

# Taskforce on Nature-related Financial Disclosures

What you need to know

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## The business briefing

Nature is working its way up the business agenda. In November 2025, the International Sustainability Standards Board (ISSB) announced it will develop new nature-related disclosure requirements that will be drawing directly on the framework already built by the Taskforce for Nature-related Financial Disclosures (TNFD)<sup>1</sup>, including its LEAP<sup>2</sup> approach.

This marks a technical update, but it's also a powerful market signal. By aligning with the TNFD, the ISSB is mitigating risks associated with regulatory fragmentation (TNFD, ISSB, SBTN, CDP, CSRD and many more are in the mix). ISSB is amplifying and simplifying what is common sense to any global business with material impacts and dependencies on nature: nature-related risk is financial risk.

## Nature disclosures are increasing

Recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) Version 1.0 provide a set of disclosure recommendations and guidance for organisations to report and act on evolving nature-related dependencies, impacts, risks and opportunities.

Part of a wider and fast-moving global regulatory movement, driving rigorous climate and nature reporting from businesses, TNFD follows in the wake of the now-established Taskforce on Climate-related Financial Disclosures<sup>3</sup> (TCFD) but brings focus to the urgent need for businesses and financial institutions to assess, disclose and mitigate their impacts on nature.

Integrating nature-related risks and opportunities into financial reporting and decision-making processes requires organisations to understand the confluence of climate and nature, and to quantify and manage their environmental impacts and dependencies.

While the framework is currently voluntary, in September 2025 the TNFD Status Report confirmed that 620 organisations from 50 countries have already committed to start making nature-related disclosures based on the recommendations.

TNFD is at the vanguard of this movement, articulating a framework that supports organisations to understand the ways in which businesses interact with nature. Components of TNFD are being incorporated into a range of mandatory disclosure frameworks, most recently by the ISSB.

There is advantage in becoming an early-stage TNFD reporter. Engagement with TNFD distinguishes companies as influential players in shaping the future nature and biodiversity reporting landscape. These organisations will be well positioned to enhance brand reputation while aligning with broader mandatory frameworks.

By adopting the forward-looking TNFD framework, organisations can strategically plan for and mitigate against nature-related risks while securing long-term business resilience.

<sup>1</sup> <https://tnfd.global/publication/recommendations-of-the-taskforce-on-nature-related-financial-disclosures/>

<sup>2</sup> The **LEAP approach** is a central component of the TNFD framework. It's an acronym for **L**ocate, **E**valuate, **A**ssess, and **P**repare. This four-phase process guides organisations in identifying and managing their nature-related dependencies, impacts, risks, and opportunities, starting with locating their interface with nature and ending with preparing to respond and report.

<sup>3</sup> <https://www.fsb-tcfd.org/>



# What is the Taskforce on Nature-related Financial Disclosures?

TNFD was launched in 2021 as a global initiative inspired by the success of TCFD. TNFD’s two-year design-and-development phase was informed through collaboration with a number of contributing knowledge partners, including Risilience.

Providing a framework that enables companies to assess, disclose and mitigate their impacts on nature, TNFD is driving more consistent and comparable reporting on nature-related risks and impacts by global business

organisations and financial institutions. The ultimate aim of TNFD is to support a shift in the flow of global capital towards nature-positive activities and outcomes.

The Recommendations of TNFD include a set of general requirements for nature-related disclosures and a set of recommended disclosures structured around the four pillars of governance, strategy, risk and impact management and metrics and targets.

## The LEAP framework

TNFD recognises the challenges to organisations in understanding the ways in which businesses interact with nature. The LEAP<sup>4</sup> (Locate, Evaluate, Assess, Prepare) approach is designed to support businesses to understand their nature-related risks and opportunities. The LEAP method builds on and aligns with existing

assessment frameworks and the target-setting methods developed by the Science Based Targets Network<sup>5</sup> (SBTN). Designed for use by organisations of all sizes, and across all sectors and geographies, the approach features a four-step framework:

**LOCATE:** identify and map the direct and indirect interactions your business has with the natural environment. This step involves pinpointing where your operations, supply chain and product lifecycle touch upon natural resources and ecosystem services.

**ASSESS:** quantify and analyse the risks and opportunities associated with your environmental impacts and dependencies. This involves looking at current practices, foreseeing possible future scenarios and determining the financial, operational and reputational impacts of those interactions.

**EVALUATE:** assess the significance of your business’ impact and dependency on nature. This includes understanding both positive and negative impacts, and how changes in the natural world could impact your businesses operations.

**PREPARE:** develop strategies and actions to manage identified risks and capitalise on opportunities. This could involve implementing more sustainable practices, bolstering resilience to environmental changes, engaging with stakeholders and preparing for future regulatory requirements.

<sup>4</sup> <https://tnfd.global/publication/additional-guidance-on-assessment-of-nature-related-issues-the-leap-approach/>  
<sup>5</sup> <https://sciencebasedtargetsnetwork.org/>

# What is driving the increase in nature-based regulation?

The global nature and biodiversity landscape is characterised by an unprecedented rate of decline in species and habitats, driven by human activities such as deforestation, pollution, overfishing and climate change, threatening ecosystem services vital for human survival.<sup>6</sup>

The need for restoring and protecting biodiversity and nature, globally, is now framed by the adoption of the Kunming-Montreal Global Biodiversity Framework<sup>7</sup> (GBF), signed in December 2022 at the Convention on Biological Diversity’s (CBD) 15th Conference of the Parties<sup>8</sup> (COP).

The GBF sets goals and measures to stop and reverse the loss of nature by 2050. It has close to 200 countries committed to the four goals and 23 targets that comprise the framework, including a direct message for businesses and financial institutions to prepare to assess and disclose their risks, dependencies and impacts on biodiversity.

The headline target of ‘30×30’<sup>9</sup> intends to conserve 30 per cent of the world’s land, freshwater and ocean by 2030. The GBF will be translated into national strategies and action plans, which will have material impacts for corporations as more land will need to be protected.

The global rise in climate litigation<sup>10</sup> has been rapid and an increase in nature-related litigation is likely to follow the same arc. Climate litigation is causing significant concern for organisations assessing and managing the risk at a corporate level. Legal cases can be protracted, financially costly and trigger reputational damage. New channels of environmental/nature-related litigation to target and penalise firms for their damages to nature, including historical impacts, or failure to respond to/plan for the nature crisis, are expected to emerge in the next few years across a broadening range of nature domains, including water, pollution, biodiversity and land-use change. Organisations should proactively manage their risk and exposure to nature to be best prepared.

<sup>6</sup> <https://www.unep.org/news-and-stories/press-release/natures-dangerous-decline-unprecedented-species-extinction-rates>  
<sup>7</sup> <https://www.cbd.int/gbf>  
<sup>8</sup> <https://www.cbd.int/cop>  
<sup>9</sup> <https://www.cbd.int/gbf/targets>  
<sup>10</sup> <https://www.lse.ac.uk/granthaminstitute/publication/global-trends-in-climate-change-litigation-2025-snapshot/>

# How does TNFD relate to existing climate and sustainability regulation?

Nature-based regulation is increasing across many jurisdictions around the world and TNFD is a useful tripwire to assess where more aggressive regulation might impact a business.

While the European Parliament's "Omnibus" updates, adopted in November 2025, aim to simplify the reporting requirements and reduce the number of data points in the EU Corporate Sustainability Reporting Directive<sup>11</sup> (CSRD), the double materiality principle remains a core principle of sustainability reporting. Many companies in scope of CSRD will already be considering their impact on nature and nature's impact on their organisations. Double materiality requires reporting on a company's impacts on people and the environment, as well as reporting on how social and environmental issues create financial risks and opportunities for the company.

TNFD is aligned with TCFD, CSRD, SBTN and the International Sustainability Standards Board<sup>12</sup> (ISSB), and can be integrated into and enhance existing disclosures and standards.

While TNFD is applicable worldwide, CSRD is currently shaping corporate thinking around nature regulation and draws on the TNFD framework for its approach to environmental reporting.

The imminent Chinese disclosure rules<sup>13</sup>, which will require large, listed companies to disclose from 2026, endorses double materiality and includes Scope 1, 2 and 3 greenhouse gas (GHG) emissions. The framework also encourages climate scenario analysis and third-party verification on reported data, which suggests alignment with CSRD.

Despite being a European regulation, CSRD affects global companies with operations in Europe, and companies in Europe with supply chains that touch nature anywhere in the world, effectively forcing companies to take a global approach to nature-risk assessment. The requirement of CSRD to understand organisational impacts, risks and opportunities across the value chain, and determine the most material risks to the business from a double-materiality perspective, suggests a global approach to identify the most vulnerable components of an organisation's direct activities and indirect footprint.

The Omnibus package introduced a "Value Chain Cap" to limit the information that in-scope companies can request from small and medium-sized enterprises in their value chain. They may only request information from business partners that aligns with future voluntary SME sustainability reporting standards (VSME), reducing the complexity of data that SMEs must provide. Nevertheless, the need for a company to assess risks and impacts across its entire global value chain remains.

CSRD requires companies in scope to report, both qualitatively and quantitatively, on a wide range of environmental, social and governance (ESG) topics. It mandates detailed reporting on sustainability matters related to water, land-use, biodiversity, human rights, labour rights and circular business models. Following the Omnibus package, the number of mandatory data points within each topic has been streamlined and companies should prioritise quantitative data over extensive narrative text.

Companies are required to obtain limited assurance of the sustainability information by ensuring their disclosed data is reviewed by a neutral, trusted and experienced third party.

In the EU, CSRD applies from this year but will expand in coverage

| Date   | EU companies in scope   | Non-EU companies in scope  |
|--|---|--|
| 1 January 2024   | Large EU "Public Interest Entities" that are already subject to the Non-Financial Reporting Directive.  | Large Non-EU companies with securities listed on an EU regulated market and with more than 500 employees.  |
| 1 January 2026   | All other Large EU companies (not already subject to NFRD). In Nov 2025, the thresholds for in-scope EU companies are under negotiation and the delayed reporting start date is likely to be extended by one additional year. | Certain Non-EU small- and medium-sized enterprises (SMEs) listed on an EU regulated market.  |
| 1 January 2028   | Certain EU SMEs, small and non-complex credit institutions and captive insurance undertakings that are listed.  | N/A  |
| 1 January 2029 (proposed)  | N/A   | Non-EU companies meeting the EU Turnover Test. In Nov 2025, the net turnover threshold is expected to be raised from the initial proposal of €150m to €450m and which EU branches or subsidiaries are in scope is uncertain. |
| Changes to Accounting Directive thresholds in Oct 2023 mean that from 2024 'Large' = a company, or where that company is a parent of a consolidated group, a group meeting two of the following: |   |  |
| <ul style="list-style-type: none"><li>1000 employees.</li><li>€450m turnover</li></ul>   |   |  |

<sup>11</sup> <https://finance.ec.europa.eu/regulation-and-supervision/financial-services-legislation/implementing-and-delegated-acts/corporate>  
<sup>12</sup> <https://www.ifrs.org/groups/international-sustainability-standards-board/>  
<sup>13</sup> <https://www.esgtoday.com/china-stock-exchanges-announce-mandatory-sustainability-reporting-requirements-for-listed-companies/>



# TNFD and CSRD: overlaps

- ✓ Both CSRD and TNFD require organisations to disclose their impacts on the environment and their dependencies on natural resources.
- ✓ Both CSRD and TNFD require organisations to report on how they identify, assess and manage environmental-and-nature-related risks. This involves disclosing strategies and actions taken to mitigate identified risks.
- ✓ Both CSRD and TNFD require organisations to disclose specific, measurable sustainability targets and the performance metrics used to assess progress against these goals. This includes information on conservation efforts, restoration projects and integration of sustainability into corporate strategy and decision making.
- ✓ Both CSRD and TNFD emphasise the importance of governance structures and processes in managing environment and sustainability issues.
- ✓ Both CSRD and TNFD prompt organisations to engage with key stakeholders, including local communities, investors and employees.
- ✓ Both CSRD and TNFD require organisations to consider how they manage environmental-and-nature-related risks through their supply chains. This includes assessing and mitigating the impacts of their supply chain on biodiversity and ecosystems.
- ✓ Both CSRD and TNFD prompt organisations to disclose the financial implications of nature-related risks and opportunities to their business, including potential impacts on revenues, expenditures and investments.
- ✓ Both CSRD and TNFD encourage (TNFD), or require (CSRD), companies to conduct scenario analysis to understand the resilience of their strategies under different scenarios with varying levels of climatic change and biodiversity loss.

# Business impacts of dealing with nature-related risk

The interplay between reducing carbon footprints and nurturing biodiversity must be carefully considered at the corporate level. It requires credible transition plans, informed by data analytics and scenario analysis, to support nature-positive and net-zero outcomes integral to business resilience.

The intricate interdependencies within natural systems and their interaction with human activities add complexity to identifying, quantifying and managing nature-related risks. Gaining clarity to understand the scope of an organisation’s value chain, in order to define the nature-related impacts and dependencies, is key.

The transition risk of increased future regulation in many countries around the world will be the main management challenge for businesses dealing with nature-related risk. Increasingly stringent regulation will add administrative burden and, ultimately, cost to a business where it interacts with natural resources, as a lever to bring about change to preserve them. In a similar way that carbon pricing is now well understood as a mechanism for incentivising a company to reduce its greenhouse gas emissions, so nature-based pricing mechanisms will increasingly be used to change the rules of how a company interacts with its environment.

There will likely be increased cost for using water where it is scarce, higher penalties for pollution, regulatory taxation for deforestation and land-use change, surcharges for package littering and end-of-life product disposal, and many other areas that will impact businesses in unexpected ways.

A lack of high-quality, accessible data on biodiversity and ecosystem services makes it difficult to accurately quantify nature risks and impacts. Translating information from complex data sets into an intelligible business narrative explaining how nature-related risk could impact an organisation now, or in the future, is a major technical challenge for most organisations.

Litigation is also an area of concern. While there have been very few legal cases focused on biodiversity loss and environmental impairment to date, this is forecast to change within the next few years.

Businesses that consider various scenarios for future regulatory and pricing regimes, and the pace at which they might be implemented across their various markets, will be best placed to develop strategies for adapting to this new nature-positive economy.



# What are the benefits to business of TNFD compliance?

TNFD provides a valuable tool for sustainability-strategy development.

## Risk identification and management

TNFD will help businesses identify and manage nature-related risks, including physical risks from the degradation of ecosystems and transition risks associated with moving towards a carbon-neutral and nature-positive future. The risk management process prompted by TNFD can support organisations to develop mitigations to protect against potential financial losses and operational disruptions associated with their impacts and dependencies on the natural world.

## Operational efficiency and innovation/ value creation

Implementing the TNFD framework can drive operational efficiency and encourage innovation within a business. By assessing environmental impacts and dependencies, organisations can identify opportunities to reduce waste, improve resource use and develop new products and services, leading to cost savings and potential new revenue streams emerging from a nature-positive economy.

## Regulatory compliance and market positioning

As environmental regulations become more stringent, globally, adherence to TNFD guidelines can support businesses as they prepare for mandatory reporting and mitigate compliance risk. Demonstrating leadership in sustainability can enhance a company's market positioning, brand value and commercial performance.

# Steps to take, now

**Understand the organisation's value chain:** engage with and ask questions of suppliers to build a full and accurate account of the organisation's value chain, and associated nature impacts and dependencies.

**Develop a data picture:** assess any available information on how the organisation impacts and depends on nature. Establish what additional data is required to better understand these impacts and dependencies.

**Educate and communicate company wide:** engage leadership within the organisation and build internal understanding of nature-related risks and opportunities to support the successful implementation of TNFD.

**Establish a positive climate-nature vision:** develop a strategy to engage the business on the required climate-nature journey. Drive value creation and positive business transformation shaped by the implementation of TNFD across the organisation.

# Addressing the climate-nature nexus

There is a strong synergy between business strategies to reduce carbon emissions and sustainability initiatives for natural resources.

Smart businesses will combine the two. Forecasts of future nature costs and regulatory environments show how companies can intelligently shape their sustainability strategies and demonstrate their benefits to the financial bottom line. Organisations that are early adopters of TNFD will be best positioned to mitigate future costs from nature-related pricing mechanisms, secure business efficiencies, and optimise value creation emerging from a nature-positive economy.



# Taskforce on Nature-related Financial Disclosures

## What you need to know

At Resilience, our mission is to help global businesses transition to the low-carbon economy. Our award-winning platform, Riise, and multidisciplinary team of experts drive actionable insights, connecting climate and nature to deliver decision-useful business intelligence, robust disclosures, and transition strategies designed for commercial success.

Developed in partnership with the Cambridge Centre for Risk Studies at the University of Cambridge Judge Business School, our environmental frameworks, combined with advanced analytics, deliver audit-ready disclosures and commercially viable transition plans that align with business strategy to provide value for all stakeholders.

Let's connect: [contact@risilience.com](mailto:contact@risilience.com)