stakeholders and can implement initiatives that engage customers and the local community more easily.

## Template:

## Minimum requirements for contracting

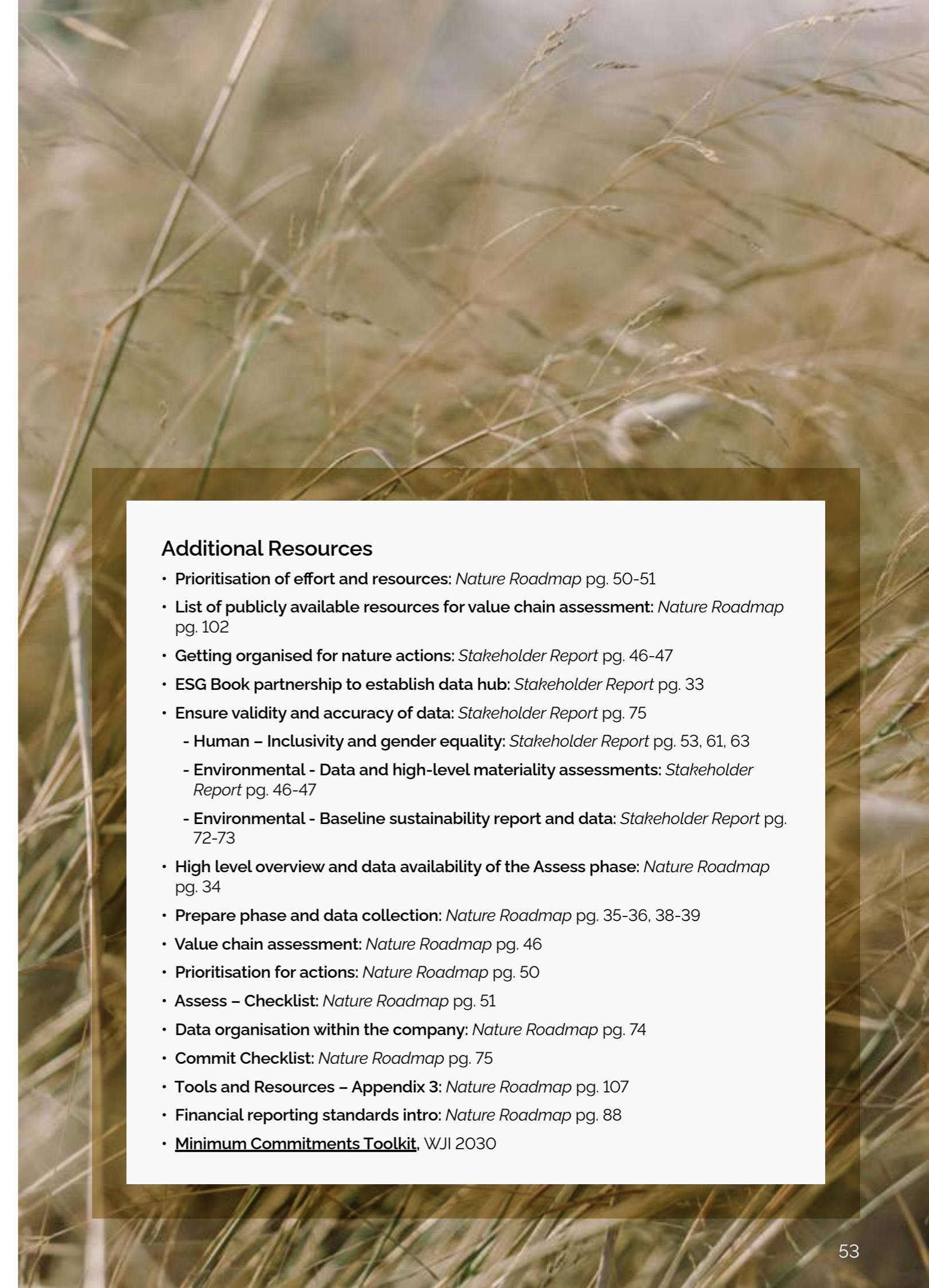
When preparing a Request for Proposal (RfP) to seek external support after identifying data gaps, it is essential to provide clear and comprehensive guidance to ensure that consultants fully understand the scope of the project. Here are the minimum requirements that should be included in your RfP:

- **Provide clear context:** Ensure your request clearly outlines the context in which the consultancy needs to operate.
  - Include any data mapping you've completed to date, highlighting the gaps you would like the consultant to address.
  - Clearly specify the available data and how it relates to your project's objectives.
  - Describe the specific outcomes you expect the consultant to deliver.
- **Request for consultant experience:** Verify that the consultancy you are considering has substantial experience and the necessary skills to address the specific work you need them to undertake.
  - Ask the consultant to provide examples of previous experience that are directly relevant to the project.
  - Require them to highlight specific outcomes or solutions they delivered in previous engagements, demonstrating their ability to address similar issues.
  - Require them to outline similar projects they have successfully completed, especially those involving data analysis or strategy development.
  - Request references or testimonials from previous clients to validate their expertise and reliability.
- **Detail the expected approach:** Request the consultant to provide a comprehensive explanation of their proposed approach.
  - Instruct the consultant to explain their proposed approach in detail, including methodologies for identifying, sourcing, and analysing missing data.
  - Encourage them to describe how they will ensure data reliability and alignment with the project goals.
  - Request clarity on their proposed tools, processes, and techniques.
- **Timeline and milestones:** Ensure that milestones are measurable and tied to tangible outcomes, allowing you to monitor performance, address any issues early, and maintain alignment with your project objectives.
  - Establish clear timelines and ask the consultant to propose a project schedule.
  - Include specific milestones or deliverables that will allow you to track progress and ensure the project stays on course.

## 1.7 IDENTIFYING APPROPRIATE RESOURCES

- **Budget and resources:** Confirm that the proposed budget aligns with your financial constraints, while ensuring the necessary resources are allocated to achieve project success.
  - Request a detailed breakdown of the budget, including resource allocation and any additional costs that may arise.
  - Ask the consultant to identify key personnel who will be involved in the project, along with their qualifications.

Including these elements in the RfP will help ensure that consultants fully understand the project requirements, enabling them to provide tailored and effective proposals.



## 1.8 Articulating your vision for nature

Have you articulated and agreed on an initial draft vision for nature in the company?

Articulating and agreeing on an initial draft vision for nature in the company is essential as it sets a clear foundation for integrating nature-related goals into the company's broader sustainability strategy. A well-defined vision helps align leadership, employees, and stakeholders on the company's long-term commitment to contribute towards a nature positive future.

It establishes a shared understanding of how the company will address biodiversity, resource management, and environmental impacts, ensuring consistency in decision-making and goal setting. Additionally, this vision can guide the development of specific actions, policies, and investments that support sustainable business practices, while also meeting regulatory and stakeholder expectations.



### Specific Steps:

#### STEP 1

##### **Describe what the company would like the world to look like.**

By achieving the above actions, including engaging with your stakeholder (see section 1.5) as well as collating the available information according to your objectives (see section 1.6 and 1.7) you should now be able to outline a vision for your nature positive journey.

- **Business operations:** Describe the kind of change that your company envision within the different business units and the positive impact that will have on the environment.
- **Broader vision:** Identify what global environmental goals you see aligning with your very own nature strategy.

#### STEP 2

##### **Identify what actions this vision will foresee for the company** by determining what practical measures the company will take to turn its vision into reality.

- **Company's actions:** The company will need to integrate actions that contribute to nature positive outcomes across the company's value chain and direct operations to ensure that its products or services contribute to the preservation of natural habitats. This includes early actions identified in the steps above as for example working on traceability where gaps have been identified.
- **Engage in partnerships to support broader nature efforts:** Support global and local nature positive actions in collaboration with e.g., conservation NGOs or sustainability partners.

#### STEP 3

##### **Include a narrative behind the development of a biodiversity roadmap**, the reasons for it and how it is placed within the wider business strategy.

- **Describe your company's specific needs for your Nature Roadmap:** This usually arises in response to the growing recognition that biodiversity loss poses a critical risk to both the environment and long-term business viability. By protecting ecosystems, the company ensures the sustainability of the resources it depends on while also addressing societal and consumer demands for environmentally responsible practices. Integrating the nature roadmap into the broader business strategy not only enhances corporate social responsibility but also strengthens resilience against regulatory, reputational, and market risks associated with environmental degradation.

## 1.8 ARTICULATING YOUR VISION FOR NATURE

## STEP 4

Align stakeholders along your company's value chain to be informed about issues they care about. Clearly communicate your ambitions and future steps to your stakeholders.

- **Identify key environmental issues** that can bring diverse stakeholders together through engaging in conversation with them, gaining insights about their environmental commitments and conscious choices.
- **Communicate your efforts towards contributing to a nature positive future:** educational campaigns, transparency in sourcing, and certifications will help understand the impact of their purchases and foster trust. By focusing on issues customers care about, the company will build stronger relationships, encouraging loyalty and advocacy from its eco-conscious ambitions.

## STEP 5

Establish clear milestones and timelines for the objectives that align with your business vision for nature.

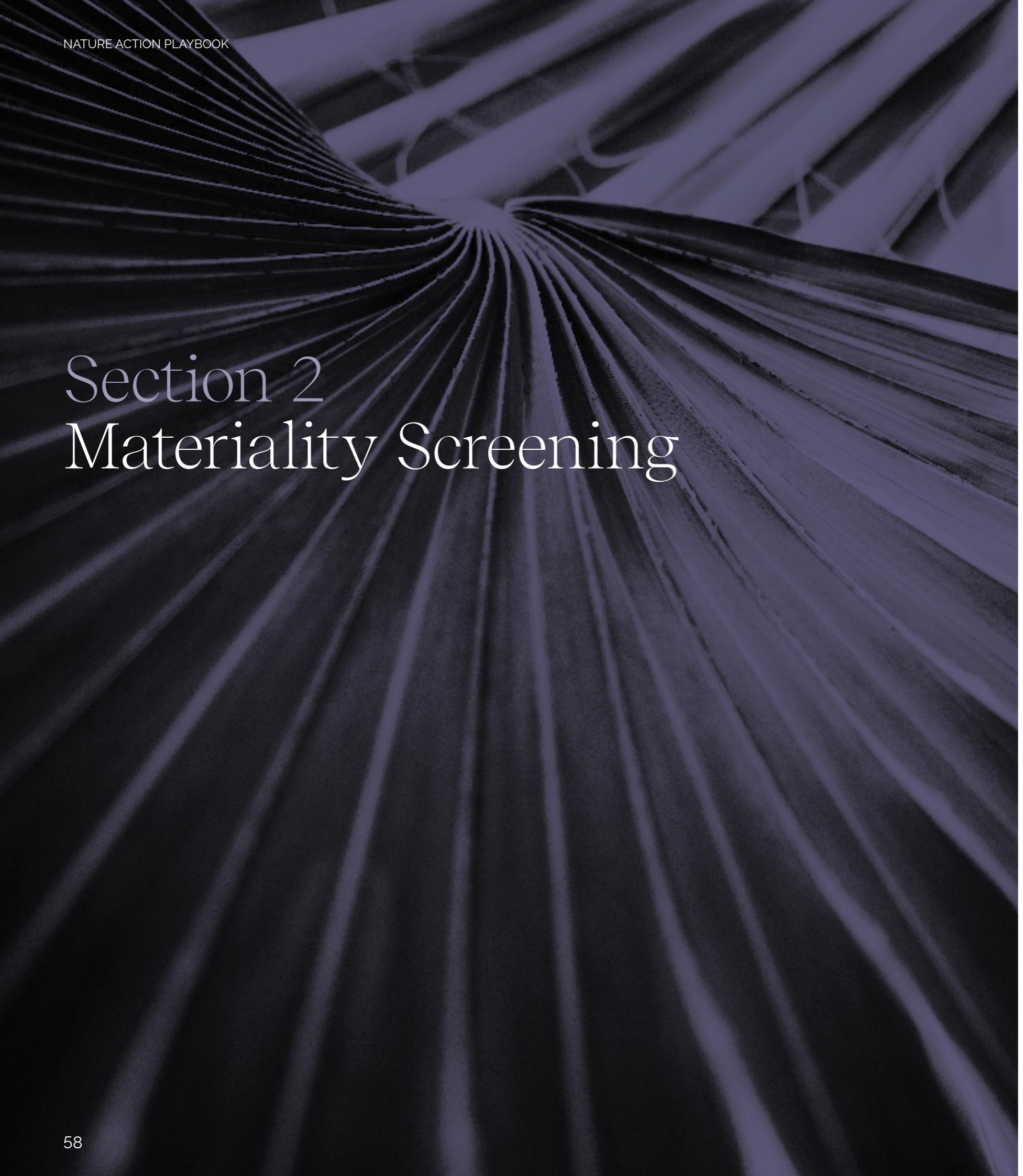
- **Set specific, time-bound objectives:** These goals should be assigned specific timelines, ensuring accountability and structured progress.
- **Plan for ongoing monitoring:** Explore what would be required to implement regular monitoring of progress towards milestones.

## Additional Resources

- Guidelines on the company's vision and commitment: *Nature Roadmap* pg. 56
- Checklist – Commit: *Nature Roadmap* pg. 75
- WJI 2030 Strategic vision 2030: *Stakeholder Report* pg. 26-27
- Guidance on identification and assessment of nature-related issues, The Leap Approach: [TNFD](#)
- SBTN Initial Guidance for business: [SBTN](#)
- Roadmaps to Nature Positive: [WBCSD](#)

## Section 2

# Materiality Screening



This section outlines the steps to conduct materiality screenings of direct operations and then, supply chain. This entails assessing at a high level the impacts your activities have on nature, as well as the natural ecosystems and services that your company depends on to operate. This is also a useful process to review what the company is already doing, identify gaps and to prioritise the efforts.

The following steps will take companies through a pragmatic approach to prepare the appropriate data required for the assessment and then guide them through useful tools and templates to carry out the screening. Findings of these sector-level screenings are going to help identify potential areas of risk and impacts, and highlight where a company needs to look into more detail to evaluate the impacts and dependencies.

Direct operations and supply chain screenings are separated here to reflect two things. The first one is the difference in operational control over the two parts of the value chain. What companies can do about risks and impacts identified in the screening will differ between their own operations and their supply chain. The second is a matter of data availability. Even if a company is currently not collecting internal data on pollution, water use, locations and other data for their own operations, the systems can be put in place that will facilitate data collation in a relatively short period of time. For the supply chain however, companies will often have to engage with their suppliers who will then either have to collate data themselves or will have to reach to their suppliers to ask for the needed data. This process will inherently take more time, and the data available in the meanwhile will limit both the assessments and the actions that can be taken to act on the potential risks and impacts.

## 2A. Direct Operations Materiality Assessment

### 2.a.1 Defining the scope of your materiality assessment

Have you defined the scope of the business activities within your direct operations for addressing nature-related dependencies, impacts, risks and opportunities?

Embarking on the journey to understand and address your relationship with nature begins with a critical first step: conducting a materiality assessment. This is a straightforward and accessible step that will help you to begin identifying and prioritising your most significant nature-related impacts and dependencies, as part of an iterative process. Before starting this assessment, however, it is essential to define a clear scope – or “organisational boundary” – to establish what will be included in the evaluation. See the FAQ in section 1.4 on whether your Nature Roadmap should be developed at the Company or Group level, as this decision will also shape the scope of your materiality screening.

This scope-setting is foundational, as it ensures clarity on areas for which your business is taking responsibility. This process demonstrates your business's commitment to understanding and addressing nature-related impacts across relevant aspects of operations over which you have actual control. While collaboration with suppliers and partners will be essential for gaining a full picture, defining this scope of accountability upfront provides a foundation for an effective, comprehensive assessment over time.

Defining this initial scope will be relevant for both Sections 2 and 3 of the Nature Action Playbook, as the scope would include activities within direct operations and later feed into the identification of activities in your upstream supply chain.

#### Specific Steps:

##### STEP 1

###### Map the components of your value chain.

Mapping the full scope of your value chain can be particularly challenging in the Watch & Jewellery sector, with often limited traceability and industry confidentiality. This Step should be an attempt to start this process, creating a map of business operations, including, as much as possible, all business units.

Mapped components should encompass direct operations (e.g. manufacturing facilities, material processing, design and product development), upstream supply chain (e.g. mining and extraction, gem cutting and processing) and downstream activities (e.g. retail and sales, recycling and disposal). However, the assessment of these downstream activities can be deferred to a later stage. At this point, the primary focus should remain on direct operations and the upstream supply chain.

You may have already initiated this process by following the Steps outlined in Section 1 of the Nature Action Playbook. If further mapping is required, consider the following actions:

- **Identify direct operations:** Catalogue all in-house activities, including offices, manufacturing facilities, assembling lines, and distribution centres that fall directly under your company's control. This should include on-site and off-site operations (where activities take place regularly). If a company owns a mine, for instance, it would also be considered direct operations.
- **Engage with peers to assess upstream supply chain:** Examine sources of raw materials and components, such as mining operations, metal refiners, gemstone cutters, and component suppliers, to understand inputs and practices that impact natural resources. It will be especially helpful if the mapping of upstream supply chain activities is divided by Tier 1, 2 and 3.
- **Evaluate downstream activities:** Identify product end-use and afterlife stages, including retail distribution, product care and maintenance, recycling, and disposal.

##### STEP 2

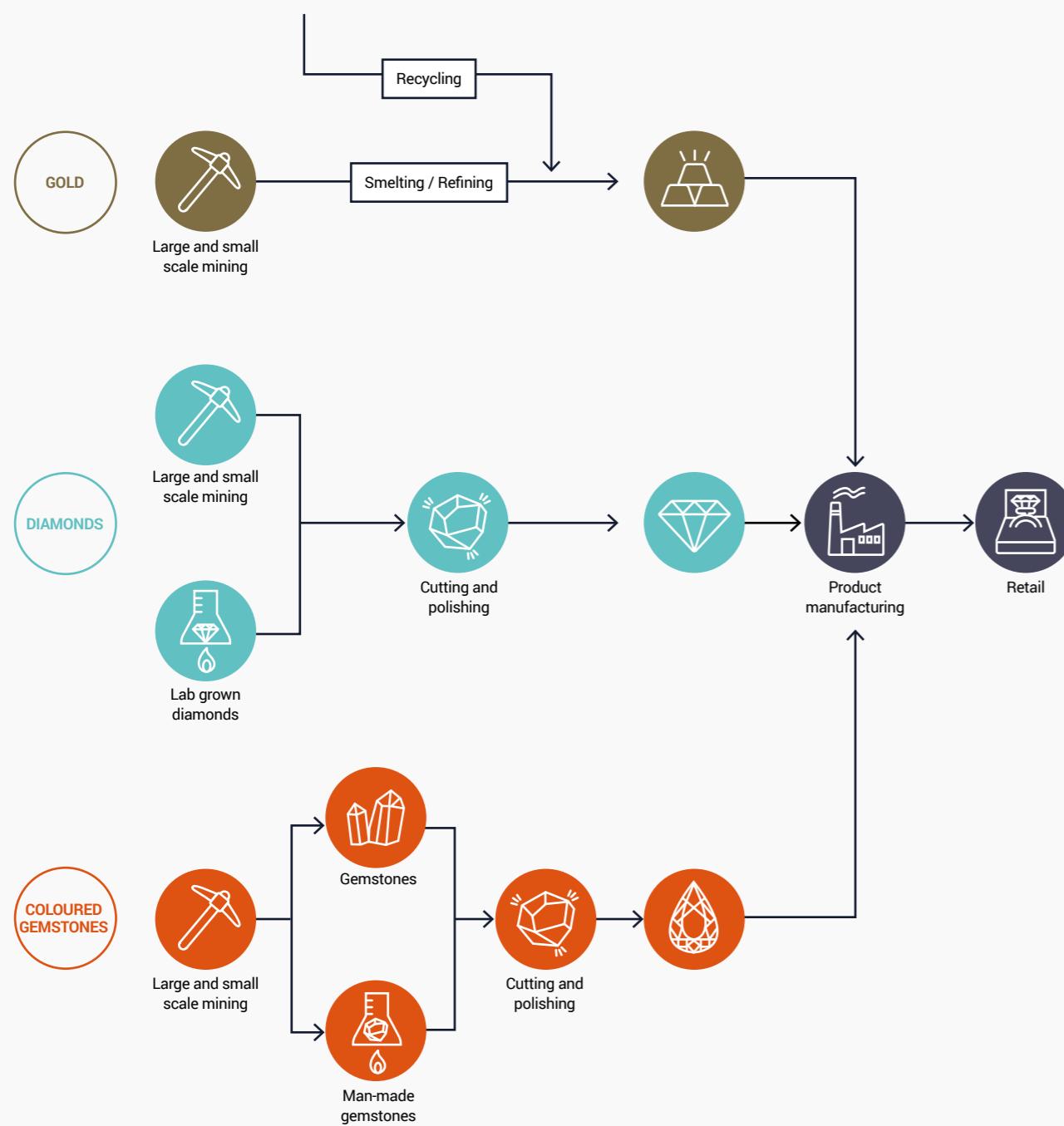
###### Gain insights into subsidiaries and brands.

When mapping the components of your value chain, make sure to account for all business entities, subsidiaries, and brands connected with your company.

## 2.A.1 DEFINING THE SCOPE OF YOUR MATERIALITY ASSESSMENT

**Figure 1: A simplified jewellery supply chain**

Source: WJI 2030 Nature Roadmap

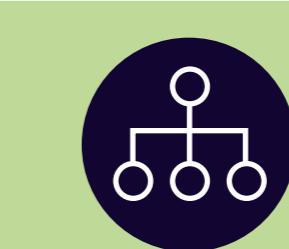
**STEP 3****Define the criteria for scoping.**

Using the parts of your mapped value chain, you can now define the scope for your nature assessment. This Step refers to the concept of "organisational boundary" presented by SBTN and SBTi.

- **Organisational boundary:** is the broadest scope of the company's direct operations to be covered in the assessment. The boundary defines which business operations are owned or controlled by the company and will, therefore, be included in the assessment. There are three main approaches for defining the organisational boundary:



**Financial control:** the organisation will include in the scope all business operations over which it could direct the financial and operating policies with the intention of deriving economic benefits from these activities.



**Operational control:** the organisation will include in the scope all the operations where it has the authority to introduce and implement operating policies.



**Equity share:** the organisation will account for operations' impact on nature based on its percentage of equity share in those operations.

- SBTN strongly recommends that companies use the same boundary criteria as those applied when setting SBTi targets, if applicable. If not, it suggests using either financial or operational criteria.

**STEP 4****Apply criteria to extract a list of activities in scope.**

Once you've defined your criteria, you can apply them to the list of activities from Step 1. This will yield a refined list of activities that fall within the scope of your materiality assessment and, consequently, nature assessment.

## 2.A.1 DEFINING THE SCOPE OF YOUR MATERIALITY ASSESSMENT

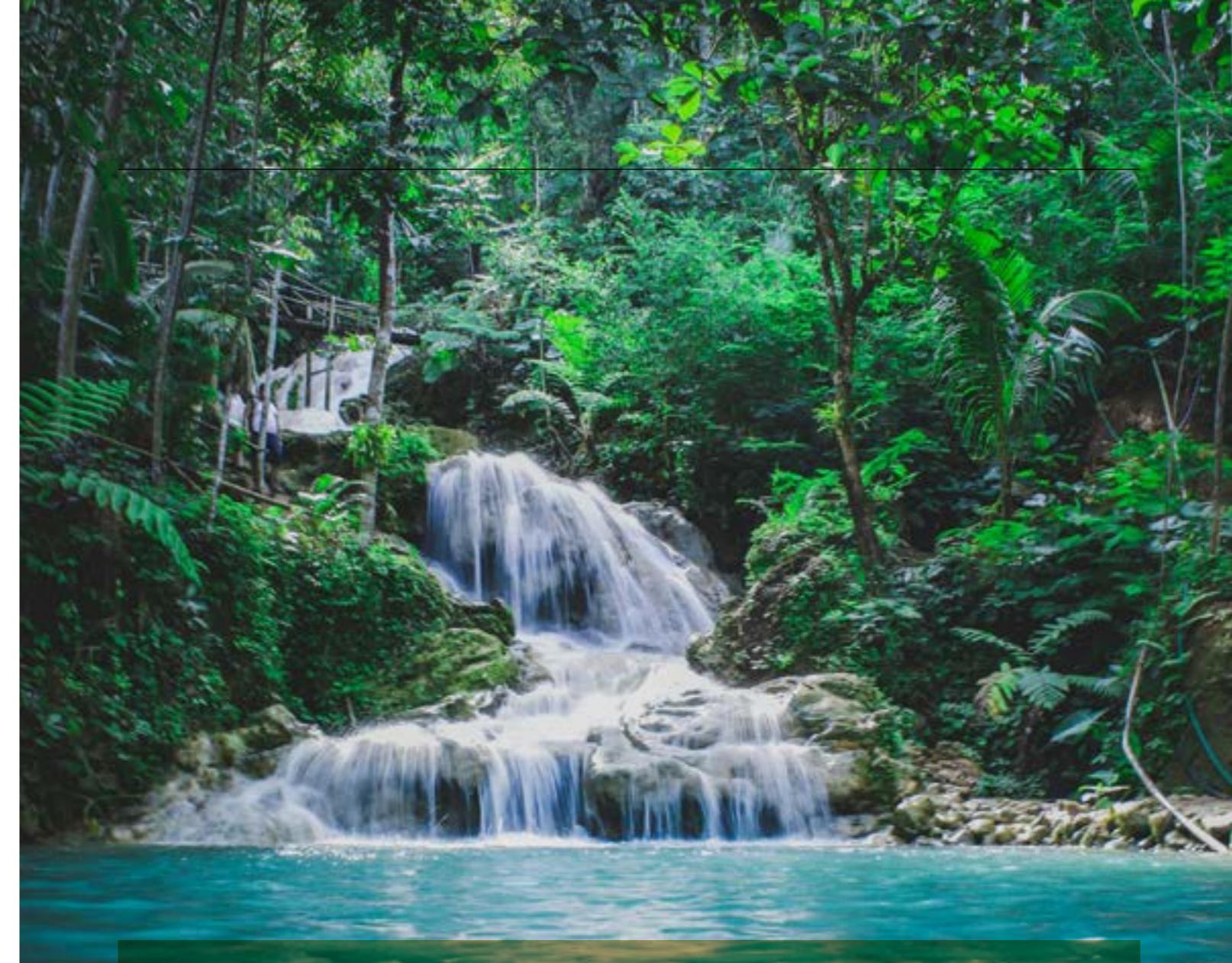
**Small and medium enterprises (SMEs)**

Typically, SMEs have limited resources for a comprehensive analysis of all business operations and supply chain activities. However, because their operations are not as extensive as those of large corporations, SMEs can simplify the scope of their nature assessment by focusing on areas where they have the most direct control over processes and outcomes. Instead of attempting to map or analyse their entire value chain, SMEs might start with their direct operations, such as offices, factories or warehouses. By concentrating on areas under full operational control, SMEs make the data collection more manageable and set a feasible, achievable scope that aligns with their resources and capacity.

As they progress on their nature journey, SMEs can then leverage their relationship with top-tier suppliers to gradually begin mapping their upstream supply chain, starting with key materials sourced and iteratively expanding the scope to eventually cover all suppliers.

SMEs often have fewer suppliers than large corporations, which can make direct engagement with these suppliers easier. These closer relationships enable SMEs to request relevant data and build transparency without the complexities that often arise in larger, multi-tiered supply chains. Industry associations or local SME networks can also provide valuable support.

While SMEs may initially begin with a focused assessment, setting small, actionable goals to expand the scope over time allows them to make continuous progress in a manageable way. A phased approach, with clear milestones, helps maintain momentum and aligns with limited resources, ensuring that progress is steady without overwhelming the organisation. Each year, or as resources allow, SMEs can incorporate additional processes, suppliers, or product lines into their nature assessment, gradually increasing the reach and understanding around the organisation's relationship with nature.

**Additional Resources**

- **Assess phase - Initial screening of impacts, *Nature Roadmap*, pg. 34-35, 38-39**
  - **Initial screening of impacts, *Nature Roadmap*, pg. 41**
  - **Value chain Assessment, *Nature Roadmap*, pg. 46-47**
- **Impact types, *Nature Roadmap*, pg. 42**
- **Impacts – Challenges and considerations, *Nature Roadmap*, pg. 48-49**
- **Nature and business risk, *Nature Roadmap*, pg. 48-49**
- **WWF - A Biodiversity Guide for Business 2022, *Biodiversity Guide***
- **Identifying Dependencies, Impacts, Risks and Opportunities in the company: *Nature Primer*, pg. 38-41**
- **Glossary of terminology, *Nature Roadmap*, pg. 109**
- **SBTN Technical Guidance, *Step 1 SBTN Guidance - Organisational Boundary*, pg. 29**
- **GHG Protocol, *GHG Protocol - Organisational Boundary*, pg. 18**

## 2.a.2 Materiality Assessment: Data Preparation

Have you collated all direct operation data ready for assessment?

Once your scope is defined, you can begin your nature assessment by identifying where nature-related risks (i.e., via nature-related impacts and dependencies) might occur within your own business operations. This initial **impact and dependency materiality assessment** is crucial for effectively directing efforts, including time, data collection, and resource allocation, in more granular assessments further along your Nature Journey.

The potential material impacts and dependencies identified will then be prioritised for further assessment and the target-setting process. You can find more information on the different definitions of materiality adopted by the main nature-related frameworks in the **In-Depth** box opposite.

To begin examining the materiality of your impacts and dependencies on nature across direct operations, you can focus on two primary factors: **sector and geographic location**.

Different sectors interact with nature in unique ways. They depend on various ecosystem services, such as freshwater provision for manufacturing operations, and soil stability to extract and process raw material. For instance, the Watch & Jewellery sector and the associated mining supply chain are typically linked to impacts on water and soil, and dependency on water provision regulation. Given that nature impacts are very location-specific, it is also important to understand where exactly impacts and dependencies are occurring to identify affected areas that are significant for the environment (e.g., protected areas) or are already experiencing a decline in the state of nature (e.g. areas of high-water stress).

Currently, there are several global datasets available that allow companies to identify, at a high level, the specific material impacts and dependencies associated with particular economic activities. By linking this data to the geographical location of these activities, businesses can gain valuable insights into where their environmental impacts and dependencies are concentrated and their potential magnitude.

By the end of this Step in Question 2.2, the data collated should allow you to (1) proceed to Question 2.3 to assess where potential material impacts and dependencies are located across your direct operations and where you should focus your efforts for action; and (2) identify data gaps to be filled in order to fully assess your impacts and dependencies in the future.

### In-depth:

## Definition of materiality

Current nature-related frameworks address the concept of **materiality** in diverse ways, reflecting the multifaceted character of nature-related issues and their implications for businesses. While all frameworks recognise the importance of understanding and reporting on the relationship between corporate activities and the natural environment, they differ in their approaches to defining what constitutes "material" information to be addressed and disclosed. These variations stem from distinct objectives, regulatory contexts, and stakeholder expectations, leading to differing interpretations of how companies should assess and disclose their impacts, dependencies, risks and opportunities to nature.

Understanding these differences is crucial for organisations seeking to navigate the complex landscape of nature-related disclosures and align their practices with global sustainability goals.

- **Corporate Sustainability Reporting Directive (CSRD):**

Under the CSRD, materiality is defined through a dual lens: **financial materiality**, which examines how sustainability issues affect a company's financial performance, and **impact materiality**, which looks at how a company's operations affect the environment and society. This dual approach ensures that organisations report comprehensively on their sustainability performance, fostering greater accountability and transparency. By mandating disclosures that address both perspectives, the CSRD aims to enhance the quality of sustainability reporting across the EU, enabling stakeholders to make informed decisions based on a company's overall impact on people and the planet.

- **Taskforce on Nature-related Financial Disclosures (TNFD):**

The TNFD Framework allows for a flexible approach to materiality. It initially recommends that report preparers should use their **jurisdiction's regulatory approach to materiality**. In absence of that, TNFD recommends the adoption of the approach that meets the information needs of capital providers (**financial materiality**), similarly to the Taskforce on Climate-related Financial Disclosures (TCFD). If reporters need or wish to do so, they can provide information consistent with meeting the material information needs of stakeholders aligned with a broader materiality approach (**impact materiality**), aligned with CSRD.

- **Science-Based Targets Network (SBTN):**

SBTN introduces a broader concept of **materiality**, which integrates ecological and social dimensions into its assessment. SBTN advocates for targets that align with scientific evidence regarding environmental limits and the need to maintain ecosystem integrity. This approach emphasises the necessity for companies to set targets based on their actual impacts on nature, thereby promoting accountability and action that is consistent with global sustainability goals and the planet's ecological boundaries.

## 2.A.2 MATERIALITY ASSESSMENT: DATA PREPARATION

## Specific Steps:

## STEP 1

**Identify which operations within your scope are part of your direct operations.**

As a result from Question 2.1, you should have a list of all activities that have fit into the criteria defined for scoping. Section 2 of the Nature Action Playbook is focused on initiating the nature assessment by first examining the materiality of impacts and dependencies within your direct operations. You should, therefore, begin by identifying which parts of your scope belong to your direct operations.

## STEP 2

**Gather internal asset-level data.**

The availability of relevant company data will vary based on business structure, maturity, and approach to environmental issues. For most businesses, direct operations are the most accessible starting point for data collection, as they typically have more detailed information about their own facilities and where they are located. If you have already completed some steps in Section 1, you may have a broad understanding of the available data and any gaps that need to be addressed.

This step focuses on a sector-level materiality assessment. Use the "DirOPS Data Requirements" tab in this [Excel template](#) to collect the [International Standard Industrial Classification \(ISIC\)](#) codes and locations for the activities within your direct operations that fall within the defined scope. Below are some considerations for data collection:

- You should identify the group-level ISIC codes that best describe your business activities.
- If your company has available codes in a different economic classification scheme, such as the Global Industry Classification Standard (GICS) or the Economic Activities in the European Community (NACE), the SBTN Materiality Screening Tool offers a crosswalk table to find the equivalent ISIC Group classification.
- Ideally, you should provide the exact location for the sites in direct operations.
- You can start by only filling the Columns with group-level ISIC codes, or filling all the columns of the table, as data on location will also be useful for future steps.
- If you aim to carry out the water assessment, you should collect qualitative information on water-related challenges in the areas where you operate, data on the engagement with stakeholders within your water basin and compliance with local water-related regulations.

The resulting list will be used in the materiality screening using the SBTN Materiality Screening Tool in the following steps.

## FAQ

**Where should we start when determining the right ISIC code for our Direct Operations?**

Table 3 lists ISIC codes that may be relevant to direct operations of companies in the watch and jewellery sector, depending on company type and activities. In many cases, more than one code could apply. If so, all applicable codes should be included in the materiality screening process.

Please note that if the Nature Roadmap is developed at the Group level, it is necessary to determine additional ISIC codes that may fall out of the scope of Table 3.

**Table 3. Potentially relevant ISIC codes for direct operations (DO) of companies in the watch and jewellery sector.**

(ISIC codes from the UN Statistics Division (UNSD))

Company type	DO activity	Suggested ISIC code for DO
Diamond trade	<ul style="list-style-type: none"> <li>• Buying and selling diamonds</li> </ul>	<b>4669</b> Wholesale of waste and scrap and other products n.e.c. <b>4662</b> Wholesale of metals and metal ores
Diamond manufacturing	<ul style="list-style-type: none"> <li>• Diamond cutting/polishing</li> </ul>	<b>3211</b> Manufacture of jewellery and related articles
Precious and semiprecious stones manufacturing	<ul style="list-style-type: none"> <li>• Diamond cutting/polishing</li> <li>• Gemstone cutting/polishing</li> <li>• Pearl polishing</li> <li>• Cutting and polishing of semiprecious stones</li> </ul>	<b>3211</b> Manufacture of jewellery and related articles
Laboratories for testing and grading stones and metals	<ul style="list-style-type: none"> <li>• Testing of physical properties of stones and metals</li> </ul>	<b>7120</b> Technical testing and analysis
Precious metals processing	<ul style="list-style-type: none"> <li>• Precious metals manufacture and processing</li> </ul>	<b>2420</b> Manufacture of basic precious and other non-ferrous metals <b>2432</b> Casting of non-ferrous metals <b>2592</b> Treatment and coating of metals; machining <b>3211</b> Manufacture of jewellery and related articles
Jewellery manufacturing	<ul style="list-style-type: none"> <li>• Manufacturing of jewellery</li> </ul>	<b>3211</b> Manufacture of jewellery and related articles

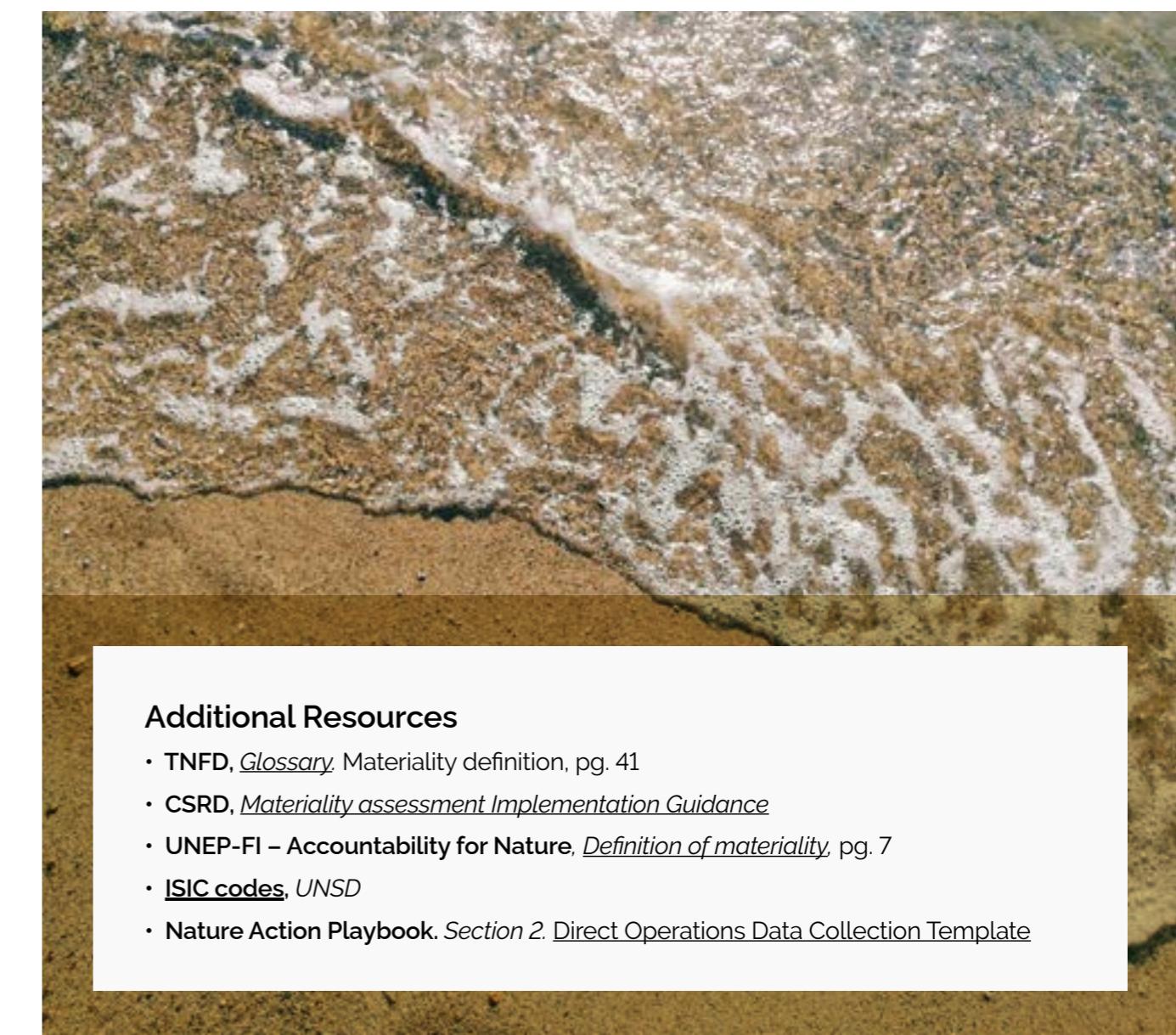
## 2.A.2 MATERIALITY ASSESSMENT: DATA PREPARATION

Company type	DO activity	Suggested ISIC code for DO
Manufacturers of components of watches and jewellery	• Manufacture of watch and jewellery components from precious metals	<b>3211</b> Manufacture of jewellery and related articles
	• Manufacture of metal watch bands (except precious metal)	<b>3212</b> Manufacture of imitation jewellery and related articles
	• Manufacturing of packaging for watches and jewellery	<b>1623</b> Manufacture of wooden containers <b>1702</b> Manufacture of corrugated paper and paperboard and of containers of paper and paperboard <b>1709</b> Manufacture of other articles of paper and paperboard
Watchmaking company	• Manufacturing of watches and clocks	<b>2652</b> Manufacture of watches and clocks
	• Repair of watches and their parts	<b>9529</b> Repair of other personal and household goods
Jewellery brand	• Manufacturing of jewellery	<b>3211</b> Manufacture of jewellery and related articles
	• Wholesale of watches, clocks and jewellery	<b>4649</b> Wholesale of other household goods
Manufacturing non-metal watch bands	• Manufacturing of non-metal watch bands (e.g. fabric, leather, plastic)	<b>1512</b> Manufacture of luggage, handbags and the like, saddlery and harness
Jewellery design	• Designing jewellery	<b>7410</b> Specialised design activities
Jewellery and watch retail	• Wholesale of watches, clocks and jewellery	<b>4649</b> Wholesale of other household goods
	• Retail sale of watches, clocks and jewellery in specialised stores	<b>4773</b> Other retail sale of new goods in specialised stores

**Small and medium enterprises (SMEs)**

The nature assessment process may be significantly enhanced for SMEs for two main reasons. First, the closer proximity between internal collaborators can make data collection more efficient, streamlined, and cost-effective, and facilitate the attribution of roles and responsibilities among teams and their members.

Secondly, with typically fewer sites and activities to cover, and normally not extending through different countries, SMEs will also have less data to collect. These factors not only contribute to a simplified data collection process but also allow SMEs to engage more directly with internal stakeholders, fostering a collaborative environment that will also make further steps easier.



## 2.A.2 MATERIALITY ASSESSMENT: DATA PREPARATION

## 2.a.3 Completing a sector-level materiality assessment

Have you completed a sector-level materiality impact and dependency assessment for your company's direct operations?

At this point, you should have defined a clear scope for your nature assessment, identified which parts of this scope belong to your direct operations, and started collecting the data necessary to assess material impacts and dependencies for the direct operations under scope. An initial materiality assessment for impacts and dependencies is an essential first step in a company's journey towards nature-related commitments, whether setting target, planning actions or developing a nature strategy. The two main filters you can use for this assessment are **sector** and **geographic location**.

When it comes to sector-level materiality assessment, there are available tools, such as the SBTN Materiality Screening Tool and ENCORE, which rely on sector averages to provide information on the materiality of impacts and dependencies for each sector, respectively. These tools require minimal data and indicate which impacts and dependencies a company should be focusing on for more detailed assessments granular assessments. You can find more information in the **In-Depth** box below.

After completing the Steps in Question 2.3, you will have a concrete insight on the impacts and dependencies across your direct operations, and which activities should be targeted for further assessment and target-setting.

### Specific Steps:

#### STEP 1

##### Gather a list with asset-level data.

As a result of Question 2.2, you should now have completed the [Direct Operations Materiality template](#) provided by the Nature Playbook with data from your direct operations under scope. The data compiled should include, for each site:

- A unique ID for each site.
- The International Standard Industrial Classification (ISIC) group-level code for the activity carried out on the site.
- A description of the Production Process related to the activity on the site.
- The exact locations of sites, ideally.

#### STEP 2

**Screen sectors and production processes for material impacts and dependencies.**  
Using the group-level ISIC codes from the list compiled, screen the activities with the SBTN Materiality Screening Tool (for impacts) and ENCORE (for dependencies).

#### STEP 3

##### Interpret results.

The SBTN Materiality Screening Tool (MST) attributes a binary "Yes/No" materiality rating for each pressure on nature for each activity. ENCORE, on the other hand, gives a score from "Very Low" to "Very High" relative to the risk the degradation of natural capital and ecosystem services represents to the specific economic activity, which requires setting a threshold for materiality. From a precautionary perspective, setting "High" as the threshold for materiality would allow for a comprehensive assessment of potential risk across direct operations.

The findings can be combined into a heatmap can help you narrow down the most important activities and pressures to focus on for further assessments. See Figure 2 for example.

#### STEP 4

##### Sense check results.

Both SBTN MST and ENCORE rely on sector averages to provide insights. This means that results may not fully reflect the unique characteristics of your specific business. Certain material impacts or dependencies that are highly relevant to your operation might be overlooked or suggested materiality might not align with the nuances of your context.

To address this limitation, it is essential to perform a sense check on the results. Review the findings critically, considering your specific operations, processes, and locations. For example, if you know your business operates in a water-scarce region but water dependency isn't flagged as material, you may need to adjust the interpretation. Similarly, if certain activities or impacts seem underrepresented in the tool outputs, consider including them in your list based on your operational knowledge.

#### STEP 5

##### Compile final list.

After defining the threshold for materiality, you can then identify which activities in your direct operations are most likely to lead to environmental impacts or depend on nature and therefore should be taken forward for future assessment.

## 2.A.3 COMPLETING A SECTOR-LEVEL MATERIALITY ASSESSMENT

**Figure 2. Example of a heat map crossing ISIC codes with material impacts and dependencies.**

Source: Adapted from TNFD LEAP Approach Guidance.

		ISIC Codes		
		Mining of other non-ferrous metal ores	Mining and quarrying n.e.c	Manufacture of jewellery, bijouterie and related articles
Dependencies	Soil quality	Not relevant	Not relevant	Not relevant
	Water quality	Very high	Very high	Medium
Impacts	Land use	Medium	Medium	Low
	Water use	Medium	Medium	Medium
	Air pollution	High	High	High
	Solid waste pollution	High	Medium	Low
Pollution	Soil pollution	No data	No data	Not relevant
	Water pollution	Very high	High	Medium

## FAQ

## How should we define the thresholds for the materiality assessment?

Materiality thresholds should remain flexible and may need to be adjusted based on the context of your business and/or value chain (similar to the sense-check of results in Step 4). It is recommended that companies begin focusing on activities that trigger 'High' and 'Very High' impact and dependency materiality ratings first.

Then, the company may proceed to focus on 'Medium' impact activities. Remember that it is essential to thoroughly document the prioritisation process, including the rationale behind the adopted thresholds.

## Small and medium enterprises (SMEs)

SMEs can also use sector-based tools like the SBTN Materiality Screening Tool and ENCORE to assess impacts and dependencies in their direct operations. With a clearly defined scope and a list of group-level ISIC codes for their primary sites and activities,

SMEs can use the same tools as larger size companies to identify material impacts and dependencies within their direct operations.

## In-depth:

## SBTN Materiality Screening Tool (MST)

The **SBTN MST** supports **Step 1a of the SBTN guidance**, aiming to identify which impacts are potentially material, or significant, for a company's sector and activities. Through the subsequent steps of SBTN target-setting process, companies will be required to refine their understanding of environmental and societal materiality and gather more granular information to quantify their impacts to set science-based targets for nature.

• **Methodology**

The MST provides materiality ratings for different economic activities, which are listed as 'Group-Process' pairs (ISIC Group and UNEP-WCMC Production Process). Each pair has been evaluated for its contribution to 12 pressure categories aligned to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) drivers of biodiversity loss. These pressures fall under five main categories: land/water/sea use change, resource exploitation, climate change, pollution, and invasive alien species.

For each Group-Process pair, the tool provides a binary "Yes/No" categorical **materiality rating** that indicates if a pressure meets the threshold to be considered material. If an activity's pressure score meets or exceeds this threshold, it is considered **material** and should be carried forward in the SBTN assessment process.

• **Limitations and Further Considerations**

While the SBTN MST provides valuable insights, several limitations apply:

- **Sector-level focus:** Ratings reflect typical impacts at the sector level, which may not capture company-specific variations. This is why Step 1a is followed by Step 1b, where companies incorporate their own data for more tailored results.
- **Potential vs. Actual impacts:** Ratings reflect potential rather than actual impacts of activities, so they serve as an initial screening, not a definitive measure.
- **Data Gaps:** An "ND" (No Data) label does not imply no impact but rather indicates insufficient data.

## 2.A.3 COMPLETING A SECTOR-LEVEL MATERIALITY ASSESSMENT

**In-depth:**

## ENCORE (Exploring Natural Capital Opportunities, Risks, and Exposure)

**ENCORE** is an online tool designed to help companies and financial institutions assess their impacts and dependencies on nature, and consequently exposure to nature-related risks. It maps the dependencies and impacts of different economic activities on natural resources and ecosystem services. ENCORE helps users understand how changes in nature could affect business performance and assists in integrating environmental considerations into decision-making processes. ENCORE is a collaboration between Global Canopy, the UNEP Finance Initiative and the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC).

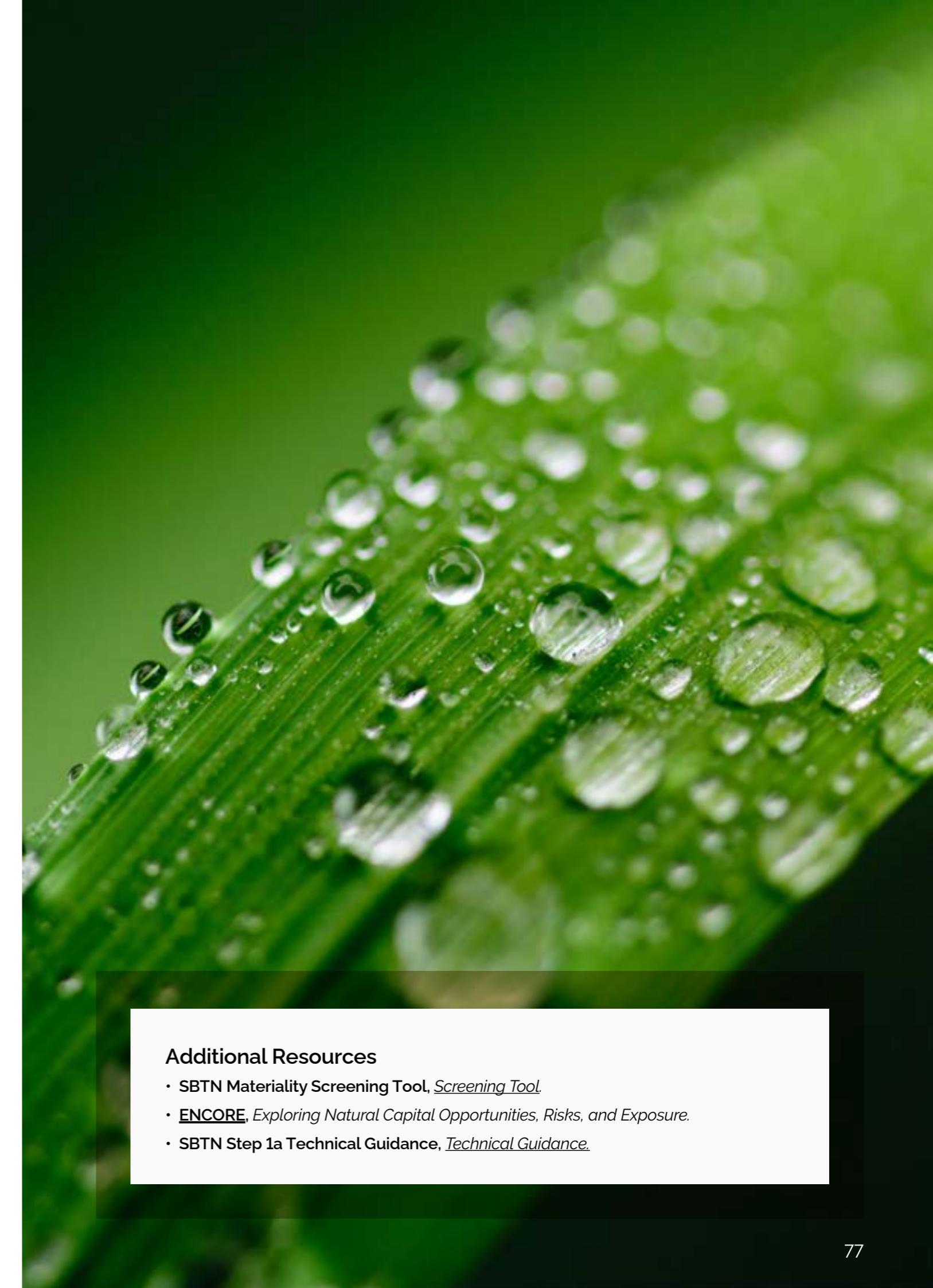
- **Methodology**

Supported by extensive literature review and consultation with experts in various sectors, ENCORE evaluates a wide range of economic activities based on their **dependencies on and impacts on natural capital and ecosystem services**. The tool uses a system of **scores** to reflect the potential risks associated with these activities, focusing on how they contribute to different **nature-related issues** such as land and water use, resource exploitation, pollution, and climate change. The score system results in a materiality rating that ranges from "Very Low" to "Very High". Where no link was found, the combination of the economic activity and ecosystem service or impact was marked as either N/A (Not Applicable) or in cases of insufficient data as ND (No Data).

- **Limitations and Further Considerations**

While ENCORE is a powerful tool for understanding nature-related risks, there are some limitations:

- **Sector-specific data:** ENCORE provides general data for sectors, but it may not always capture company-specific variations, particularly for unique business models or activities.
- **Potential vs. Actual exposure:** Like the SBTN MST, ENCORE focuses on the **potential** rather than the actual exposure to risks related to nature.
- **Data Gaps:** An "ND" (No Data) label does not imply no impact but rather indicates insufficient data. As previously mentioned, if that's the case, you should rely on your operational knowledge to determine whether that dependency is material.



### Additional Resources

- **SBTN Materiality Screening Tool**, [Screening Tool](#)
- **ENCORE**, [Exploring Natural Capital Opportunities, Risks, and Exposure](#).
- **SBTN Step 1a Technical Guidance**, [Technical Guidance](#).

## 2.a.4 Identifying high-risk locations

Have you identified high-risk locations based on their proximity to significant biodiversity and water risks?

Your nature assessment starts with the high-level identification of material impacts and dependencies. Impacts and dependencies are related to two main factors: **the sector and the geographic location of activities**. Following the Steps for Question 2.3, you will have identified the main impacts and dependencies linked to the economic activities present in your direct operations. Now, you will be looking at the geographic location of these activities to locate where material impacts might be most significant for nature, and where material dependencies might be most significant for the business.

Completing these Steps will allow you to identify where the potential risks to biodiversity and water across your direct operations are based on where activities are located.

### STEP 2

Screen all the locations against relevant global datasets to identify if they are in or near areas that are important for biodiversity or areas of high water risk. There is a wide variety of potential tools to be used in this step. You can consult the **In-Depth box** to support your decision on which tool and dataset to use.

The Taskforce on Nature-related Financial Disclosures (TNFD) defines areas that are significant to biodiversity as "**ecologically sensitive locations**" (see **In-Depth box**), which can be:

- Areas important for biodiversity, including species, and/or
- Areas of high ecosystem integrity; and or
- Areas of rapid decline in ecosystem integrity; and/or
- Areas of high physical water risk; and/or
- Areas of importance for ecosystem service provision, including benefits to Indigenous Peoples and Local Communities (IPLC) stakeholders.

The Corporate Sustainability Reporting Directive (CSRD), on the other hand, builds around the concept of "**biodiversity sensitive area**", which includes:

- Natura 2000 network of protected areas.
- UNESCO World Heritage Sites.
- Key Biodiversity Areas (KBA).
- Other protected areas.

Using the CSRD definition of "**biodiversity sensitive area**" to screen your direct operations for high-risk locations provides a **minimum, yet sufficient**, baseline for identifying key biodiversity-sensitive areas. However, adopting the TNFD's broader and more nuanced approach is **ideal and recommended**, as it captures a wider range of ecologically sensitive locations, including those critical for ecosystem integrity, service provision, and areas under rapid environmental decline, offering a more comprehensive assessment of biodiversity-related risks.

### Specific Steps:

### STEP 1

#### Compile the location data for your direct operations.

If you've completed the previous Steps in Section 2, it is likely that you will have already filled the [Excel template](#) with the data on the sector and geographic location (Columns E to H) for each site in your direct operations. It's crucial that you have enough data granularity on geographic location to screen their overlap with areas significant to nature.

### STEP 2

#### Review and interpret results.

From the assessment, compile a list of sites that interface with areas important for biodiversity.

## 2.A.3 COMPLETING A SECTOR-LEVEL MATERIALITY ASSESSMENT

**Small and medium enterprises (SMEs)**

Many SMEs might not need to use comprehensive global datasets to assess their proximity to areas that are important to biodiversity, especially if they operate on a smaller scale or within a specific region. Given that SMEs typically have fewer sites and often more localised operations, a simpler, more direct approach could indeed be practical and sufficient.

For example, SMEs could work with local environmental agencies, consult biodiversity maps available from regional authorities, or even collaborate with local conservation organisations to understand the biodiversity significance of their nearby ecosystems.

This approach allows SMEs to leverage existing local knowledge and resources instead of relying on complex and sometimes costly global data layers that may be more detailed or extensive than necessary for their scale. For many SMEs, these simpler methods provide a practical, cost-effective way to gain insights into their potential biodiversity impacts and dependencies.

This localised approach can also strengthen SMEs' relationships with local communities and stakeholders, making it easier to align business practices with community conservation goals and to demonstrate accountability in a way that resonates with their immediate surroundings.

**In-depth:****Ecologically sensitive locations**

For the purpose of carrying out a materiality assessment, the Nature Action Playbook refers to TNFD's definition of "ecologically sensitive locations" as the ideal guiding criteria for Members to identify high-risk locations based on their proximity to areas important to nature (including biodiversity) and to people. The table opposite provides more detail on these important areas of nature, and which datasets and tools can be used to screen the locations of direct operations.

**Additional Resources**

- TNFD – LEAP Approach Guidance - [Locate phase](#), pg. 41

**Figure 4. Outline of criteria for ecologically sensitive areas and potential tools and data sets to identify the interface of operations with these areas**

Source: Adapted from TNFD LEAP Guidance

Area	Criteria	Recommended tools and datasets for the watch and jewellery sector
Biodiversity importance	<p>Include, but not limited to:</p> <ul style="list-style-type: none"> <li>• Areas protected through legal or other effective means.</li> <li>• Areas scientifically recognised for their importance for biodiversity.</li> <li>• Areas important for species, including threatened species.</li> <li>• Areas containing rare, highly threatened ecosystems.</li> <li>• Areas important for ecological connectivity</li> </ul>	<p><b>Tools:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Integrated Biodiversity Assessment Tool (IBAT)</a></li> <li>• <a href="#">WWF Biodiversity Risk Filter</a></li> </ul> <p><b>Datasets:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">World Database on Protected Areas (WDPA)</a></li> <li>• <a href="#">Key Biodiversity Areas</a></li> <li>• <a href="#">IUCN Red List of Threatened Species</a></li> <li>• <a href="#">Species Threat Abatement and Restoration (STAR)</a></li> </ul>
Ecosystem Integrity	<p>Refers to the extent to which the composition, structure and function of an ecosystem fall within the natural range of variation.</p> <p><b>High integrity locations</b> are those that may contain a large opportunity for safeguarding stocks of environmental assets and maintaining ecosystem service provision.</p> <p><b>Areas of rapid decline</b> in integrity represent areas with declining resilience of ecosystem service provision and potentially at risk of ecological tipping points.</p>	<p><b>Datasets:</b></p> <ul style="list-style-type: none"> <li>• Ecoregion Intactness Index (EriI)</li> <li>• <a href="#">Forest Landscape Integrity Index (FLII)</a></li> </ul>
Ecosystem service delivery importance	Areas important for the delivery of ecosystem service benefits, including to Indigenous Peoples and Local Communities.	<p><b>Tools:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">ENCORE</a> (that contains hotspots of natural capital depletion spatial layers)</li> </ul> <p><b>Datasets:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">The Indigenous Navigator</a></li> <li>• <a href="#">InVEST</a> (quantifies, maps and values ecosystem services)</li> </ul>
Water physical risk	Area of known high physical water risk, including limited water availability, flooding and poor quality of water. This also includes marine areas with high levels of land-based pollution.	<p><b>Tools:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">WRI Aqueduct</a></li> <li>• <a href="#">WWF Water Risk Filter</a></li> </ul>

## 2.a.5 Defining priority areas

Have you identified priority sites, activities or locations within your direct operations for further assessments?

Once you have identified activities within your direct operations linked to potential impacts and dependencies, and pinpointed sites located in or near ecologically sensitive locations, the resulting data can be used to prioritise sectors, pressures, and locations for further assessment, and consequently, will likely be the focus of future target-setting and action planning.

The prioritisation process is essential to directing resources (financial, human, and time) toward areas where action is the most urgent, whether because pressures on biodiversity are highest or because of closeness to key areas for biodiversity.

These future actions and targets should consider both avoidance and reduction of harm, and the potential for positive outcomes and opportunities.

Previous steps in Section 2 relied on global averages and proxies for assessing material impacts, dependencies, and biodiversity risk. However, to establish robust targets and effective action plans, more detailed, site-specific data will be required. This granularity allows for better implementation, monitoring, and disclosure of actions to address material impacts and dependencies.

### Specific Steps:

#### STEP 1

##### Consolidate previous assessment results.

Compile a list of activities that are linked to material impacts and dependencies (results from Question 2.3), as well as those in or near ecologically sensitive locations (results from Question 2.4). It's also possible that some activities will be present in both lists.

#### STEP 2

##### Define clear criteria for prioritisation.

The Nature Action Playbook recommends using the TNFD approach to identify priority locations. This approach focuses on:

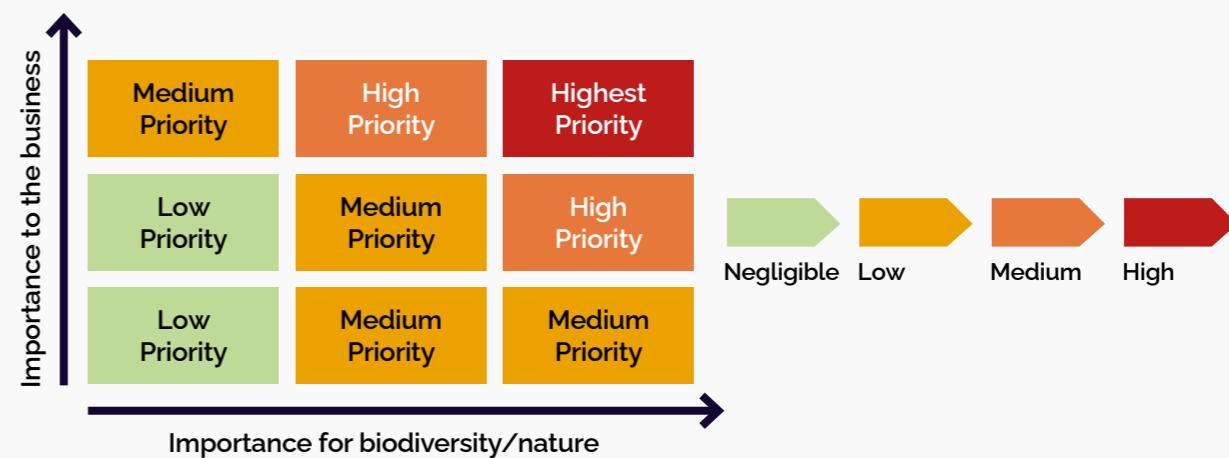
- Locations or activities with material impacts and dependencies (results from Question 2.3).
- Locations or activities that interface with ecologically sensitive locations (results from Question 2.4).
- Locations where both previous categories overlap.

It is likely that the resulting list of locations or activities will still be extensive, so you can prioritise them further. This can be done by categorising them based on the level of risk they represent to both nature and your business. As shown in Figure 3, a company can use a prioritisation framework to assess and rank these elements by plotting them on a matrix that considers their importance for biodiversity/nature and their importance for your business. This approach allows you to identify areas of highest priority for action, focusing on those with significant impacts on biodiversity and critical business relevance, while ensuring a structured and transparent prioritisation process.

The criteria for prioritisation should be tailored to reflect your organisation's unique impacts, dependencies, ambitions, capacity, and strategic objectives. This approach allows for flexibility in defining criteria that best suit your specific context. It is essential to thoroughly document your prioritisation process, including the rationale behind the criteria you adopt. See the FAQ in Section 2a.3 for suggested materiality thresholds.

Just remember that the prioritisation might not be flexible if you intend to set targets aligned and validated by SBTN; in this case, you must strictly follow SBTN's guidance and methods.

**Figure 3. Example of further prioritisation of activities and locations based on the risk they represent to nature and your business.**



## 2.A.5 DEFINING PRIORITY AREAS

## STEP 3

**Match the assessment results with the prioritisation criteria.**

After the prioritisation criteria are defined, it's time to effectively apply the criteria to the list of activities that was consolidated in Step 1 and identify the operations or sites that should be prioritised for further assessment and future target-setting or action planning.

## STEP 4

**Consolidate a final list of priority areas.**

This list of priority areas in direct operations will be the starting point for a more granular assessment, which might focus on different pressures on nature. You will start preparing the data for this assessment following the steps in Question 2.6.

**Small and medium enterprises (SMEs)**

SMEs will likely not face significant challenges in completing the Steps outlined in Question 2.5, especially since these build on the results from previous assessments and primarily involve an internal process to establish a prioritisation criterion. This will also enable SMEs to streamline and filter previous findings, helping to identify priority activities, locations, and pressures for future assessments and actions.

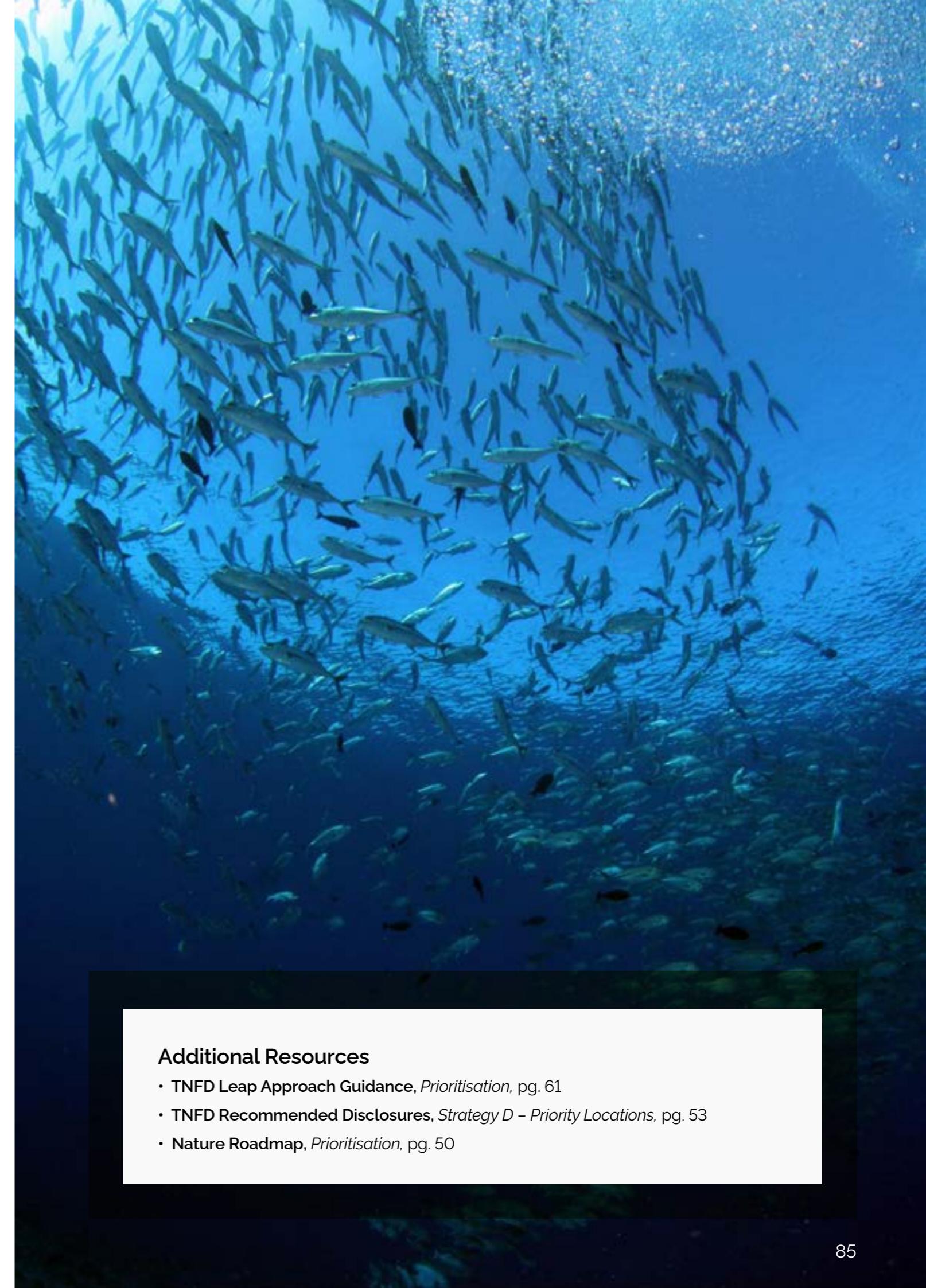
However, SMEs should consider their specific constraints, particularly in terms of resource availability and internal capacity. When defining their prioritisation criteria, SMEs may need to place extra focus on the feasibility of data collection. Limited financial, human, or technical resources may restrict the number of sites or activities they can address simultaneously, making it essential to select priorities that are achievable given these constraints.

Additionally, SMEs might benefit from identifying opportunities for partnerships or external support, such as local environmental organisations or public resources, to help mitigate challenges in data gathering and ongoing monitoring.

By focusing on resource availability and capacity when setting priorities, SMEs can ensure their approach remains both realistic and effective, aligning with their business goals while making meaningful progress in their nature journey.

**Additional Resources**

- **TNFD Leap Approach Guidance, Prioritisation**, pg. 61
- **TNFD Recommended Disclosures, Strategy D – Priority Locations**, pg. 53
- **Nature Roadmap, Prioritisation**, pg. 50



## 2.a.6 Further assessments: Data Preparation

Have you collated all the necessary data for further assessment and identified gaps to be filled?

Once you have prioritised sites and activities based on previous assessments, the next step is to gather the necessary data necessary for further investigation. The goal of the materiality assessment and prioritisation is to identify the key impacts, pressures and risks that need to be addressed going forward in your Nature Journey. These issues will be addressed through the development of policies, actions and targets designed to mitigate them.

However, the success of these actions and targets depends critically on the availability of granular, primary data and clear baselines for the pressures being mitigated and the condition of nature where these pressures are happening. This step is essential for collecting the primary data needed to address nature impacts, define clear baselines, set robust targets, create informed action plans to achieve them and monitor your progress over time.



### Specific Steps:

#### STEP 1

##### **Define data requirements.**

Review the results from previous steps to define the data needed for each identified priority site or activity.

If you intend to set targets aligned with SBTN's approach, the process to identify the required data consists of the following: for each priority activity identified, determine whether SBTN requires target-setting for the associated pressures identified (e.g. land use and land-use change, water use, soil and water pollution). For each priority activity or related site, pressure indicators will be required for each material pressure. SBTN also has specific requirements regards the baselining for data. You'll need data from one representative year within the last 5 years.

#### STEP 2

##### **Engage stakeholders for data collection.**

Share the data requirements (e.g., using an [Excel template](#)) with key stakeholders within your organisation. This ensures alignment and clarity on what data needs to be collected and who is responsible for gathering it.

#### STEP 3

##### **Gather and compile data.**

Based on the pressures you've identified for further assessment, use this [Excel template](#) to compile the necessary data. You should build on all the data you have available, previous reports and modelling tools, which you might have started looking through from the steps in Section 1.

#### STEP 4

##### **Identify data gaps.**

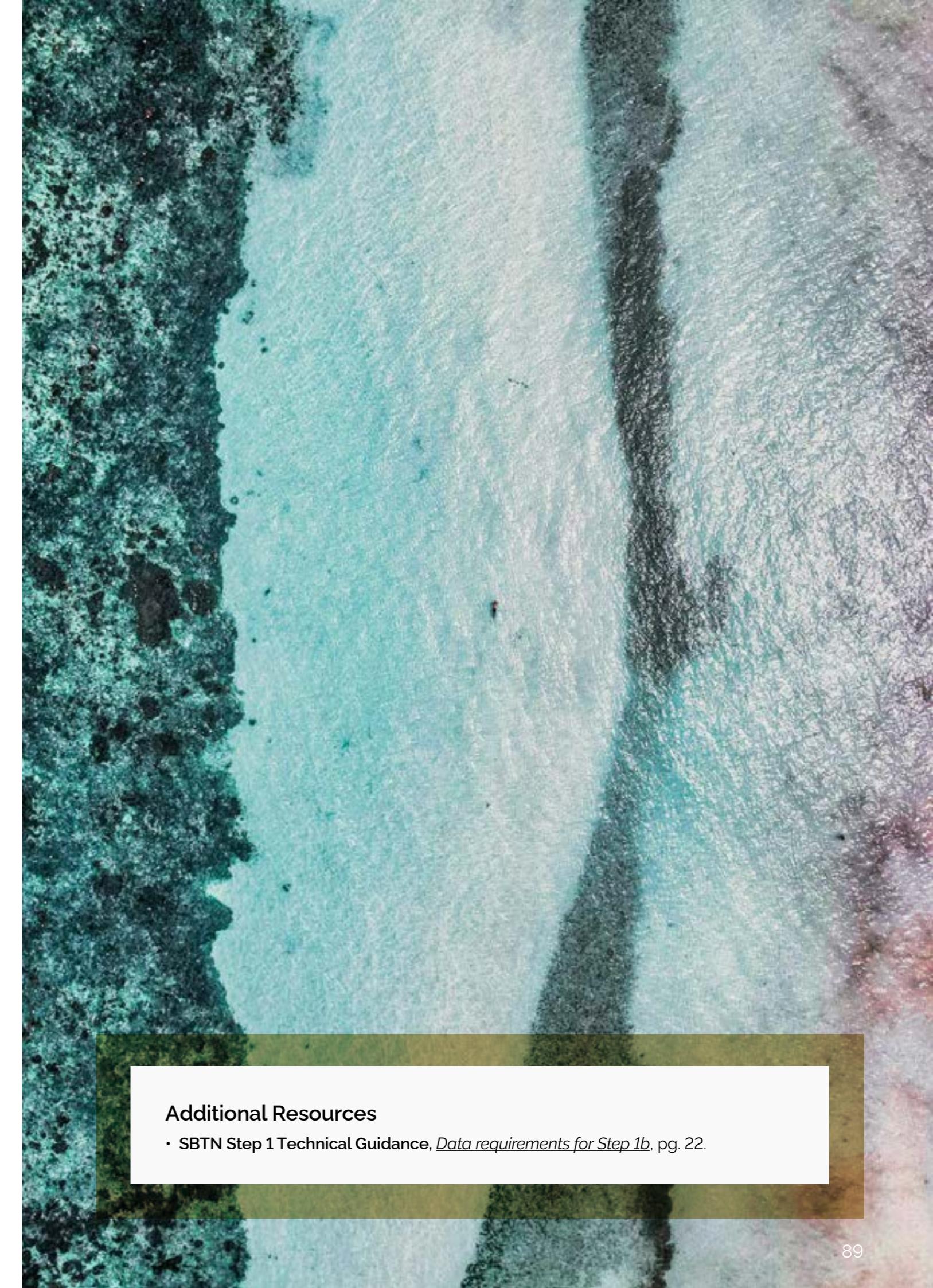
Compare the collected data against your identified requirements for priority activities or sites and note where data is lacking or insufficient.

## 2.A.6 FURTHER ASSESSMENTS: DATA PREPARATION

**Small and medium enterprises (SMEs)**

For SMEs, feasibility and internal capacity are important considerations when defining priority locations for further assessment. By prioritising those that are most material, this should help ensure that data requirements are relatively achievable. Engaging with internal stakeholders for data collection can be simplified by working with a small number of key staff who understand the operations at each prioritised site. This may involve sharing the data template (like the [Excel sheet](#) provided by the Nature Playbook) with staff responsible for each site or activity, ensuring everyone understands what data to collect and who will oversee the process, such as production managers or site supervisors who can gather operational data.

SMEs can rely heavily on existing documents such as energy and water bills, production records, and any environmental reports they already produce. By building from these existing resources, you avoid the cost and effort of creating new data collection systems. Once initial data is compiled, SMEs can identify any remaining data gaps for their prioritised areas. These gaps can then be addressed on a rolling basis. For example, if field data on land use isn't available, you might set a goal to collect it over the next quarter.

**Additional Resources**

- SBTN Step 1 Technical Guidance, [Data requirements for Step 1b](#), pg. 22.

## 2.a.7 Addressing direct operations data gaps

Have you completed actions to address the identified prioritised direct operation data gaps?

By this stage of Section 2, you should have gained a clearer understanding of your material impacts and dependencies, as well as high-risk sites within your direct operations. Additionally, you should have prioritised activities or sites for further assessment and begun collecting data to support these efforts. Along the way, you've likely uncovered data gaps that could hinder your ability to conduct the assessments necessary to, further down in your Nature Journey, to set robust, measurable targets to address your material impacts and dependencies. This final step focuses on creating a structured action plan to close data gaps, ensuring a solid foundation for future assessments.

For organisations of all sizes, this process may involve leveraging existing data, engaging stakeholders, and, where needed, implementing new data collection initiatives. The following steps outline practical actions to help ensure that data gaps are systematically identified and addressed, allowing for progress in your Nature Journey.

### Specific Steps:

#### STEP 1

##### Prioritise data gaps.

Begin by assessing which data gaps are most critical for your company's priorities (e.g., those related to high-impact areas like water use in regions experiencing scarcity). Data gaps might be prioritised by location, economic activity or types of impact. For prioritisation, also identify gaps that need to be filled in the short term to meet compliance, mitigate risks, or inform immediate actions versus those that can be addressed progressively.

#### STEP 2

##### Explore secondary data and proxies.

Where primary data are unavailable, consider using industry averages, sector-specific benchmarks, or national statistics to fill interim gaps. While these can offer us proxies to get started, primary data will ultimately be fundamental to setting targets and planning mitigation measures later.

#### STEP 3

##### Develop an action plan to address data gaps.

You should develop a structured, time-bound plan to systematically address the data gaps identified. The action plan might include the following actions:

- **Leverage existing resources and tools:** Examine past reports, historical records, and environmental audits that might contain relevant data or estimates.
- **Engage stakeholders and cross-functional teams:** Expanding the initial scope of relevant stakeholders for the materiality assessment, coordinate with departments like operations, finance, or facilities management that may already collect related information (e.g., utility bills, waste management reports) that can be repurposed.
- **Outline practical data collection methods:** Start small, such as by installing water or energy meters at key sites to track resource use or by initiating regular waste audits.
- **Consider partnerships for data collection:** Collaborate with local consultants, NGOs, or even universities to obtain more site-specific data at a lower cost. These partnerships can sometimes offer specialised insights or tools, especially if the data is valuable to both parties.

#### STEP 4

##### Document progress and refine data collection over time.

- Establish a tracking system for data collection: Document each data point collected, and any methods used to address gaps. A simple tracking sheet can also be used to log the status of each data source and identify where further action is needed.

## 2.A.7 ADDRESSING DIRECT OPERATIONS DATA GAPS

**Small and medium enterprises (SMEs)**

These steps are designed to be straightforward and manageable for SMEs, focusing on practical, incremental actions that align well with typical small business operations. Prioritising data gaps, for instance, can be as simple as identifying the areas with the highest costs or compliance needs, making it easy to see where to direct initial efforts. For example, tracking energy use or waste generation doesn't need complex systems. Utilising internal resources and involving cross-functional team members allows SMEs to tap into data that may already be collected informally, such as resource use tracked by accounting or production teams. The emphasis on regular review and simple documentation is also SME-friendly, as it encourages a continuous but low-burden approach to improvement.

Collaboration with NGOs and local actors can be an invaluable way to address data gaps cost-effectively and gain insights into sustainable practices. By partnering with these organisations, SMEs can access specialised data collection tools, regional environmental insights, or even volunteer-driven assessments at little or no cost. For example, an NGO focused on water conservation might help an SME measure water use across different sites and offer strategies tailored to local water scarcity issues. These partnerships can also bring SMEs into a network of like-minded organisations, where they can share data, insights, and resources. By aligning with local actors who have a stake in the region's sustainability, SMEs can build the data they need to make progress while strengthening their community relationships.

By following these practical steps, SMEs can make meaningful progress on sustainability in a way that complements, rather than disrupts, their core business activities.

**FAQ****How do we proceed with the results of the materiality screening?**

Now that you have identified priority nature topics, both from an impact and a dependency perspective, it is important to reflect on your results. As explained above, you should start by sense-checking that these do indeed feel relevant, given the context of your operations. This should also include determining if the materiality assessment missed any nature topics that are important to the company and adjusting where necessary.

Next, it is logical to assess whether the company is already doing anything to address these topics, where there are gaps that need further work or investigation, and if there are any opportunities to leverage. This will help start prioritising nature actions that will be integrated into your Nature Roadmap, as introduced in the Next Steps section.



## 2B. Supply Chain Materiality Assessment

### 2.b.1 Identifying your material upstream value chain activities

Have you identified your organisation's upstream value chain activities by industrial activity and screened them for materiality?

At this point, you might have already completed a materiality assessment for your direct operations, identifying the main pressures on nature and areas of high risk for biodiversity and people. This work provides a solid foundation for future nature assessments, target-setting and action planning. Section 3 of the Nature Action Playbook offers guidance to carry out a similar process for your supply chain, focusing on both your activities and the commodities purchased for production.

With Question 3.1, you will begin by examining your upstream value chain activities. Building on the value chain mapping exercise introduced in Section 2 of the Playbook, you will extend your mapping efforts. This involves a simple process, using accessible data and the SBTN Materiality Screening Tool to identify upstream activities linked to your direct operations activities.

Once identified, the upstream activities can be screened for materiality. For your direct operations, the materiality assessment considered both sector-level averages and high risk for biodiversity based on specific geographic locations (as recommended by the Taskforce for Nature-related Financial Disclosures). For upstream activities, however, materiality will primarily be assessed using sector-level averages. While it is important to eventually establish good traceability and understand where your upstream activities occur, it is understandable that tracing supply chain activities is more challenging than tracking direct operations. At this stage, starting to investigate traceability will be beneficial for future assessments, but the current focus of the materiality assessment will remain on sector-level averages.

Starting to understand upstream impacts is crucial because, for many sectors, that's where significant pressures on nature are found. In the Watch & Jewellery sector, there are material drivers of biodiversity loss associated with upstream activities in the mining industry, including pollution, water use and invasive alien species, as well as emissions contributing to climate change.

#### Specific Steps:

##### STEP 1

###### **Gather the ISIC codes for all your direct operations sector activities.**

If you have completed the steps in Section 2, you should now have a list of group-level International Standard Industrial Classification (ISIC) codes for the activities within your direct operations.

##### STEP 2

###### **Identify upstream activities attached to your direct operations.**

You can identify the activities in your supply chain using the ISIC codes for your direct operations and the SBTN Materiality Screening Tool.

- Access the "5 – Full materiality dataset UP".
- Use the filter function in the "isic\_groupDO" column and select, one by one, your direct economic activities ISIC Codes. When one activity is selected, the column "isic\_groupUP" will show you ISIC Group codes for upstream activities usually connected to the activity in direct operations.
- Document the resulting group-level ISIC codes for your upstream activities in the "ISIC Codes Upstream" tab on this Supply Chain Materiality Excel sheet template. Make sure you also document the direct operation ISIC code and production process related to the upstream activity ISIC code.
- Because this tool is based on global averages, you should scan the activities in the "isic\_groupUP" column, sense-checking which ones are indeed in your upstream activities based on procurement data and previous analyses. For example, companies can exclude oil and gas production from upstream energy sources if the company is only sourcing from renewables. In Columns A and B of the "ISIC Codes Upstream" tab, you should document which ones were included and provide a rationale for the ones that were excluded.

##### STEP 3

###### **Collate a list of ISIC Group codes for your upstream activities.**

By completing Step 2, you will have a list of the group-level ISIC codes for your upstream activities and production processes based on the activities in your direct operations.

## 2.B.1 IDENTIFYING YOUR MATERIAL UPSTREAM VALUE CHAIN ACTIVITIES

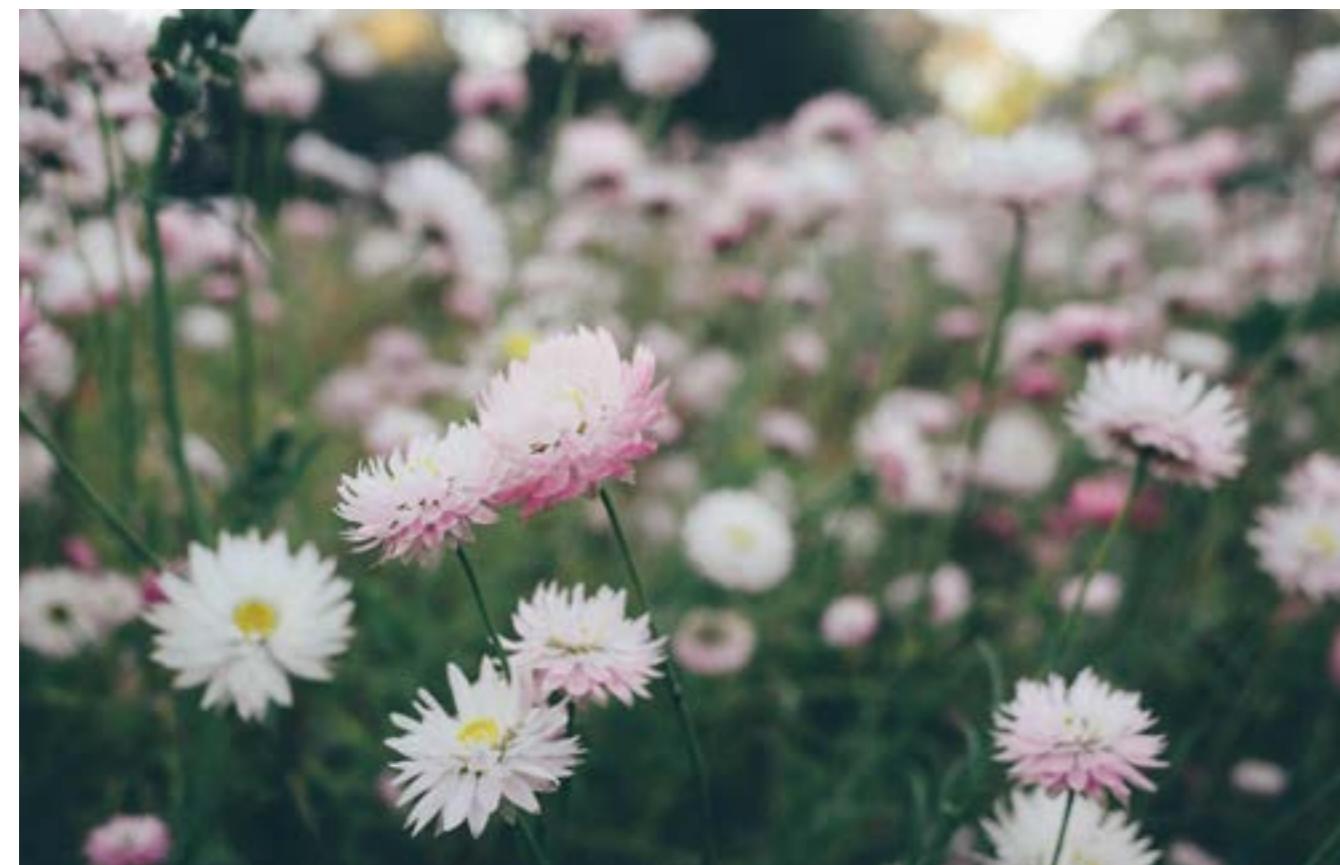
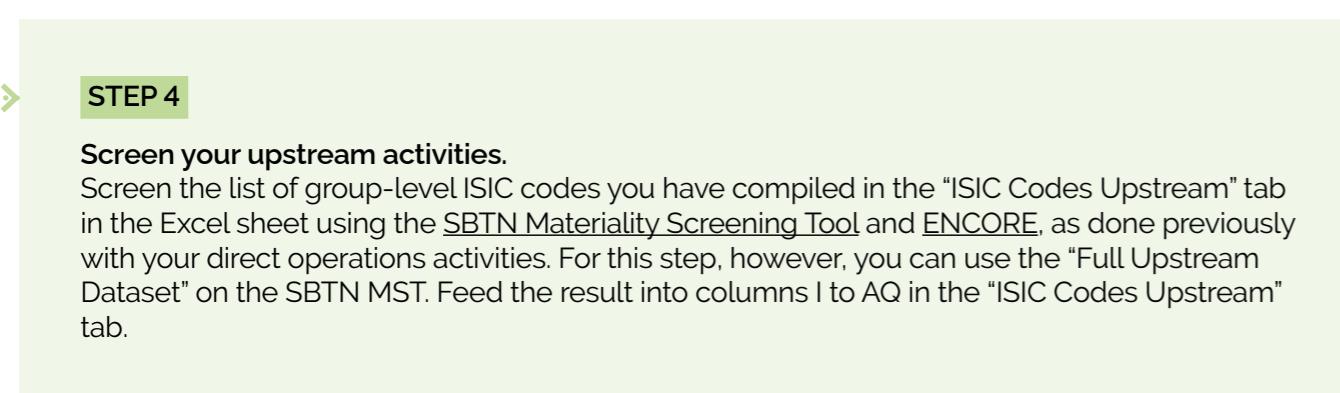
**FAQ****Where should we start when determining the right ISIC code for our supply chain?**

Table 5 lists ISIC codes that may be relevant to the supply chains of companies operating in the watch and jewellery sector, depending on company type and activities. In many cases, more than one code could apply. If so, all applicable codes should be included in the materiality screening process.

Please note that if Nature Roadmap is developed at the Group level, it may be necessary to determine additional ISIC codes out of the scope of Table 5.

**Table 5. Potentially relevant ISIC codes for supply chains of companies in the watch and jewellery sector.**

[ISIC codes from the UN Statistics Division (UNSD)]

Company type	DO activity	Suggested ISIC code for DO
Diamond trade	• Buying and selling diamonds	<b>0899</b> Other mining and quarrying n.e.c.
Diamond manufacturing	• Diamond cutting/polishing	<b>0899</b> Other mining and quarrying n.e.c. <b>2029</b> Manufacture of other chemical products n.e.c. <b>2651</b> Manufacture of measuring, testing, navigating and control equipment <b>2815</b> Manufacture of ovens, furnaces and furnace burners
Precious and semiprecious stones manufacturing	• Diamond cutting/polishing • Gemstone cutting/polishing • Pearl polishing • Cutting and polishing of semiprecious stones	<b>0899</b> Other mining and quarrying n.e.c. <b>2029</b> Manufacture of other chemical products n.e.c. <b>2651</b> Manufacture of measuring, testing, navigating and control equipment <b>2815</b> Manufacture of ovens, furnaces and furnace burners
Laboratories for testing and grading precious and semi-precious stones	• Testing of physical properties of stones and metals	<b>3250</b> Manufacture of medical and dental instruments and supplies <b>2029</b> Manufacture of other chemical products n.e.c. <b>2651</b> Manufacture of measuring, testing, navigating and control equipment <b>2815</b> Manufacture of ovens, furnaces and furnace burners
Precious metals processing	• Precious metals manufacture and processing	<b>0729</b> Mining of other non-ferrous metal ores
Jewellery manufacturing	• Manufacturing of jewellery	<b>2420</b> Manufacture of basic precious and other non-ferrous metals <b>0899</b> Other mining and quarrying n.e.c.
Manufacturers of components of watches and jewellery	• Manufacture of watch and jewellery components from precious metals • Manufacture of metal watch bands (except precious metal) • Manufacturing of packaging for watches and jewellery	<b>2420</b> Manufacture of basic precious and other non-ferrous metals <b>0899</b> Other mining and quarrying n.e.c. <b>2420</b> Manufacture of basic precious and other non-ferrous metals
		<b>1701</b> Manufacture of pulp, paper and paperboard

## 2.B.1 IDENTIFYING YOUR MATERIAL UPSTREAM VALUE CHAIN ACTIVITIES

Company type	DO activity	Suggested ISIC code for DO
Watchmaking company	<ul style="list-style-type: none"> <li>Manufacturing of watches and clocks</li> </ul>	<p><b>2310</b> Manufacture of glass and glass products  <b>1512</b> Manufacture of luggage, handbags and the like, saddlery and harness  <b>2420</b> Manufacture of basic precious and other non-ferrous metals  <b>0899</b> Other mining and quarrying n.e.c.  <b>0729</b> Mining of other non-ferrous metal ores</p>
Jewellery brand	<ul style="list-style-type: none"> <li>Repair of watches and their parts</li> </ul>	<p><b>2420</b> Manufacture of basic precious and other non-ferrous metals  <b>0729</b> Mining of other non-ferrous metal ores</p>
	<ul style="list-style-type: none"> <li>Manufacturing of jewellery</li> </ul>	<p><b>3211</b> Manufacture of jewellery and related articles  <b>2420</b> Manufacture of basic precious and other non-ferrous metals  <b>0899</b> Other mining and quarrying n.e.c.  <b>0729</b> Mining of other non-ferrous metal ores</p>
	<ul style="list-style-type: none"> <li>Wholesale of watches, clocks and jewellery</li> </ul>	<p><b>3211</b> Manufacture of jewellery and related articles  <b>2420</b> Manufacture of basic precious and other non-ferrous metals  <b>0729</b> Mining of other non-ferrous metal ores</p>
Manufacturing non-metal watch bands	<ul style="list-style-type: none"> <li>Manufacturing of non-metal watch bands (e.g. fabric, leather, plastic)</li> </ul>	<p><b>0620</b> Extraction of natural gas  <b>0610</b> Extraction of crude petroleum  <b>0141</b> Raising of cattle and buffaloes  <b>0149</b> Raising of other animals  <b>1010</b> Processing and preserving of meat  <b>1511</b> Tanning and dressing of leather; dressing and dyeing of fur</p>
Jewellery design	<ul style="list-style-type: none"> <li>Designing jewellery</li> </ul>	
Jewellery and watch retail	<ul style="list-style-type: none"> <li>Wholesale of watches, clocks and jewellery</li> </ul>	<p><b>3211</b> Manufacture of jewellery and related articles  <b>2652</b> Manufacture of watches and clocks  <b>2420</b> Manufacture of basic precious and other non-ferrous metals  <b>0899</b> Other mining and quarrying n.e.c.  <b>0729</b> Mining of other non-ferrous metal ores</p>
	<ul style="list-style-type: none"> <li>Retail sale of watches, clocks and jewellery in specialised stores</li> </ul>	<p><b>3211</b> Manufacture of jewellery and related articles  <b>2652</b> Manufacture of watches and clocks  <b>3100</b> Manufacture of furniture  <b>0899</b> Other mining and quarrying n.e.c.</p>

**Small and medium enterprises (SMEs)**

The SBTN Materiality Screening Tool and ENCORE are publicly available resources that companies can use to identify the typical upstream value chain activities for your sector and conduct an initial high-level assessment of these upstream. These tools are equally accessible to SMEs, enabling them to follow the same guidance to identify potential impacts and dependencies within their supply chains.

SMEs often have the advantage of relatively simple and less complex supply chains, making it easier to trace and map where their products and materials originate. By leveraging this simplicity, SMEs can focus on identifying key suppliers and commodities that contribute significantly to their upstream environmental impacts.

**Additional Resources**

- [SBTN Step 1 Technical Guidance. \*Step 1a, Task 2\*. pg. 31](#)
- [SBTN Materiality Screening Tool. \*Full materiality dataset UP\* tab.](#)
- [ENCORE, Exploring Natural Capital Opportunities, Risks, and Exposure.](#)
- [ISIC codes, UNSD.](#)

## 2.b.2 Identifying material purchased commodities

Have you screened your purchased commodities for presence in the SBTN High Impact Commodity List and for material impacts and dependencies?

After addressing your upstream value chain activities, the next step is to focus on the commodities within your supply chain. This is critical because some processes related to the extraction or processing of raw materials essential for product manufacturing often exert significant pressures on nature.

The extent of these pressures can vary significantly depending on where raw materials are sourced from and what methods are employed for their extraction or production. These factors will be explored in more detail later in Section 3. For now, the materiality screening for purchased commodities will primarily focus on the typical material impacts and dependencies associated with your specific commodities and their related activities.

The SBTN High Impact Commodity List (HICL) serves as a valuable tool for this assessment. It highlights commodities known to have material links to the key drivers of biodiversity loss. Commodities on this list exert material pressures on nature at at least one node within their production chain. Screening all your sourced commodities against this list is an effective starting point to estimate, based on literature averages, where material impacts and dependencies might be in your value chain and help you prioritise areas for further assessment.

The activities in the Watch & Jewellery sector typically include both mineral-based (e.g., metals and gemstones) and agriculture-based (e.g., leather) high impact commodities, as well as energy-intensive activities (mining, refining, processing). These are likely to be some of the key focus areas for a value chain assessment.

### Specific Steps:

#### STEP 1

##### **Collate a list of all purchased production inputs.**

You should use your company's procurement and inventory data to build a list of all your purchased commodities used as production inputs. At this point, focus only on goods classified as production inputs, which are goods bought to process, transform, or integrate into your product. Use the "Purchased Commodities" tab in this Excel sheet.

- The SBTN target-setting approach requires the inclusion of all commodities sourced in the last 5 years before submission.
- If available, you can also provide information on volume sources for each commodity in Column B. This information will be useful when prioritising commodities for further assessment. If not available, you can provide spent data in Column C.

#### STEP 2

**Identify which purchased commodities are in the SBTN High Impact Commodity (HICL) List.** Screen your list against the SBTN HIC list and document which of your purchased commodities are HIC. This can be as simple as using Column H in the "Purchased Commodities" tab in this Excel sheet.

Make sure to also document if these commodities fit within the scope of the European Union Deforestation-free Regulation (EUDR)<sup>1</sup>, using Column F in the "Purchased Commodities" tab of the Excel sheet.

Differentiating your commodities between HIC, non-HIC, and EUDR commodities is relevant because SBTN's target-setting approach requires different coverage in target-setting for different types of commodities. For instance, further assessment and targets must cover 90% of HIC volumes for each material pressure.

#### STEP 3

##### **Remaining commodities should be translated into an ISIC code.**

Use available tools such as [ISIC Code Lookup](#), [Directory](#), [Definitions](#), [Conversion Tools](#) to identify the group-level ISIC code for the remaining commodities in your list that do not classify as HIC and feed these codes in Column D. It's possible you'll find various activities associated with your commodities, including extraction, processing, manufacturing and distribution. You should refer to the most recent stage on the production of these goods before their purchase for the materiality assessment.

## 2.B.2 IDENTIFYING MATERIAL PURCHASED COMMODITIES

## STEP 4

**Screen your commodities for materiality.**

In the "Purchased Commodities" tab in the Excel sheet, you should now have a comprehensive list of all your commodities sourced as production inputs. The next step is to screen these commodities for their material impacts and dependencies. The screening approach will differ for HIC and non-HIC commodities:

- **High Impact Commodities (HIC):** For your commodities identified as HIC, you don't have to collect their corresponding ISIC codes. You can directly consult the [SBTN HIC List](#) to verify which impacts and dependencies are material for these commodities in Columns F and G of the HIC List, respectively, and feed the results into the "Purchased Commodities" tab in the Excel sheet (Column K to AS).
- **Non-HIC Commodities:** For the remaining non-HIC commodities, you have previously collected the group-level ISIC codes corresponding to them. You should now screen these codes with their related "Production Processes" in the [SBTN Materiality Screening Tool](#), for impacts, and [ENCORE](#), for dependencies. Feed the results back to the "Purchased Commodities" tab (Column K to AS).

**In-depth:**

## High Impact Commodities List

The **High-Impact Commodities List (HICL)** is an essential resource in the Science Based Targets Network (SBTN) target-setting process, helping companies identify commodities with substantial environmental and social impacts. Drawing on global averages and a comprehensive literature review, the HICL highlights the key pressures – both impacts and dependencies – these commodities exert on biodiversity, such as land use change, water use, and pollution. The HICL ensures companies address the most impactful commodities in their supply chains, facilitating alignment with global regulations and enabling targeted actions to mitigate environmental harm effectively.

**Methodology:**

The HICL is grounded in rigorous research and collaboration. Its methodology integrates input from pilot companies, SBTN's land hub, and complementary high-impact commodity lists, such as those from the **Taskforce on Nature-related Financial Disclosures (TNFD)** and the **European Union Deforestation Regulation (EUDR)**. Commodities are evaluated based on their production scale, the severity of pressures, and their impacts on nature at global and regional levels. This assessment process relies on extensive literature review, with validation requiring at least three peer-reviewed studies—or one highly cited paper—that explicitly link the commodity to specific pressures. Commodities with significant pressures that do not meet the global scale threshold are included in a supplemental list for further investigation.

**Limitations:**

While the HICL provides a robust framework, it is not without limitations. The pressures identified for each commodity are based on global averages, which may not fully reflect the nuances of specific locations or production systems. As such, companies may need to refine the findings to align with their unique supply chain contexts. Additionally, the traceability of commodities to their place of origin can vary significantly, with some commodities presenting challenges in pinpointing the exact source of impacts. Finally, while the supplemental list highlights commodities with emerging importance, these may require further research to fully understand their role in environmental and social pressures.

### Small and medium enterprises (SMEs)

The steps outlined here should not represent a significant challenge for SMEs as they can be completed with tools publicly available, and the data required (procurement and inventory) should be accessible for all organisations, regardless of size.

### Additional Resources

- [ISIC Codes consultation website](#)
- [SBTN High Impact Commodity \(HIC\) List](#)
- [SBTN Materiality Screening Tool](#)
- [ENCORE, Exploring Natural Capital Opportunities, Risks, and Exposure.](#)

## 2.b.3 Prioritisation and traceability considerations

Have you identified priority business areas in the supply chain based on impact and dependencies, materiality and high-risk locations?

At this point, you have likely identified your upstream activities, outlined the commodities used as production inputs and identified the potential impacts and dependencies associated to these activities and commodities.

The next critical step is to analyse your results and prioritise areas to channel efforts and resources to conduct detailed, on-the-ground assessments that capture their specific context to set targets and plan effective action.

### Specific Steps:

#### STEP 1

##### Review results and prioritise activities and commodities for further assessment.

Because tools used for the materiality assessment are based on global sector-level averages, you should sense-check the results (e.g. a commodity or activity shows material impacts or dependencies, but you have implemented certifications that should mitigate the risks already). You can document the conclusions and rationales from this sense-checking exercise on the "Comments" columns in both tabs of the Excel sheet. Once results are sense-checked, you should identify priority activities and commodities for further assessments. As a prioritisation approach, the Nature Action Playbook recommends:

- The prioritisation of all High Impact Commodities.
- For the remaining non-HIC commodities, you can identify which ones have material impacts and dependencies and represent the highest sourced volumes. This would ensure you are looking into the commodities that represent a higher risk for your company, once you rely on them for product manufacturing.
- All upstream economic activities that show material impacts and dependencies should be prioritised for further assessment (see the FAQ in section 2a.3 for the recommendation around materiality thresholds).

You can document which activities and commodities have been identified as a priority by, in your Excel sheet, filling Column F in the "ISIC Codes Upstream" tab and Column H in the "Purchased Commodities" tab, respectively.



#### STEP 2

##### Collate data on traceability.

Beyond material impacts and dependencies, the prioritisation process should include considerations on the risk stemming from activities happening or commodities being sourced from areas significant for biodiversity. This approach aligns with frameworks such as the Taskforce for Nature-related Financial Disclosures (TNFD) Framework. You should then collate information on traceability as a starting point to (1) assess if you have to prioritise any other commodities for further assessment based on their location-specific risk to biodiversity and (2) identify if you have location data at sufficient resolution or if there are data gaps to be filled as part of later steps in Section 3. You should collect traceability data for:

- **Priority economic activities:** For each priority upstream economic activity, update Columns E and F in the "ISIC Codes Upstream" tab of your Excel sheet. Use the following key:
  - **Traceability:** Indicate "Yes" or "No" to confirm whether you have traceability for the sourcing location of a specific commodity.
  - **Resolution:** If your answer was positive for traceability, specify the granularity of the location data. Sub-national data is the minimum recommended level, with finer spatial-level data being preferable.
- **All your purchased commodities.** For each of your priority commodities, update Columns I and J in the "Purchased Commodities" tab of your Excel sheet, using the same key as the one for your economic activities.

## 2.B.3 PRIORITISATION AND TRACEABILITY CONSIDERATIONS



## STEP 3

**Collate data on traceability.**

Prioritise further based on typical sourcing from high-risk locations. TNFD recommends using the risk of sourcing in high-risk locations as a criterion to identify priority areas for further assessment. To simplify this process, we suggest you adopt the following approach:

**1. Upstream economic activities:**

It is here assumed to be unlikely that activities outside commodity extraction and activities that were not flagged for material impacts and dependencies on nature are located in areas of high biodiversity significance. The activities are typically located in modified areas (urban or industrial zones). As a result, you are not required to collect traceability data for these activities, and they can be deprioritised for further assessment.

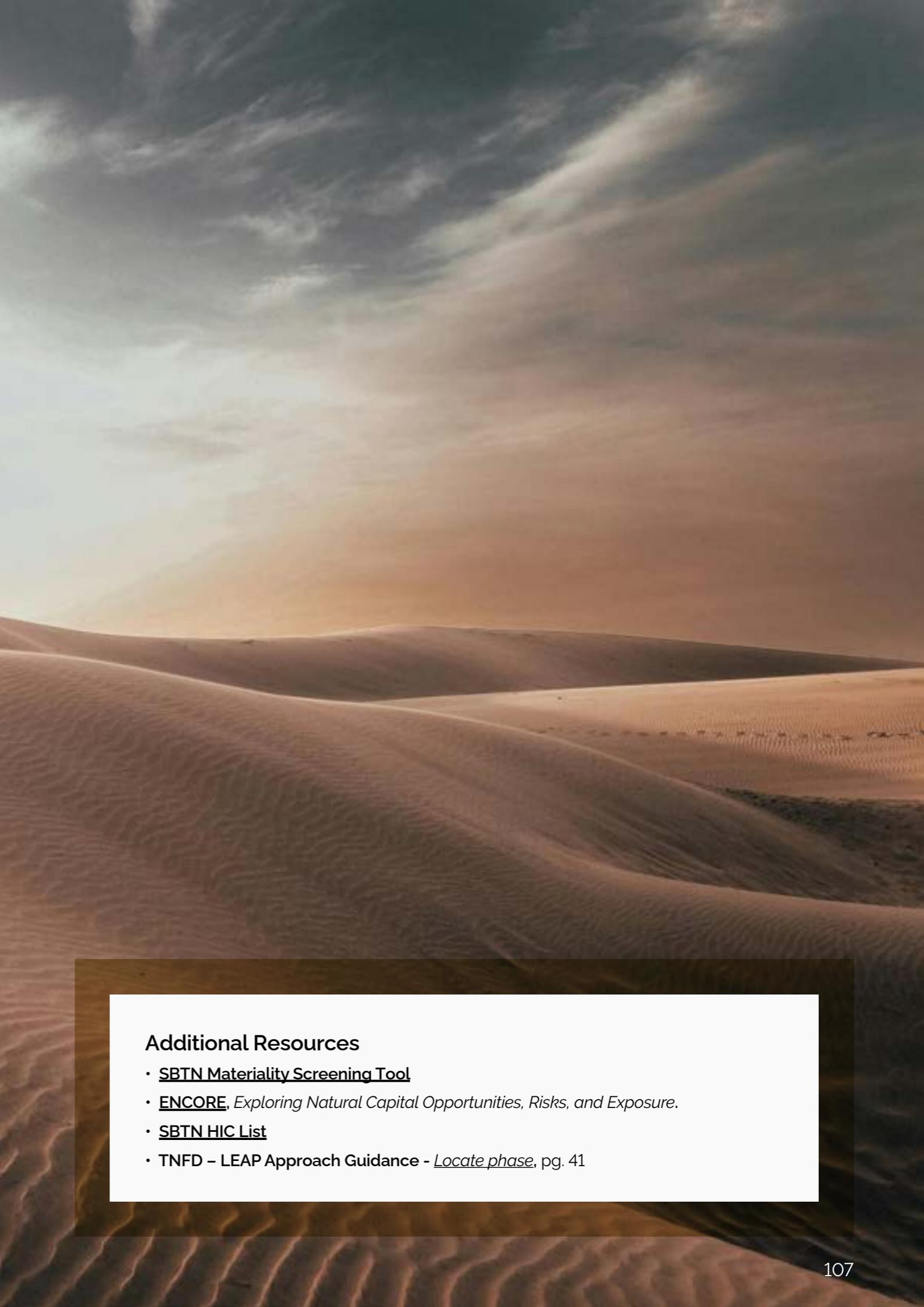
**2. High-Impact Commodities (HIC):**

HICs must be prioritised and included in the detailed assessment (see Step 1 of this Question). You can then focus, for now, on collating traceability information to enable the risk to biodiversity to be assessed during further detailed assessment.

**3. Non-HIC Commodities:**

For commodities that are not high-impact and are not yet included in the priority list, you should assess if there is a risk that they could be extracted in areas of high biodiversity significance<sup>2</sup>. For that, you need to look at the available traceability information and (1) review literature or (2) engage with experts to assess the risk to the source in areas of high biodiversity significance. If potential risk is identified – either through known sourcing locations or, if sourcing locations are unknown, based on global production averages – these commodities should be included in the priority list for detailed assessment.

The insights provided by experts will inform the completion of Column H in the "Purchased Commodities" tab of the Excel sheet. This step will complement the commodities already prioritised based on the materiality screening results.

**Small and medium enterprises (SMEs)**

These steps are also designed to be feasible for SMEs, leveraging free, publicly available tools and making use of data sources that are generally within reach for organisations of all sizes.

<sup>2</sup>Consistent with Section 2 of this Playbook and TNFD's definition of "ecologically sensitive locations" (refer to the In-Depth Box for Question 2.4 in Section 2 for details), focus specifically on commodities whose production might affect:

- Areas important for biodiversity, including critical species habitats;
- Areas of high ecosystem integrity;
- Areas experiencing rapid declines in ecosystem integrity;
- Areas of high physical water risk; and
- Areas important for ecosystem services, particularly those benefiting Indigenous Peoples and Local Communities (IPLC).

**Additional Resources**

- [SBTN Materiality Screening Tool](#)
- [ENCORE, Exploring Natural Capital Opportunities, Risks, and Exposure.](#)
- [SBTN HIC List](#)
- [TNFD – LEAP Approach Guidance - \*Locate phase\*, pg. 41](#)

## 2.b.4 Identifying data gaps for nature assessment

Have you identified relevant supply chain data gaps for your prioritised activities and commodities?

To effectively assess and address environmental impacts and dependencies in your upstream value chain, granular data will be essential as you progress on your Nature Journey. This includes detailed information on specific environmental pressures, as well as understanding the state of nature in areas where your priority upstream activities occur. You should have that as your ultimate goal when identifying data gaps for your nature assessment.

However, achieving this level of detail starts with some level of understanding of where your priority activities are taking place and where your priority commodities are being sourced from.

Without any level of location information, it becomes challenging to link production practices and pressures to their specific environmental outcomes. Locational data is the cornerstone for all subsequent analysis and effective mitigation planning.

At this stage, you'll be assessing the level of traceability you have regarding your priority upstream activities and sourced commodities. Identify gaps in your location data and use these insights as a starting point to identify other data gaps and to plan how to address them. Enhancing traceability is more than a technical requirement—it's an essential step toward understanding your upstream activities' environmental impact and setting targets and planning actions for effective mitigation.

### Specific Steps:

#### STEP 1

##### Identify the type of data you have for your impacts and dependencies.

Assess your data availability for the material impacts and dependencies of your prioritised activities and commodities.

- Update columns V and AS in the "ISIC Code Upstream" tab in the Excel sheet to indicate data availability for the identified material impacts and dependencies. Use the following categories: Primary Data, Secondary Data and No Data.
- Update columns X and AU in the "Purchased Commodities" tab in the Excel sheet, using the same categories.

#### STEP 2

##### Identify data gaps.

Based on the results from both tabs, identify data gaps for future assessments. Focus on the following areas:

- **Priority commodities and activities marked with "No" for traceability:** Aim to establish at least a minimum level of traceability for these activities and commodities.
- **Priority commodities and activities with traceability but insufficient resolution (e.g. national or coarser):** Work to improve the resolution of your location data to enable more detailed analysis of pressures and location-specific risks for biodiversity and people.
- **Activities and commodities with "No Data" on impacts and dependencies:** For these, you can explore the use of location data and secondary data to estimate pressure data (see next Question in Section 3). If traceability is insufficient, you should focus on improving your traceability as a first step.

If you have good traceability and primary data for your impacts and dependencies, you can use the "Pressures in Priority Locations" tab in the direct operations Excel sheet from Section 2 to collect data.

### Small and medium enterprises (SMEs)

These steps are equally applicable to SMEs, whose supply chains are often less complex and more localised, making them inherently easier to trace. Operating within a smaller geographic scope can streamline the process of identifying sourcing locations and production practices, reducing the challenges typically faced by larger organisations.

Moreover, SMEs often maintain closer relationships with their suppliers, offering a distinct advantage when gathering information or addressing traceability gaps. These strong partnerships can foster collaboration, build trust, and enhance transparency across the supply chain, establishing a solid foundation for effective environmental action and improved sustainability practices.

### Additional Resources

- **Nature Action Playbook. Section 2. Supply Chain Data Collection Template**

## 2.b.5 Addressing supply chain data gaps

Have you planned actions to address identified data gaps in your supply chain materiality assessment?

By this stage, you should have pinpointed your upstream activities and purchased commodities with material impacts and dependencies on nature, as well as commodities closely linked to biodiversity impacts due to their proximity to areas of significance for biodiversity and people. You should also have prioritised these activities and commodities for further assessments and started tracing their origins and assessing their locations. However, gaps in traceability and data required to assess impacts and dependencies in more detail may have surfaced, potentially hindering your ability to conduct robust assessments to set meaningful targets further along your Nature Journey.

This step focuses on creating a structured plan to bridge these data gaps. The aim is to obtain precise traceability and location information, enabling the collection of granular data necessary to evaluate pressures, dependencies, and identify risks for nature associated with sourcing locations.

As with direct operations, organisations of all sizes can address supply chain data gaps by leveraging existing data sources, engaging supply chain stakeholders, and implementing targeted data collection initiatives where needed. The following steps outline practical actions to systematically address upstream data gaps and build a strong foundation for your future assessments.

### Specific Steps:

#### STEP 1

##### Prioritise traceability and location data gaps.

Begin by identifying which data gaps are most critical to your company's priorities. Prioritise gaps based on urgency, such as those required for compliance, mitigating risks, or informing immediate actions, and those that can be addressed progressively over time. For example:

- Are there specific commodities with limited traceability that are critical to your operations?
- Are some commodities related to regulation you know you will be affected by, such as the European Union Deforestation-free Regulation (EUDR)?
- Are there gaps that could expose your company to reputational, financial, or legal risks if left unaddressed?

#### STEP 2

##### Find opportunities to explore secondary data sources and proxies.

Where primary traceability or location data is unavailable, you can consider and plan to use secondary data sources or proxies (like FAOSTAT, Trase, industry averages, etc.). While these can provide interim solutions, primary data will ultimately be needed for more granular assessments and target-setting.

#### STEP 3

##### Find opportunities to explore secondary data sources and proxies.

Develop an action plan to close data gaps. Create a structured, time-bound plan to address the identified data gaps. This plan could include:

- **Leveraging existing data:** Work with suppliers to access available sourcing data or use procurement records to infer sourcing regions.
- **Engaging stakeholders:** Collaborate with supply chain partners or industry groups to share information and align on traceability efforts. If you have a good relationship with one or more of your suppliers (for example, a gemstone polishing company), then use that connection to get in touch with other companies that might be sourcing from the same area.
- **Exploring partnerships:** Partner with sector initiatives, NGOs, or traceability platforms to gather data efficiently and collaboratively. This includes the Watch & Jewellery Initiative.

Sharing information on suppliers and raw material origins will require a level of openness between companies and require a mutual recognition of precompetitive opportunities and the relevant legal (anti-trust) requirements. Understanding the complexity of a watch or jewellery supply chain will provide valuable information for you when it comes to assessing your opportunities for positive action.

#### STEP 4

##### Plan a timeline to track progress and refine traceability efforts over time.

Outline a clear timeline to implement a system to monitor the status of traceability data for each priority activity or commodity. This timeline should include milestones for documenting progress and closing data gaps, and ensuring accountability.

Additionally, incorporate plans for continuous improvement of data collection processes. As more information becomes available or new priorities arise, your system should adapt to refine traceability efforts and maintain relevance to your objectives.

## 2.B.5 ADDRESSING SUPPLY CHAIN DATA GAPS

**Small and medium enterprises (SMEs)**

For SMEs, addressing data gaps in supply chain traceability can be made manageable by focusing on practical, incremental actions that align with the nature of small business operations. A good starting point is identifying which data gaps are most critical to your company's needs, such as those affecting compliance with regulations, requirements from buyers or linked to high-risk commodities.

SMEs can often utilise existing supply chain records as a foundation for tracing materials. Procurement teams or supplier invoices may already include clues about the regions or intermediaries involved in sourcing. Engaging directly with key suppliers can also help uncover further details. SMEs might find that a collaborative relationship with a supplier enables access to information about sourcing origins that wasn't previously documented.

Even informal discussions with trusted suppliers could yield insights into the broader supply chain or lead to connections with other stakeholders in the sourcing region.

Building strong relationships with community actors and regional stakeholders can further enhance traceability efforts. Collaborating with local organisations not only helps gather essential data but also strengthens ties with the communities involved in the supply chain. By taking these practical and targeted steps, SMEs can begin closing supply chain traceability gaps in a way that supports their sustainability goals without overwhelming resources. Regularly reviewing progress and refining traceability processes over time will ensure continuous improvement while keeping efforts aligned with the company's priorities and capabilities.

**FAQ****How do we proceed with the results of the supply chain materiality screening?**

Now that you have identified priority nature topics, both from an impact and a dependency perspective, it is important to reflect on your results. As explained above, you should start by sense-checking that these do indeed feel relevant given the context of your supply chain; this should also include determining if the materiality assessment missed any nature topics that are important to your suppliers, and adjust where necessary.

Next, it is logical to assess whether you are already doing anything to address these topics, where there are gaps that need further work or investigation, and if there are any opportunities to leverage. This will help you to start prioritising nature actions that will form part of your Nature Roadmap, as introduced in the Next Steps section.

**Additional Resources**

- [FAOSTAT Dataset](#).
- [Trase](#).



## Next steps

## Nature Roadmap template

After following through these 20 steps, a company should have a strong foundation for drafting its own Nature Roadmap, outlining governance and resourcing, as well as the results of materiality screening of direct operations and supply chain.

The [template document](#) is available to help companies in this process, but a Nature Roadmap can also be written as a part of an existing sustainability strategy. Regardless of the form it will take, after answering the questions proposed in the Nature Action Playbook, the next step is discussing and planning actions to address the output of the screenings. Focusing on activities that scored *high* or *very high*, it is important to understand if a company is in any way already addressing those topics. Is there any additional data that could help better understand the risks and impacts, or plan the response to mitigate them? Who needs to be engaged to collate that data? This is where the initial questions of the Governance and Resourcing section should help identify relevant internal and external stakeholders and understand how best to engage them to advance in the right direction.

There may be risks or priority areas that the company is already working on. These can still be reviewed to make sure that the current approach addresses all the relevant aspects of the challenge. In the case of hotspots that may be new to the company, it is likely that the needed data is not currently collated. In these cases, establishing responsibilities and timelines will help gather the needed data and repeat the screenings if necessary. However, it is more likely that collated data would be used to conduct a deep dive into these topics, to understand actual, on-the-ground risks and impacts in a way that will allow designing and implementing appropriate responses and actions.

It is suggested that at the end of any Roadmap, there is a list of actions, with specific outcomes and timelines. In this way, the Nature Roadmap will become a living part of your work plan, inform budgeting needs and resource organisation. Only when adopted as such, it will be possible to fully integrate nature into the company's business operations and ensure building a business not only resilient to nature-related risks, but that contributes to a nature positive future.

# Glossary

**Nature-related dependencies:** According to SBTN, dependencies can be defined as aspects of nature's contributions to people that a person or organisation relies on to function, including water flow and quality regulation; regulation of hazards like fires and floods; pollination; and carbon sequestration.

**Nature-related impacts:** According to SBTN, impacts can be positive or negative contributions of a company or other actor toward the state of nature, including pollution of air, water, soil; fragmentation or disruption of ecosystems and habitats for non-human species; alteration of ecosystem regimes.

**Nature-related risks:** According to TNFD and in line with ISO, nature-related risks can be defined as potential threats (effects of uncertainty) posed to an organisation that arise from its and wider society's dependencies and impacts on nature.

**Nature-related physical risks:** According to TNFD and WWF, nature-related physical risks are risks resulting from the degradation of nature (such as changes in ecosystem equilibria, including soil quality and species composition) and consequential loss of ecosystem services that economic activity depends upon. These risks can be chronic (e.g. a gradual decline of species diversity of pollinators resulting in reduced crop yields, or water scarcity) or acute (e.g. natural disasters or forest spills). Nature-related physical risks arise as a result of changes in the biotic (living) and abiotic (non-living) conditions that support healthy, functioning ecosystems. These risks are usually location specific.

## References:

TNFD (2024). Glossary. [Online] Available at: <https://tnfd.global/publication/glossary/>

SBTN (2023). Steps 1-3 Glossary. [Online] Available at: [https://sciencebasedtargetsnetwork.org/wp-content/uploads/2023/05/SBTN-Steps-1-3-Glossary\\_2023.docx-1.pdf](https://sciencebasedtargetsnetwork.org/wp-content/uploads/2023/05/SBTN-Steps-1-3-Glossary_2023.docx-1.pdf)

**Nature-related opportunities:** According to TNFD and WWF, nature-related opportunities are activities that create positive outcomes for organisations and nature by creating positive impacts or mitigating negative impacts on nature. Nature-related opportunities can be generated through impacts and dependencies on nature, and can occur:

- When organisations avoid, reduce, mitigate or manage nature-related risks, for example, connected to the loss of nature and ecosystem services that the organisation and society depend on.
- Through the strategic transformation of business models, products, services, markets and investments that actively work to reverse the loss of nature, including by restoration, regeneration of nature and implementation of nature-based solutions.



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