

Taskforce on Nature-related
Financial Disclosures

Getting started with adoption of the TNFD recommendations

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This guidance was produced by the TNFD in collaboration with Business for Nature, Capitals Coalition, CDP, the Finance for Biodiversity (FfB) Foundation, UN Environment Programme – Finance Initiative (UNEP FI), UN Global Compact, World Business Council for Sustainable Development (WBCSD), the World Economic Forum (WEF), and with inputs from the Principles for Responsible Investment (PRI).



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Introduction

The TNFD has developed a set of recommendations and additional guidance to help a range of organisations get started with the identification, assessment, management and disclosure of their material nature-related issues. The TNFD recommendations are consistent with global policy goals and international sustainability reporting standards, are science based, and designed to allow organisations across jurisdictions to get started now and increase their disclosure ambition over time.

There is no single way to get started with the TNFD recommendations, as each organisation is different and will therefore have its own pathway towards adoption. But, as with every path, taking the first step is the most important.

This guidance includes a set of key steps that your organisation should consider when getting started, and advice on how to address some of the practicalities when preparing to assess and disclose across the TNFD's four disclosure pillars. This guidance should be used in combination with the TNFD's [Recommendations](#) and suite of [Additional Guidance](#).

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Why adopt the TNFD recommendations

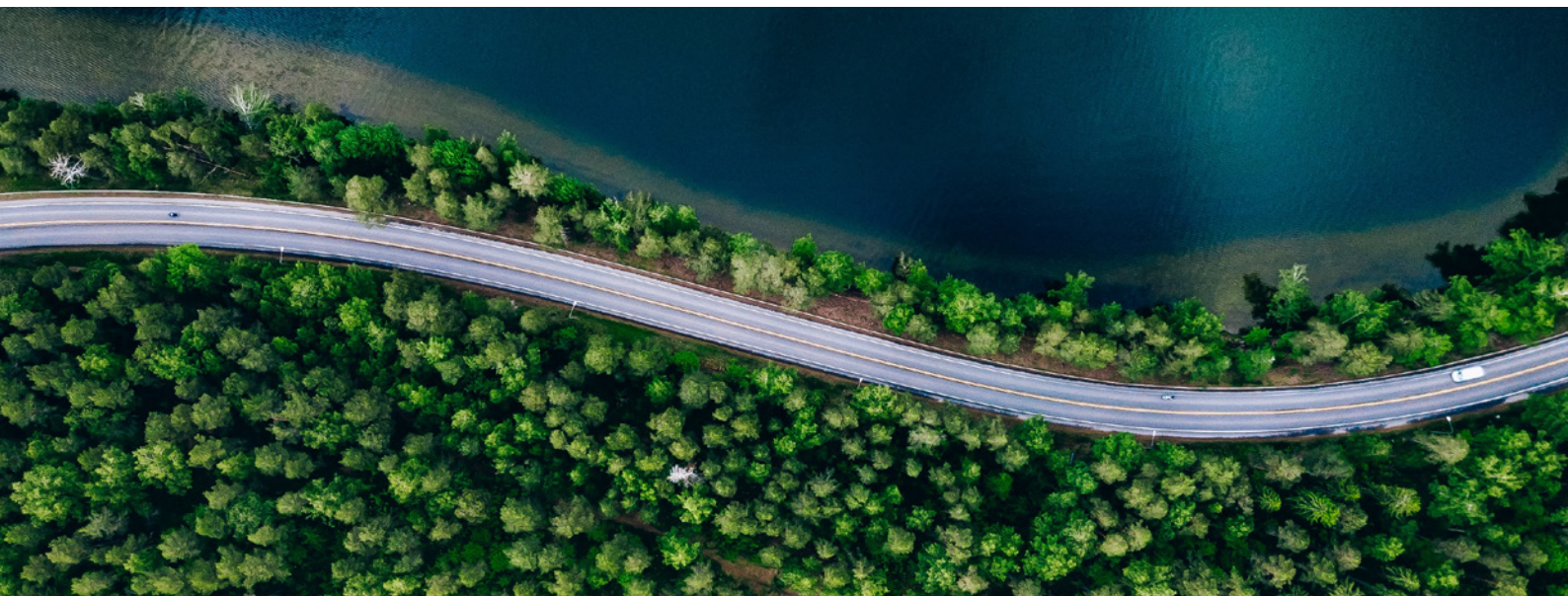
The degradation of nature and actions aimed at conserving, restoring and sustainably using it present significant risks and opportunities for business, finance and society, both now and in the future. Despite their economic and financial importance, few organisations have been systematically assessing and disclosing their nature-related issues (dependencies, impacts, risks and opportunities). In the past, this has largely been due to the lack of requirements from governments and market regulators and the limited availability of, and understanding about, nature-related tools, metrics and data. However, both of these are changing rapidly.

The TNFD recommendations provide a way for organisations to disclose their nature-related issues, aligned with the global sustainability reporting baseline, existing and emerging regulatory requirements and in response to growing demands from investors for more information on these issues.

Corporate reporting of nature-related issues is evolving at pace. A number of jurisdictions have – or are developing – nature-related reporting standards and regulations (Box 1). The TNFD recommendations provide a voluntary way for organisations to disclose their nature-related issues, consistent with the global sustainability reporting baseline, existing and emerging regulatory requirements, and in response to growing demands from investors for more information on these issues.¹

The landscape of nature-related tools, metrics and data is also advancing, in part driven by improvements in technologies and techniques. Pilot testing of the draft TNFD framework has shown that, despite ongoing challenges with nature-related data, organisations can get started with the identification and assessment of nature-related issues using the data sets and analytic tools available today. As these data challenges continue to be addressed, more tools, metrics and data will emerge.

¹ The TNFD recommendations are also consistent with the goals and targets in the Kunming-Montreal Global Biodiversity Framework (GBF). For large companies and financial institutions, adoption of the TNFD recommendations will allow them to align fully with requirements to assess and disclose their nature-related risks, impacts and dependencies by 2030 in the corporate reporting target (Target 15) of the GBF.





Box 1: The evolving landscape of nature-related corporate reporting

- In June 2023, the International Sustainability Standards Board (ISSB) [issued](#) its first two IFRS Sustainability Disclosure Standards: IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*. It has also begun work on a range of nature-related issues as extensions of its inaugural standards, and [signalled](#) an intention to draw on the work of the TNFD as part of its future standards development.
- In July 2023, the European Commission adopted the European Sustainability Reporting Standards ([ESRS](#)) for use by all companies subject to the Corporate Sustainability Reporting Directive ([CSRD](#)). This is in addition to other related EU regulation, including the Sustainable Finance Disclosure Regulation (SFDR). Under these requirements, companies and financial institutions with substantial activity in the EU must now make nature-related disclosures.
- Other regulators, such as those in [India](#) and [Brazil](#), already require nature-related corporate disclosures or have signalled their intention to introduce nature-related disclosure requirements following the embedding of TCFD-aligned climate-related disclosures into regulations.

The TNFD has developed a set of recommendations and supporting additional guidance that are practical to implement to encourage their widespread adoption. The Taskforce's recommendations are based on extensive market consultation and pilot testing over a two-year period. Organisations that have pilot tested the draft TNFD framework have underscored its effectiveness (Box 2) and some are now intending to make nature-related disclosures.



Box 2: Testimonials from piloting testing

“Piloting the TNFD framework has been an important step in our ambition to mitigate negative impacts and contribute to the protection of nature and biodiversity. Using the LEAP approach has strengthened collaboration between business units and enabled us to advance knowledge within the organisation on nature and biodiversity. We encourage other organisations to take the LEAP and get started!” *Head of Group Sustainability of Danske Bank (Danish-based organisation, Commercial bank)*

“The LEAP methodology proposed by TNFD has been instrumental in reshaping our understanding on dependencies and impacts related to nature. Building on this progress, we are excited to announce our plans for an integrated climate and nature report by 2025.” *Head of Sustainability and Decarbonization at Ecopetrol Group (Colombian-based organisation, Oil and Gas - Exploration and Production)*

“Using the TNFD’s LEAP approach to explore nature-related risks and opportunities associated with infrastructure development has been a fascinating and insightful experience. We have, in particular, welcomed the opportunity to become more confident in using the various datasets that are so important within the LEAP approach.” *Senior ESG Advisor of AECOM (USA-based organisation, Engineering and Construction Services, and Professional and Commercial Services)*

“The TNFD’s LEAP approach helps us identify locations where biodiversity loss is a concern in our value chain, and countermeasures to mitigate potential risks and maximise opportunities. We found key learning and findings of the analysis

useful which will feed into our strategies to address nature-associated risks and opportunities.” *Executive Officer, Head of Sustainability of Asahi Group Holdings (Japanese-based organisation, Alcoholic Beverages)*

“The TNFD’s LEAP methodology allows for a deep dive into a detailed analysis of the risks and opportunities of the impact of investments on biodiversity. The analysis of socio-environmental risks of assets ensures compliance with environmental laws, such as the Brazilian Forest Code and land regulations, overlays with indigenous lands and traditional communities, protected areas, deforestation fronts, water-stressed regions, biodiversity hotspots, and other material aspects for nature”. *Head of Sustainable Investment and Engagement of JGP (Brazilian-based organisation, Asset Management and Custody Activities)*

“In 2022, we used the TNFD LEAP (Locate, Evaluate, Assess and Prepare) methodology to conduct a materiality assessment that enabled us to deepen our understanding of GSK’s physical and transition risks and opportunities across each component of nature. We included an initial disclosure using the draft TNFD guidelines in our most recent annual report, with a particular focus on strategy, metrics and targets.” *Chief of Staff to the Chief Financial Officer of GSK (UK-based organisation, Biotechnology and Pharmaceuticals)*

“The TNFD framework has helped us to structure many of the activities we currently do and guides us on integrating risk management for all aspects of nature and ecosystem services in a holistic way.” *Head of Biodiversity of Iberdrola (Spanish-based organisation, Electric Utilities and Power Generators)*

Where to get started

The TNFD recognises that building an understanding of the importance of nature-related issues across an organisation, gathering the required information and undertaking relevant analysis will take time and resources. Whether in relation to climate, modern slavery, cyber security or other vectors of risk, organisations are familiar with the need to adapt and evolve their risk management and corporate reporting processes as new issues and challenges emerge.

There is no single way to get started with the TNFD recommendations, as each organisation is different and will therefore have its own adoption pathway.

As organisations start their TNFD adoption pathway and nature-related issues move into mainstream reporting, practices and techniques will evolve rapidly, as they have for climate. These improvements, including data and analytics, will support the assessment of nature-related issues and support the increased quality and scope of disclosures.

Box 3: At a glance – the TNFD’s Recommended Disclosures

Key highlights

- Four disclosure pillars building on TCFD recommendations and consistent with ISSB’s IFRS Sustainability Disclosure Standards.
- 14 recommended disclosures.
- All 11 TCFD recommended disclosures included to encourage and support integrated climate and nature reporting.
- Incorporation of nature-related dependencies, impacts, risks and opportunities.
- Fully aligned with the Global Biodiversity Framework Target 15 requirement to disclose dependencies, impacts and risks.



Figure 1: The TNFD recommended disclosures

TNFD recommended disclosures

Governance

Disclose the organisation's governance of nature-related dependencies, impacts, risks and opportunities.

Strategy

Disclose the effects of nature-related dependencies, impacts, risks and opportunities on the organisation's business model, strategy and financial planning where such information is material.

Risk & impact management

Describe the processes used by the organisation to identify, assess, prioritise and monitor nature-related dependencies, impacts, risks and opportunities.

Metrics & targets

Disclose the metrics and targets used to assess and manage material nature-related dependencies, impacts, risks and opportunities.

Recommended disclosures

- A.** Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.
- B.** Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.
- C.** Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.

Recommended disclosures

- A.** Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.
- B.** Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.
- C.** Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.
- D.** Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.

Recommended disclosures

- A(i)** Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.
- A(ii)** Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).
- B.** Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities.
- C.** Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.

Recommended disclosures

- A.** Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.
- B.** Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.
- C.** Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.



Insights from TCFD adoption

Understanding the voluntary adoption of the TCFD recommendations is informative when considering the potential pathways for TNFD adoption. In the early years, following the release of the TCFD recommendations in 2017, organisations disclosed against a small set of the TCFD recommendations. According to TCFD Status Reports, [over the first couple of years](#), on average, around two out of the 11 recommended disclosures were disclosed. By fiscal year 2019, around 25% of organisations disclosed information aligned with more than five of the TCFD recommended disclosures, with less than 5% disclosing information aligned with at least 10 recommended disclosures.

Over time, the proportion of organisations disclosing TCFD-aligned information has grown steadily. Of around 400 organisations [surveyed by the TCFD](#), over 70% disclosed climate-related information for the fiscal year 2021, compared to 45% in 2017. The breadth of TCFD-aligned disclosures has also increased. Of around 1,400 organisations reviewed using AI technology, 80% of these companies disclosed in line with at least one of the 11 TCFD recommended disclosures for the fiscal year 2021, 40% disclosed in line with at least five, and 4% disclosed in line with all 11 recommended disclosures.

In summary, TCFD adopters have expanded their disclosure ambition over time. While it is therefore reasonable to expect a similar pattern for TNFD adoption, there are several reasons why TNFD adoption may be relatively faster, broader and deeper. First, the TNFD recommendations come after, and build upon, the TCFD recommendations. Organisations already reporting against the TCFD recommendations are therefore starting with a familiar language, structure and approach to sustainability reporting, and have internal processes, capacity and practices to build upon.

Second, the TNFD recommendations are aligned with a range of other relevant global frameworks and reporting and regulatory developments (Box 1).

Insights from a TNFD Global Survey

To support the preparation of this guidance, the TNFD undertook a global survey² in the summer of 2023 of market participants (report preparers) to gauge their expectations and plans about adopting the TNFD recommendations. Participants were asked a range of questions about getting started with the TNFD recommendations. The total number of respondents was 239, covering 11 sectors, with organisations headquartered in over 35 countries.

More than two-thirds (70%) thought that they would be able to start disclosing aligned with the TNFD recommendations by their financial year 2025, with 86% by their financial year 2026 or earlier. More near-term positive responses came from corporates compared with financial institutions, with around three-quarters (76%) of corporates and just under two-thirds (63%) of financial institutions suggesting they could disclose by 2025 or earlier (Figure 2).

The average respondent suggested they would get started by disclosing half (7) of the 14 TNFD recommended disclosures. There was significant variation between and among corporates and financial institutions about which disclosures they would start with, underscoring how business models and internal capacities affect an organisation's approach (Figure 3). The recommended disclosures with a higher proportion of positive responses broadly mirrored the TCFD recommended disclosures that had a higher volume of early reporting.

² The global survey was conducted between 26 July and 24 August 2023. The survey was sent to TNFD Forum members, TNFD National Consultation Group members, and other organisations through TNFD partner organisations. All questions referred to v0.4 of the draft TNFD framework. Responses were from corporates, financial institutions, market service providers and market consortia. The first two groups combined made up over 75% of total responses.



Figure 2: Expectations of when organisations will likely be able to start disclosing aligned with TNFD recommendations

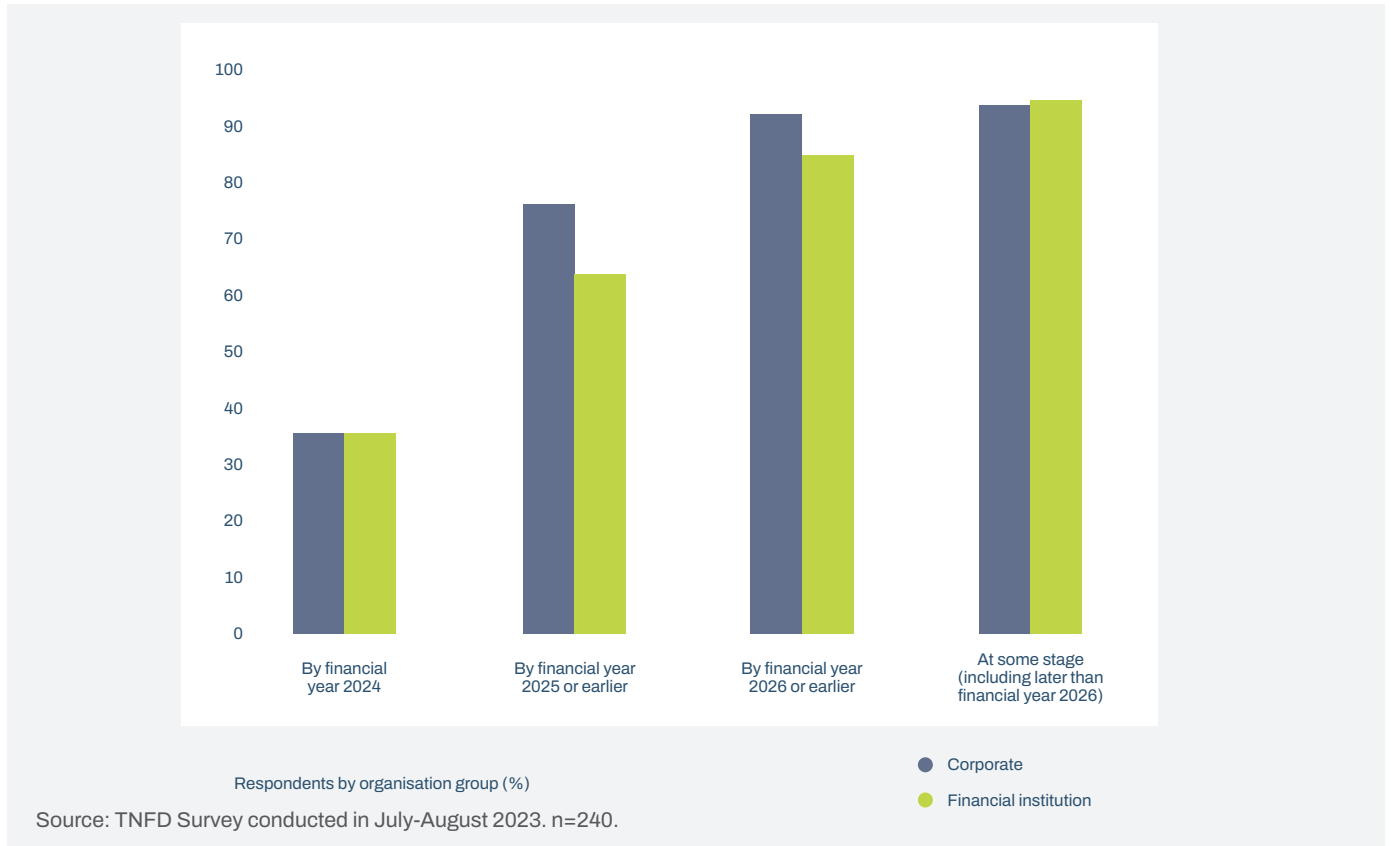


Figure 3: Expectations of which TNFD recommended disclosures an organisation will approach initially



How to get started

To help your organisation to get started, it can join the following groups to increase its learning and build capacity:

- The [TNFD Forum](#), which provides a platform for organisations to signal their support for the work of the Taskforce, contribute to the further development of the TNFD additional guidance, and to learn from each other through pilot testing and focus groups.
- The [TNFD Community of Practice](#) within the TNFD Forum, which is a shared learning platform designed to help organisations on their path to adopt the TNFD recommendations. It will provide access to webinars and other participatory learning opportunities and signposts to capacity building courses and programmes offered by TNFD partner organisations.

Key steps to consider

Your organisation should also consider these seven key steps when getting started with nature-related assessment and disclosure:

1. Deepen your understanding of the fundamentals of nature;
2. Make the business case for nature and gain buy-in from the board and management;
3. Start with what you have, leveraging other work;
4. Plan for progression over time and communicate your plans and approach;
5. Encourage collective progress through engagement;
6. Monitor and evaluate your own adoption progress; and
7. [Register your intention to start adopting the TNFD recommendations.](#)

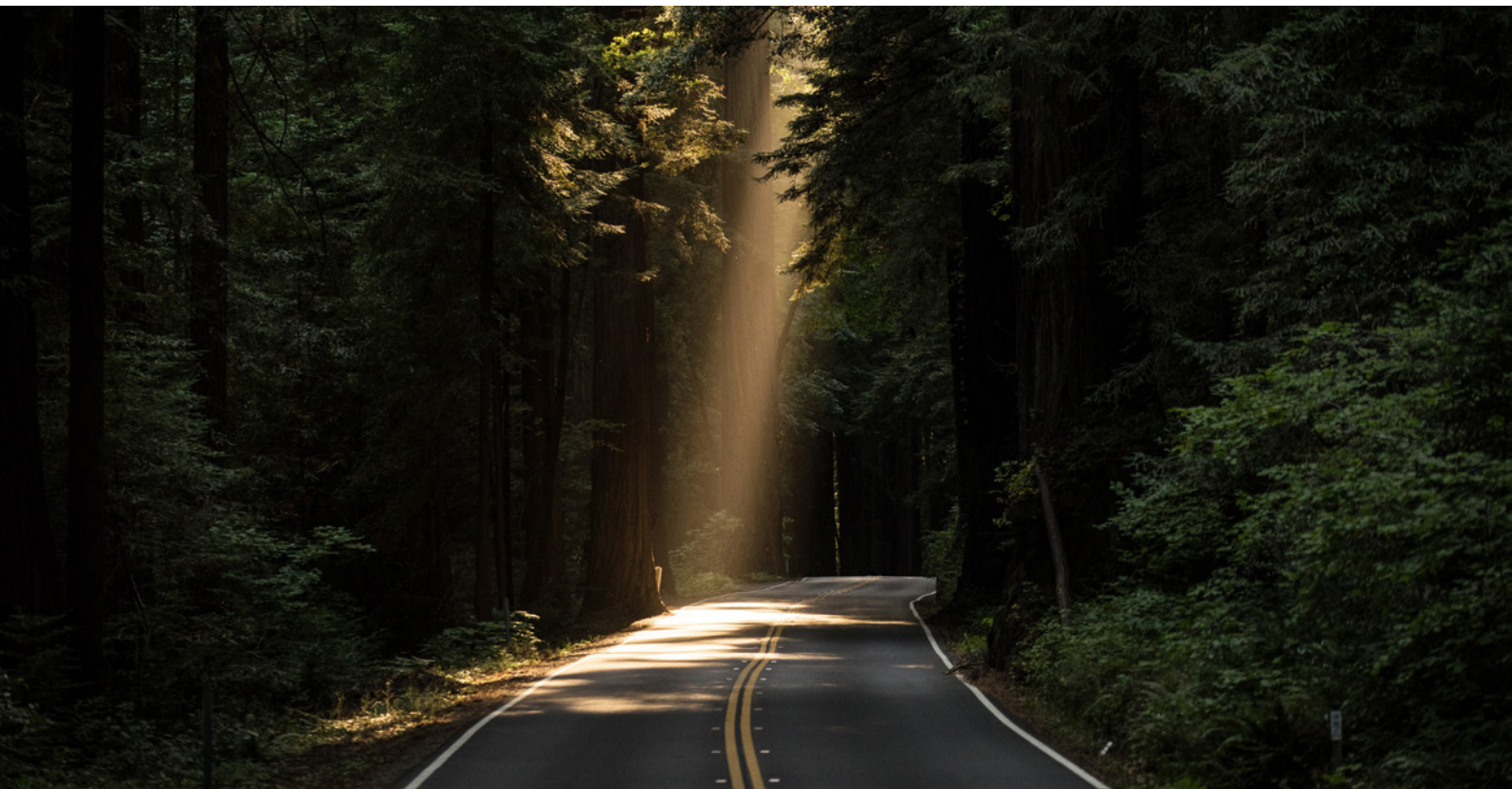
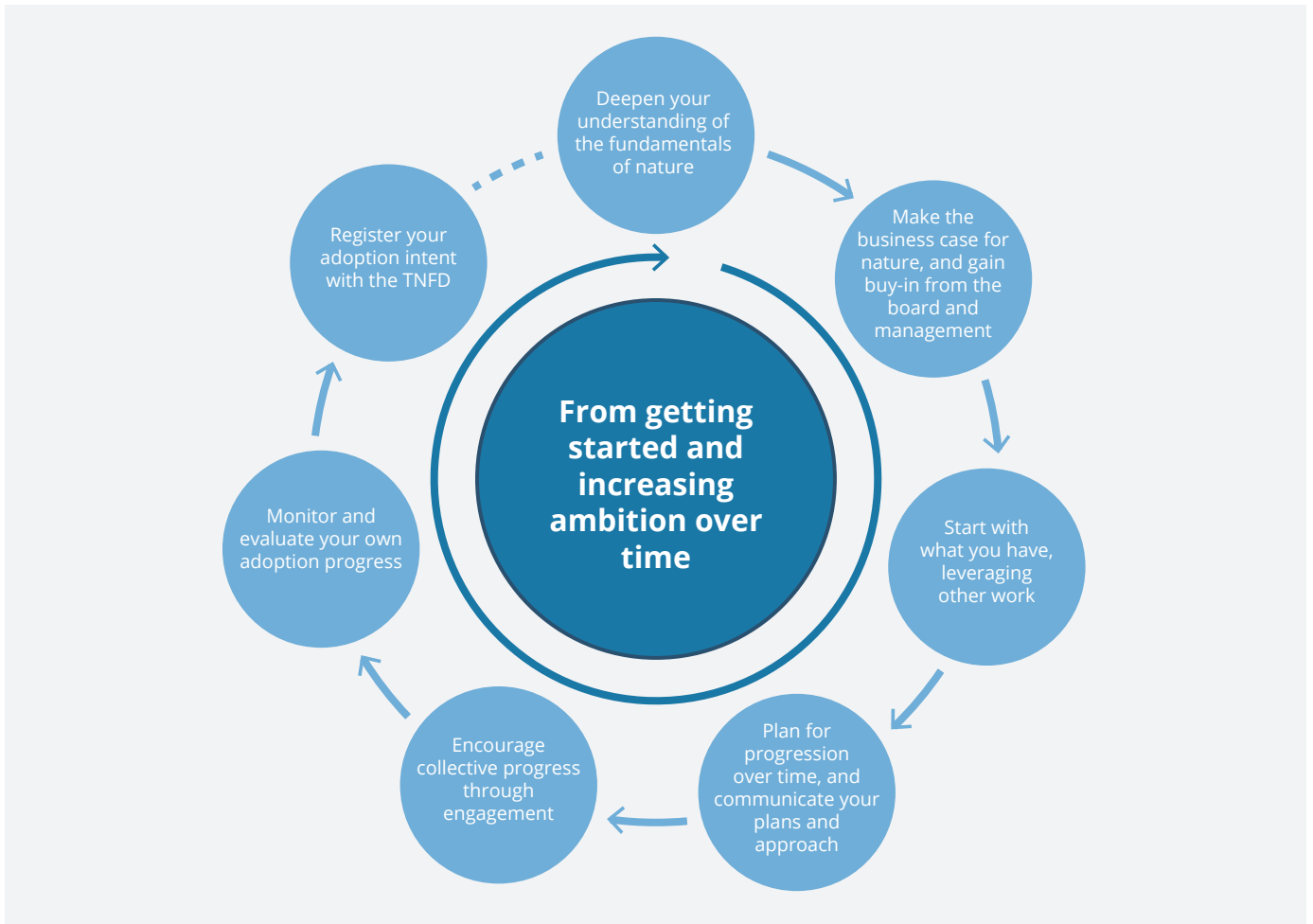




Figure 4: Seven key steps to get started and increase TNFD disclosure ambition over time



1. Deepen your understanding of the fundamentals of nature

For many organisations, understanding nature and its economic and financial relevance will be new. It will therefore be vital to ensure those involved with your organisation’s efforts have a solid understanding of the fundamentals of nature and associated issues for organisations. This includes understanding the components of nature (i.e., realms, biomes, environmental assets and ecosystem services), biodiversity as an essential characteristic of nature, and the concepts of nature-related dependencies, impacts, risks and opportunities.

Over the past decade, market participants have developed and learned a language system to understand, discuss, respond to and disclose on climate-related issues. But a similar level of consistency and maturity of an equivalent language system for nature has not developed across business and finance. Working closely with some of the world’s leading scientific and conservation organisations and SBTN, and building on previous initiatives including the Millennium Ecosystem Assessment, the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), the Natural Capital Protocol and others, the TNFD has



pulled together a set of definitions of key concepts, consistent with the global baseline for sustainability reporting, as the foundation of a market-accessible language system for understanding nature and nature-related issues.

When getting started, your organisation can learn about the fundamentals of nature through the [TNFD Recommendations](#), [TNFD Additional Guidance](#), [TNFD Glossary](#), [TNFD in a Box](#) and the [TNFD Knowledge Hub](#), which include a range of examples and case studies to help build understanding and capacity.

2. Make the business case for nature and gain buy-in from the board and management

When understanding of nature is relatively nascent, it will be important to build and make the business case within your organisation, to support actions to understand and address nature-related issues.

Building a business case for nature should take into account:

- The economic and financial value of nature;
- Risk management and mitigation needs;
- Commercial opportunities driven by innovation and increased resilience; and
- The long term viability of business models.

Your organisation may have already started looking at a sub-set of nature-related issues such as deforestation, water or pollution, which provides a useful starting point to build the case for taking action on nature in an integrated way.

Having made the business case, it will be important to engage with the board and management to obtain a commitment to adopt the TNFD recommendations. This commitment will require sufficient, necessary and timely information on nature-related issues provided to the board and management. It will be important to ensure that relevant teams have an internal mandate to implement the TNFD recommendations, ideally as part

of a broader nature strategy for your organisation. The [TNFD Knowledge Hub](#) and [TNFD in a Box](#) can support your organisation in these efforts.

3. Start with what you have, leveraging other work

The consistency of the TNFD recommendations with the TCFD recommendations and ISSB's IFRS Sustainability Disclosure Standards (Box 3) means your organisation can get started by identifying what can be leveraged in terms of existing or planned TCFD and ISSB-aligned disclosures.

Pilot testing of the draft TNFD framework revealed that many organisations were surprised by the amount of nature-related data they already had in their organisations, collected, for example, by their sustainability team or environment department. However, such data had typically not been shared across the organisation. As outlined in the [TNFD LEAP \(Locate, Evaluate, Assess and Prepare\) approach](#), your organisation can benefit by starting with a scan of existing internal data sources, particularly those that might be relevant to environmental issues, yet are less well known to risk and corporate reporting teams.

However, most organisations will likely need to collect new information across their business model and value chains to be able to adopt all the TNFD recommendations. At the initial stage, your organisation can get started with those nature-related issues it identifies as most material. The [LEAP approach](#) is a practical guide for all organisations on how these issues can be scanned and triaged, even with limited internal data and knowledge. Following this approach will help identify which issues, in the first instance, should be considered for reporting against TNFD recommended disclosures. As highlighted by the TCFD reporting experience and the TNFD survey insights outlined above, material nature-related issues will vary by organisation, sector, biome and region.



4. Plan for progression over time and communicate your plans and approach

Expanding the depth and breadth of your TNFD-aligned disclosures over time is important. Your organisation may build its progression plan, for example, by choosing to focus on a specific business line, geography or impact driver to make in-depth disclosures and then expanding the scope. The [TNFD Recommendations](#) ask report preparers to describe the scope of their disclosures at the outset so that a limited scope of reporting will be clear to report users.

Your organisation should form a plan to produce TNFD-aligned disclosures and expand the scope over time. This plan could consist of goals by specific dates (for example, within the next X years), or be based on a set of conditions (for example, when data Y can be sourced). This plan could be improved by including other elements, such as the expected resource and capacity building needs, and the relationship with other sustainability-related work, on climate, for example, and the disclosure standards landscape. It might also include how TNFD-aligned disclosures would support other elements of your organisation's agenda and strategy.

There is merit in publicly communicating these plans to help manage the expectations of your report users. This could cover your organisation's expected pathway to ensure greater depth and breadth of TNFD-aligned disclosures over time. It could also include the current status of your organisation's TCFD-aligned disclosures, and any plans to leverage this work for TNFD adoption and integrated climate- and nature-related disclosures.

5. Encourage collective progress through engagement

The progress of your organisation's TNFD-aligned disclosures will be influenced by the progress of others. Specifically, the ability of any one organisation to identify, assess and disclose its nature-related issues will depend to an extent on the understanding, plans

and ambition of its relevant stakeholders. For example, most of the potentially material nature-related issues for global financial institutions and large multinational corporates will be in their financed activities or value chains and not in their direct operations. Engagement with relevant organisations to encourage them to assess nature-related issues will therefore be critical for these organisations.

To support their own progress towards adopting TNFD's recommendations, organisations should encourage their relevant stakeholders to advance their own understanding, identification and assessment of nature-related issues. For example, corporates can establish and maintain regular dialogues and agree areas of focus with organisations along their value chains to improve the traceability and visibility of nature-related issues. Public communication by financial institutions can encourage TNFD-aligned disclosure by their clients and investees and thereby the development of decision-useful data. Similar actions are happening in other areas of sustainability disclosures. For example, asset managers are disclosing in their annual sustainability reports their plan to require greater information from their investees. Corporates are also communicating to value chain partners the need to increase understanding of activities across parts of their value chains.

6. Monitor and evaluate your own adoption progress

It will be important to monitor and evaluate your organisation's progress towards the adoption of TNFD recommendations to identify the challenges to overcome and enable further progress over time. This point has been underscored by TNFD piloting organisations, who indicated the importance of forming and monitoring an internal roadmap to track their progress. Organisations may also consider the creation of board and management level dashboards to track nature-related issues, investor and regulator interests, and its internal TNFD assessment and adoption progress.



Your organisation could consider forming an internal strategy and process to regularly evaluate progress against your agreed plan (see step above). Annual reporting is a reasonable default, but the timing will ultimately be determined by your organisation, in consultation with key internal stakeholders, such as the board and management. After any evaluation, your organisation should update its plan, communicate any actions to its relevant stakeholders, and implement any changes.

7. Register your intention to start adopting the TNFD recommendations

When your organisation is getting started with the adoption of the [TNFD Recommendations](#), it can signal its intention to do so by becoming a [TNFD Adopter](#). This will signal to the market and other stakeholders that your organisation recognises the importance of identifying,

assessing, managing and disclosing nature-related issues and has committed to get started as part of its mainstream corporate reporting activities.

Practical considerations across recommended disclosures

There are practical considerations across the TNFD recommended disclosures that your organisation may find useful to reference when getting started. These considerations were identified through market consultation and pilot testing feedback. They are intentionally high-level, as all organisations will ultimately need to determine how they can best approach reporting against each TNFD recommended disclosure. These considerations are not the only issues your organisation needs to deliberate when producing TNFD-aligned disclosures.

Figure 5: Summary of practical considerations by TNFD disclosure pillar

Governance	Strategy	Risk and Impact Management	Metrics and Targets
Consider scope and priorities			
Consider skills, knowledge development and resource needs			
Identify potential integration opportunities			
Identify potential ways to address data limitations			
Consider value chains			
Identify governance structure and processes Identify support for board and management Consider stakeholder engagement activities	Consider locations Identify time horizons Consider strategic implications	Consider assessment methods (including scenario analysis) Identify appropriate risk management processes	Consider metrics Consider targets



Cross-cutting

Considering scope and priorities

Your TNFD-aligned disclosures will ultimately depend on an assessment of nature-related issues for your organisation's business model and value chain. As with any due diligence process, it is important that your organisation identifies its areas of focus and priorities before undertaking a nature-related assessment. This is included in the scoping phase of the [TNFD's LEAP approach](#), which recommends that an organisation conducts a quick, high-level, preliminary scan to define the parameters for a nature-related assessment and ensure there is internal alignment on goals and timelines. When getting started with the adoption of the TNFD recommendations, organisations can benefit by reaching an internal agreement on their focus and priorities early on.

TNFD piloting insight: 'Take an iterative approach as you scope your assessment' – Several pilot testers highlighted that it is important not to get overwhelmed by the initial scoping phase. Be willing to reassess and revise your scope as you learn through the LEAP phases what is material or possible now, versus what might be possible in the future. For example, a sector or geography considered as a high priority during initial scoping may be identified as less pertinent through stakeholder engagement and a nature-related assessment.

Considering skills, knowledge development and resources

As with any due diligence process, organisations will need to consider the appropriate scope of their nature-related assessments given the money, time, personnel and data resources available to undertake the analysis. For many organisations, considering nature-related issues will be a relatively new endeavour, and many will not have internal experts in nature and biodiversity. Those organisations are likely to need to build internal skills and capacity and/or source external support.

Therefore, your organisation can benefit by identifying its skills and capacity needs early on, given broader cost and resourcing considerations. For example, some organisations that have piloted the TNFD framework have sought to establish partnerships with local scientific agencies and universities to build capacity and skills. The TNFD recognises the practical capacity and cost constraints of report preparers when assembling, assessing and reporting information for annual reporting cycles and acknowledges that undue cost and effort should not be exerted, consistent with guidance and expectations from the ISSB.

TNFD piloting insight: 'Source diverse expertise' – Several pilot testers emphasised that sourcing a diverse range of skills and expertise can help improve the quality of the identification and assessment of nature-related issues. External experts such as ecologists, conservation organisations and Indigenous Peoples and Local Community organisations can provide complementary and useful insights and perspectives.

Identifying potential integration opportunities

All 11 TCFD recommendations have been replicated in the TNFD recommendations. This provides the opportunity for existing TCFD reporters to look immediately for opportunities to make similar disclosures with respect to nature and provide their investors and other report users with integrated TCFD and TNFD sustainability reporting.

Your organisation should consider these integration opportunities when approaching the TNFD recommended disclosures, specifically considering the merits of combined TNFD and TCFD reporting. An initial assessment of these opportunities, in part through the identification of existing or planned TCFD work, will likely be useful when getting started with TNFD adoption.



Identify potential ways to address data limitations

The extent to which the underlying data of TNFD-aligned disclosures is decision-useful (e.g. disaggregated, location-specific and high-quality) will ultimately determine the quality of the disclosure. While the availability and quality of nature-related data is still evolving, this need not stop organisations from getting started with TNFD adoption. Similar to TCFD, the majority of the TNFD recommended disclosures are process descriptions that do not require quantitative metrics to start making disclosures

Where quantitative data are necessary, your organisation should begin by assessing its existing access to data and identifying data gaps. Your organisation should consider the data it already holds or can readily obtain and use, including whether asset level data exist internally from other due diligence processes, such as compliance with modern slavery legislation. It should also consider which relevant nature-related data, such as impact drivers, changes to the state of nature and the provision of ecosystem services, could be covered adequately by secondary, modelled or proxy data initially. See additional guidance on the [Evaluate phase of the LEAP approach](#) for further detail.

While your organisation may need to use less granular data in the short term to get started, you should plan to increase the level of precision over time, as data and traceability improve. Your organisation may find it beneficial to set expectations and create a progression plan for improving data as this is critical when identifying, assessing, managing and disclosing nature-related issues. In general, when choosing any type of data, it is important that your organisation understands its limitations and the implications for how to interpret conclusions appropriately. When getting started with data, it is worth consulting the [TNFD Tools Catalogue](#), [additional guidance on the LEAP approach](#) and the [TNFD Data Discussion Paper](#) for further guidance on how to deal with data limitations and suggested methods, tools and datasets.

TNFD piloting insight: *'Internal engagement and cross-checks are key'* – Several pilot testers stressed the importance of engaging with multiple internal teams – for example, those focused on sustainability, procurement and risk – to gain better understanding of available information and data.

Considering value chains

While some organisations, such as small and medium sized enterprises, will interface with nature in a relatively small number of locations, others, such as large multinational corporates and global financial institutions, will interface with nature in many locations through their upstream and downstream value chains. To get started, your organisation may initially want to scope a provisional set of disclosures around a particular part of your business or value chain. Tools such as ENCORE, the SBTN materiality screening tool and SBTN High Impact Commodity List can help you identify where potentially material issues are likely to arise.

Early on, your organisation should also carefully consider your information needs, and those of the expected report users, to focus your resources on gathering the data that will be decision-useful and informative. Your organisation may already collect significant data on your organisation's value chains as part of its scope 3 greenhouse gas emissions (GHG) and modern slavery legislation compliance efforts. When getting started, your organisation should also start a dialogue with upstream suppliers and downstream customers to broaden data collection and support greater visibility, traceability and analysis across upstream and downstream value chains in the future. Reviewing what secondary, proxy and modelled data might support analysis at a lower cost in the short term can also benefit your organisation.

More generally, when getting started with value chains, your organisation may find it useful to refer to the [TNFD Tools Catalogue](#) and [LEAP approach](#) for further guidance and suggestive tools and data sets.



TNFD piloting insight: ‘The importance of dialogue’
– Several pilot testers highlighted the importance of strengthening engagement with stakeholders in a value chain to support robust assessments of nature-related issues.

(I) Governance

Considering governance structure and processes

The TNFD recognises that many organisations may not currently consider nature-related issues as part of their formal governance structures and processes today, and that these will need to be established to ensure that nature-related issues have sufficient oversight and are being appropriately managed. Your organisation might be able to get started with the governance coverage of nature-related issues by identifying specific criteria in the role descriptions of sustainability officers and directors. These individuals may already be responsible for your organisation’s oversight and management of other sustainability issues, such as climate.

Identifying support for board and management

When getting started, creating a clear approach to upskill your board on the relevance of nature-related issues to ensure that these are integrated into all key decision-making processes can benefit your organisation. This could include providing internal briefings, setting up dialogues with relevant internal teams, and consulting external experts to provide training on nature-related topics.

Refer to the [TNFD Knowledge Hub](#) and TNFD in a Box to support these efforts.

Considering stakeholder engagement activities

Your organisation can benefit by identifying early on how it plans to engage with Indigenous Peoples, Local Communities and affected stakeholders about their concerns and priorities that are relevant to its activities and interface with nature.

Refer to the TNFD’s additional guidance on engagement and the materials that it draws on, including the UN Declaration on the Rights of Indigenous Peoples and the UN Guiding Principles on Business and Human Rights.

(II) Strategy

Considering locations

When getting started, your organisation will need to arrive at an informed, evidence-based view of the sources of potentially material nature-related issues in its direct operations and upstream and downstream value chains. To help do this, your organisation should form hypotheses about which locations are most likely to be associated with material dependencies, impacts, risks and opportunities.

The scoping guidance in the [LEAP approach](#) provides questions that can support this, and components L1 and L2 of the Locate phase of LEAP include guidance on filtering the activities across an organisation’s business model and value chains to locate the activities likely to be material. In addition, the [TNFD Tools Catalogue](#) provides a set of recommended data sources and tools to help organisations to identify priority locations.



TNFD piloting insight: ‘The benefits of multiple sources’ - Several organisations who used multiple datasets on the state of nature indicated the benefits for a more comprehensive understanding of their potential nature-related impacts and dependencies. Some also found it necessary to adapt materiality thresholds to take forward a manageable number of assets for detailed analysis.

Refer to the [TNFD Additional Guidance on the Prepare phase of the LEAP approach](#).

TNFD piloting insight: ‘The importance of considering value creation and strategy in tandem’ – Several organisations emphasised that it was vital to incorporate nature considerations into the organisation’s overall business strategy, rather than treating them as separate endeavours. Such integration ensures that nature becomes an integral part of decision-making processes.

Identifying time horizons

When getting started, your organisation will need to define its time horizons for the short, medium, and long term, considering a number of factors. These include, but are not limited to: the type of activities and life of your organisation’s physical assets; the sectors, value chains and geographies in which your organisation operates; the profile of the nature-related risks and opportunities your organisation faces; and broader nature-related policy goals and targets, such as those in the Kunming-Montreal Global Biodiversity Framework (GBF). Your organisation’s identified time horizons and incentive structures will need to be aligned, as not doing so could lead to perverse outcomes, such as only considering short term issues.

Considering strategic implications

At the conclusion of a nature-related assessment, your organisation will need to determine the implications of the findings for its business model and value chain, strategy and financial planning. When getting started, it helps to distinguish between the relevant ‘what’ (processes that may need changing as a result), ‘how’ (actions and ambition) and ‘who’ (implications for stakeholders involved and/or affected). When starting to form a planned response, organisations should consult across teams and functions to ensure any planned response can be carried out effectively and familiarise themselves with scenario analysis when considering strategies under different plausible futures.

(III) Risk and impact management

Considering assessment methods (including scenario analysis)

When getting started, your organisation should identify which assessment methods are most relevant for its intended aims and outputs. This can build an understanding of the benefits and limitations of any given method, and how its results should be interpreted. As part of this identification, your organisation should consider how it would employ a given assessment method and understand whether it has the required internal skills and systems or needs to source external support.

Many organisations, particularly financial institutions, will find heatmapping a useful and accessible way to start as:

- It is analogous to similar approaches used for climate-related risk assessment;
- It can make use of a sectoral approach for which data gathering is generally less challenging than counterparty-based assessments; and
- It often refers to ready-made impact and dependency materiality scoring made by third parties, which can be developed further, with judgment.



When getting started with scenario analysis, your organisation should treat this as an iterative process, which initially may be more qualitative than quantitative, and only focus on specific business units, sectors, regions or biomes.

Refer to the [LEAP approach, guidance on scenario analysis](#) and the [TNFD Tools Catalogue](#).

Identifying appropriate risk management processes

When getting started, your organisation should perform an initial scan of its existing activities and business processes to help identify those that may need to be adjusted in light of identified nature-related issues. Consistent with the TCFD approach, this should not only include a consideration of risk processes, but also organisational structures, roles and responsibilities, and the specific approaches and tools used in these processes.

Refer to the [TNFD's Risk and Opportunity register](#) and [the LEAP approach](#).

(IV) Metrics and targets

Considering metrics

The multifaceted characteristic of nature means that, unlike climate and carbon, there is currently no single metric or indicator to understand and assess an organisation's nature-related issues. When getting started with nature-related disclosure metrics, your organisation should seek to familiarise itself with

and build an understanding of the TNFD's core and additional disclosure metrics. Your organisation should also plan to expand the content and scope of metrics it seeks to report on over time, including forward-looking indicators.

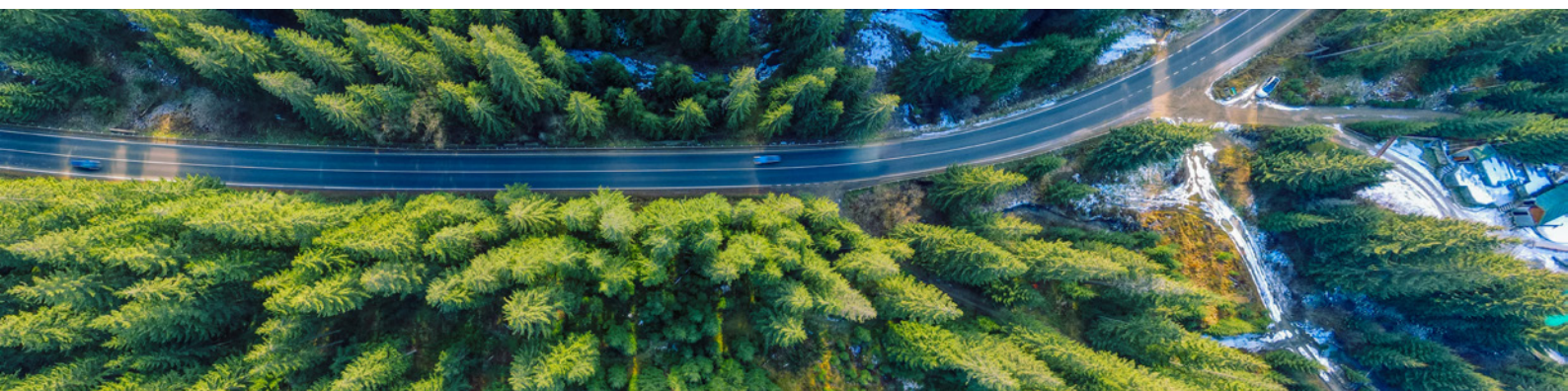
Refer to the [TNFD recommendations, the LEAP approach](#) and [TNFD sector guidance](#) for further details on indicators and metrics.

Considering targets

Having agreed its planned response to manage its nature-related issues, your organisation may want to set targets – a specific, quantitative, time-bound objective. When considering how to set an appropriate and effective nature-related target, your organisation should seek to understand the methods set out by the [Science Based Targets Network \(SBTN\)](#).

When getting started with target setting, your organisation will likely benefit by first setting targets related to identified material impact drivers that are relevant to elements of an organisation's activities. Your organisation will also need to consider how it plans to monitor and assess progress against a chosen target before deciding to implement it. In addition, you should also identify any climate-related targets adopted, or planned to be adopted, and consider the interactions with potential nature-related targets.

Refer to the [Prepare phase of the LEAP approach](#) and the [SBTN-TNFD guidance on SBTN's methods for setting science-based targets for nature](#).



Additional materials to help you get started

In summary, the following materials can support your organisation in getting started with the adoption of the TNFD recommendations:

TNFD:

- [Recommendations of the Taskforce on Nature-related Financial Disclosures](#)
- [Additional Guidance for Financial Institutions](#)
 - [Additional Guidance on Assessment of Nature-related Issues – the LEAP Approach](#)
- [Additional Guidance on Scenario Analysis](#)
- [Additional Guidance on Engagement with Indigenous Peoples, Local Communities and Affected Stakeholders](#)
- [Guidance for Corporates on Science-Based Targets for Nature - Co-authored by the TNFD and SBTN](#)
- [TNFD Tools Catalogue](#)
- [TNFD Knowledge Bank](#)

Other:

- [Task Force on Climate-related Financial Disclosures \(TCFD\) Recommendations](#)
- [ISSB's IFRS-S1 General Requirements for Disclosure of Sustainability-related Financial Information](#)
- [SBTN guidance on setting science-based targets for nature](#)
- [Unboxing Nature-related Risks: Insights from the UNEP FI-led TNFD Piloting Programme](#)
- [WBCSD's TNFD Pilot Preparer Guidance – Lessons from TNFD piloting with 23 global companies](#)
- [UNEP FI, UNDP and UNEP-WCMC: Prioritising nature-related disclosures: considerations for high-risk sectors](#)
- [FfB Foundation: Top 10 biodiversity-impact ranking of company industries](#)
- [Business for Nature, WBCSD, WEF and others: Priority sector actions towards a nature positive future](#)
- [PRI Climate Risk: An Investor Resource Guide](#)
- [UNEP FI, PRI and the Finance for Biodiversity Foundation: Stepping Up on Biodiversity: What the Kunming-Montreal Global Biodiversity Framework means for responsible investors](#)
- [UNEP FI and PRB: Banking on nature: What the Kunming-Montreal Global Biodiversity Framework means for responsible banks](#)
- [FfB Foundation: Act Now! The why and how of biodiversity integration by financial institutions](#)
- [WBCSD Roadmap to Nature Positive – Foundations for all businesses](#)
- [CDP Climate, Forests, and Water Security questionnaires and guidance](#)
- [CDP Nature in Green Finance: Bridging the gap in environmental reporting](#)
- [Capitals Coalition: Natural Capital Protocol](#)



