

ESG REPORTING **MADE** **SIMPLE**

**A Practical
Guide to
TNFD
Framework**



**No Greenwashing.
No Jargon
Reporting goes
beyond Carbon
Footprint.**

by Simon Mak, FSA, CFA

ESG Reporting Made Simple: A Practical Guide to TNFD Framework

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This book is as much yours as it is mine. Now, let's get started—because if I can figure this stuff out, so can you!

About the Author

Simon Mak: Making TNFD Simple (and Actually Useful)

Simon Mak is the founder and CEO of Ascent Partners Group Limited, and one of Asia's leading voices in translating complex sustainability frameworks—especially TNFD—into practical action for real businesses. As the driving force behind Ascent Partners, Simon has helped hundreds of companies navigate the fast-evolving world of nature-related financial disclosures, making TNFD not just understandable, but genuinely useful.

Why Simon Knows TNFD Inside Out

Simon's expertise isn't theoretical. He's been in the trenches as CEO and Governor of Friends of the Earth (Hong Kong), working on everything from government policy to grassroots action. He's a graduate of the Cambridge Institute for Sustainability Leadership (CISL), a UN ESCAP ESBN member, and a trusted advisor to governments and international organizations—including at COP28 and with the IUCN. When the world's largest environmental networks want to make TNFD work in Asia, they call Simon.

What Sets Simon Apart

Simon's specialty is demystifying the TNFD Framework—breaking down jargon, clarifying the LEAP approach, and showing companies how to turn nature-related risks into business opportunities. He believes that understanding and managing your relationship with nature isn't just good for the planet—it's smart business.

Bottom line: If TNFD feels overwhelming, Simon's your guide. He's done the heavy lifting so you don't have to, and this book is your shortcut to making TNFD work for you.

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Part 1: The 'Why' - Nature as a Business Imperative

Chapter 1: Nature Called - And It's Not Happy About Your Quarterly Results

When Trees Start Sending Invoices

Picture this: You're sitting in your corner office, admiring the view of the city skyline, when suddenly your phone rings. It's Mother Nature, and she's got some questions about your supply chain. Awkward.



💡 REALITY CHECK

If you think your business doesn't depend on nature, try running it without water, air, or any materials that come from the ground. We'll wait.

Welcome to 2025, where ignoring nature in your business strategy is like showing up to a Zoom meeting in your pajamas—technically possible, but probably not the

impression you want to make with stakeholders who control your funding.

The truth is, nature has been subsidizing business for centuries without sending a bill. Free water filtration from wetlands? Check. Pollination services from bees? On the house. Climate regulation from forests? No charge. But like any good accountant will tell you, nothing stays free forever.

WARNING: EXPENSIVE WAKE-UP CALL

AHEAD

Companies lose an average of \$44 billion annually due to nature-related risks they didn't see coming. That's roughly equivalent to the GDP of Luxembourg. Per year.

The “Oh Snap” Moment for Executives

Here's where it gets interesting (and by interesting, I mean potentially expensive). Regulators around the world have suddenly realized that maybe—just maybe—we should start paying attention to the natural world that keeps our economy running. Revolutionary thinking, right?

Enter the Task Force on Nature-related Financial Disclosures, or TNFD for those of us who prefer our acronyms digestible. Think of TNFD as nature's way of asking businesses to show their work, like that math teacher who wouldn't accept “because” as a complete answer.

JARGON BUSTER

TNFD: Task Force on Nature-related Financial Disclosures. It's like TCFD (climate) but for everything else in nature. Think of it as the “other stuff” that keeps your business running.

But before you start planning your early retirement to avoid dealing with this, let's get one thing straight: TNFD isn't here to ruin your day. It's actually trying to help you avoid some seriously expensive surprises down the road.

Why Your CFO Should Care (Spoiler: It's About Money)

Let's talk numbers, because that's the language that gets boardroom attention faster than free donuts in the break room.

Companies are losing billions—yes, billions with a “B”—due to nature-related risks they didn't see coming. Droughts shutting down operations, floods wiping out supply chains, and biodiversity loss making key raw materials as rare as parking spots at the mall during holiday shopping.

💰 SHOW ME THE MONEY

Mahindra Group's Math: 47 ecosystem dependencies = \$2.3 billion potential loss from water scarcity alone. That's not a rounding error, that's a “call an emergency board meeting” number.

Take Mahindra Group, one of India's largest conglomerates. They figured out that their automotive business depends on about 47 different ecosystem services.

Forty-seven! That's more dependencies than most teenagers have on their smartphones. When they mapped this out, they realized that water scarcity alone could cost them \$2.3 billion over the next decade if they didn't act.

Or consider what happened to palm oil companies when deforestation regulations tightened. Suddenly, companies that had been treating forests like an all-you-can-clear buffet found themselves facing billion-dollar stranded assets. Oops.

PRO TIP

If your risk register doesn't include "bees going extinct," you might want to update it. Seriously. Global crop pollination is worth \$235 billion annually.

The Dindo Campilan Reality Check

As Dindo Campilan from International Union for Conservation of Nature (IUCN), puts it: "You can't manage what you don't measure, and you can't measure what you don't understand. When it comes to environmental impact, most companies are flying blind in a storm they helped create."

Harsh? Maybe. Accurate? Absolutely.

EXECUTIVE INSIGHT

"Flying blind in a storm you helped create" is not the leadership legacy most CEOs are aiming for. Just saying.

The good news is that TNFD gives you the GPS coordinates to navigate this storm. The bad news is that ignoring it is like trying to drive through a hurricane with your eyes closed while texting.

What TNFD Actually Wants (Hint: It's Not Your Firstborn)

TNFD is asking for four simple things, which in corporate speak translates to “not actually simple but definitely necessary”:

THE TNFD SHOPPING LIST

1. **Governance:** Who's the adult in the room?
 2. **Strategy:** What's your plan when nature gets cranky?
 3. **Risk Management:** How do you handle curveballs from Mother Nature?
 4. **Metrics & Targets:** Prove you're not just making stuff up
-
1. **Governance:** Who's in charge of making sure your company doesn't accidentally destroy the planet while trying to hit quarterly targets?
 2. **Strategy:** How are you planning to stay in business when the natural resources you depend on start playing hard to get?
 3. **Risk Management:** What's your plan when nature decides to send you a bill for services rendered?

4. **Metrics and Targets:** Can you prove you're actually doing something, or are we just supposed to take your word for it?

Think of it as nature's version of "show me the receipts."

⚡ QUICK REALITY CHECK

If your current strategy assumes infinite natural resources on a finite planet, it might be time for Strategy 2.0.

The Asian Advantage (Yes, There Is One)

Here's something that might surprise you: Asian companies are actually ahead of the curve on this stuff. While Western companies were busy debating whether climate change was real, Asian businesses were dealing with the reality of typhoons, droughts, and supply chain disruptions.

🏭 ASIAN COMPANIES LEADING THE WAY

TCC Group (Thailand): Treating water like the precious resource it is, not like magic tap juice

ofi (Singapore): Figured out that happy farmers = healthy business long before it was trendy

TCC Group Holdings in Thailand didn't wait for regulations to tell them that water scarcity was a problem—they were living it. Their beverage business depends entirely on clean water, so they started treating water like the

precious resource it is, not like something that magically appears when you turn on a tap.

Similarly, olam food ingredients (ofi) figured out that their entire business model depended on healthy ecosystems long before TNFD became a thing. When you're sourcing cocoa, coffee, and nuts from around the world, you quickly learn that happy farmers and healthy soil aren't just nice-to-haves—they're business essentials.

The Three Pillars of Not Messing This Up

TNFD breaks down nature-related business impacts into three categories that are easier to remember than your anniversary (though probably not as important for your personal relationships):



THE NATURE-BUSINESS RELATIONSHIP STATUS

Dependencies: “It’s complicated” - all the ways you need nature

Impacts: “We need to talk” - all the ways you affect nature

Risks: “Houston, we have a problem” - all the ways nature could mess with your plans

Dependencies: All the ways your business relies on nature to function. This includes obvious things like water and raw materials, but also sneaky dependencies like the bees that pollinate the crops that feed the cows that produce

the milk that goes in your office coffee. It's all connected, like a really complicated game of Jenga.

Impacts: All the ways your business affects nature, both good and bad. The bad news is that most companies have been treating nature like a free dumping ground. The good news is that there's nowhere to go but up.

Risks: All the ways that nature could mess with your business plans. This ranges from "mildly inconvenient" (higher raw material costs) to "existentially threatening" (your entire industry becomes obsolete because the natural resources it depends on disappear).

JENGA WARNING

Remember: in Jenga, you can remove quite a few blocks before everything collapses. But when it goes, it goes fast. Nature works the same way.

The “But We’re Not a Nature Company” Excuse

Let me stop you right there. Unless your business operates entirely in outer space (and even then, you probably needed Earth-based resources to get there), you're a nature company.

EXCUSE BUSTER

“We’re digital, we don’t use nature” = Your data centers use more water than some small cities

“We’re just financial services” = Your portfolio is full of companies that could become worthless overnight

“We’re too small to matter” = Tell that to the supply chain disruption that doesn’t care about your company size

That tech startup that thinks it’s immune because it’s “digital”? Your data centers need massive amounts of water for cooling. Your supply chain for electronics depends on rare earth minerals. Your employees need clean air to think clearly and clean water to stay alive. Congratulations, you’re in the nature business.

That financial services firm that deals only in “intangible assets”? Your loan portfolio is full of companies that depend on nature. Your real estate investments are vulnerable to floods, droughts, and other climate impacts. Your pension funds are invested in companies that could face massive stranded assets if they don’t adapt. Welcome to the nature business.

LIGHTBULB MOMENT

Every business is a nature business. The only question is whether you’re managing that relationship or pretending it doesn’t exist.

The Bottom Line (Because That’s What Really Matters)

Here's the thing about TNFD: it's not asking you to become a tree-hugging hippie who makes all business decisions based on what's best for the spotted owl. It's asking you to be a smart business leader who recognizes that your company's long-term success depends on the health of the natural systems that support it.

THE SMART MONEY MOVE

Early adopters get: Secured supply chains,
reduced risks, better talent, cheaper capital

Late adopters get: Awkward shareholder
meetings and “we didn’t see it coming” explanations

Companies that figure this out early get a competitive advantage. They secure their supply chains, reduce their risks, attract better talent, and access cheaper capital. Companies that don’t... well, let’s just say that “we didn’t see it coming” isn’t a great explanation to give shareholders when your business model becomes as obsolete as a fax machine.

The choice is yours: you can be proactive and use TNFD as a strategic tool to build a more resilient business, or you can be reactive and spend the next decade explaining to increasingly impatient stakeholders why you didn’t see the obvious coming.

CRYSTAL BALL MOMENT

Future you will either thank present you for reading this book, or curse present you for ignoring it. Choose wisely.

Either way, nature is going to keep doing its thing. The question is whether your business will still be around to benefit from it.

Chapter 2: How to Explain This to Your Board Without Sounding Like a Hippie

The Elevator Pitch That Actually Works

You're in an elevator with your CEO. You have 30 seconds to explain why your company should care about TNFD. Here's what you don't say: "We need to protect Mother Earth for future generations of woodland creatures."

Here's what you do say: "We've identified \$2.3 billion in potential cost savings and risk mitigation opportunities through better nature-related risk management. Our competitors haven't figured this out yet."

Boom. You now have their attention and probably a follow-up meeting.



🔊 ELEVATOR PITCH CHEAT SHEET

Don't say: "It's the right thing to do"

Do say: "It's the profitable thing to do"

Don't say: "We need to save the planet"

Do say: "We need to save our supply chain"

Why Smart Money is Moving (Hint: It's Not Charity)

Let's get something straight right off the bat: the world's largest investors aren't suddenly developing a deep emotional connection to endangered butterflies. They're following the money, and the money is telling them that nature-related risks are about to become very, very expensive.

BlackRock, which manages about \$10 trillion (that's trillion with a T), has made it clear that climate and nature risks are investment risks. When the world's largest asset manager starts asking companies about their nature dependencies, it's not because they've gone soft. It's because they've done the math.

💰 FOLLOW THE MONEY

\$44 trillion: Total assets under management considering ESG factors

\$10 trillion: BlackRock's assets under management

\$2.6 trillion: Annual financing gap for nature-positive solutions

Translation: There's serious money in getting this right

The European Central Bank has identified nature-related risks as a potential source of systemic financial instability. The Bank of England is stress-testing banks against biodiversity loss scenarios. The Monetary Authority of Singapore is requiring financial institutions to assess nature-related risks.

When central banks start worrying about something, you should probably pay attention.

The “Stranded Assets” Wake-Up Call

Remember when everyone thought coal was a safe investment? Then renewable energy got cheaper, regulations tightened, and suddenly coal companies were worth about as much as a collection of vintage fax machines.

That's what we call a “stranded asset”—something that looked valuable until it suddenly wasn't.

⚠ STRANDED ASSET ALERT

What it is: An asset that becomes worthless due to changes in regulation, technology, or market conditions

What it feels like: Buying a mansion in a flood zone the day before the levee breaks

How to avoid it: Read this book and actually implement what you learn

Now imagine the same thing happening to: - Palm oil plantations when deforestation becomes illegal - Fishing fleets when fish stocks collapse - Agricultural land when soil degradation makes it unusable - Manufacturing facilities when water becomes too scarce or expensive - Tourism destinations when ecosystems degrade beyond repair

The companies that see this coming and adapt will thrive. The ones that don't will become case studies in business school textbooks under the chapter titled "What Not to Do."

The Asian Reality Check

Asian companies have a front-row seat to nature-related risks because, well, nature doesn't care about your business plan. Typhoons don't reschedule themselves around your quarterly earnings calls. Droughts don't wait for your budget approval process.

NATURE'S SCHEDULE

Your timeline: Quarterly reports, annual budgets, 5-year strategic plans

Nature's timeline: Whenever it feels like it, often with zero advance notice

Lesson: Nature doesn't read your corporate calendar

Take IndusInd Bank in India. They figured out that about 60% of their loan portfolio was exposed to climate and nature risks. Not 6%. Sixty percent. That's not a small problem you can solve with a task force and some good intentions. That's a "restructure your entire risk management approach" problem.

But here's the interesting part: instead of panicking, they turned it into a competitive advantage. They developed new financial products for sustainable agriculture, created green lending criteria, and started attracting customers who were looking for a bank that understood the new reality.

Result? They're now seen as a leader in sustainable finance, they've reduced their risk exposure, and they're making money from solutions instead of losing money from problems.

SUCCESS STORY BREAKDOWN

The Problem: 60% of loan portfolio exposed to nature risks

The Panic Response: Ignore it and hope it goes away

The Smart Response: Turn risk into opportunity

The Result: Market leadership and reduced risk

The Supply Chain Reality Show

Your supply chain is like a really complicated reality TV show where everyone is connected to everyone else, drama can erupt at any moment, and you never know who's going to get voted off the island next.

Except in this case, "getting voted off the island" means "becoming unavailable due to ecosystem collapse," and the consequences are slightly more serious than hurt feelings and social media drama.

SUPPLY CHAIN: THE REALITY SHOW

Season 1: Everything runs smoothly, everyone's happy

Season 2: Climate change enters as the villain

Season 3: Plot twist - nature fights back

Season 4: Only the companies with good risk management survive

Let's look at some real examples:

The Chocolate Crisis: Cocoa production is increasingly threatened by changing weather patterns, soil degradation, and pest outbreaks. Companies like Mars and Nestlé aren't investing billions in sustainable cocoa farming because they love farmers (though they might). They're doing it because they love having a business model that doesn't depend on a disappearing raw material.

The Coffee Catastrophe: Climate change is making traditional coffee-growing regions unsuitable for coffee production. Starbucks isn't opening farmer support centers in

Guatemala out of the goodness of their corporate heart. They're doing it because they've done the math on what happens to a coffee company when there's no coffee.

The Textile Tangle: Cotton production requires enormous amounts of water and is vulnerable to droughts, floods, and soil degradation. Fashion companies are investing in sustainable cotton not because they've suddenly developed environmental consciousness, but because they've realized that "out of stock indefinitely" isn't a great look for a clothing brand.

PATTERN RECOGNITION

Notice a pattern? Smart companies aren't waiting for problems to hit. They're investing in solutions before they become desperate.

The Regulatory Tsunami

Regulations are coming whether you're ready or not. The only question is whether you want to be prepared or whether you want to be that company scrambling to comply while your competitors are already three steps ahead.

The European Union is leading the charge with regulations that will affect any company doing business in Europe, regardless of where they're headquartered. The UK is following suit. Singapore is developing its own requirements. Other countries are watching and preparing their own versions.

REGULATORY WAVE TRACKER

Already here: EU taxonomy, SFDR requirements

Coming soon: TNFD-aligned disclosure requirements

On the horizon: Mandatory nature impact assessments

The smart move: Get ahead of the wave instead of being crushed by it

But here's the thing about regulations: they're usually the last step in a process that started years earlier with investor pressure, consumer demand, and competitive advantage.

By the time something becomes legally required, the companies that figured it out early have already captured most of the benefits. The companies that wait for regulations are left fighting for scraps in an increasingly crowded and expensive compliance market.

The Talent Magnet Effect

Here's something that might surprise you: top talent increasingly wants to work for companies that have their act together on sustainability issues. This isn't just about millennials and Gen Z (though they're definitely leading the charge). It's about smart people who can do math and don't want to spend their careers propping up business models that are obviously unsustainable.



**Smart people + Obvious unsustainability =
Career risk**

**Smart people + Forward-thinking company =
Career opportunity**

Your choice: Be the opportunity or be the risk

A study by Deloitte found that 83% of millennials consider a company's environmental and social commitments when deciding where to work. But more importantly, 73% of executives say that sustainability initiatives help them attract and retain talent.

This isn't just about feeling good. It's about getting the best people to work for you instead of your competitors.

The Customer Expectation Evolution

Your customers are getting smarter, and they're asking harder questions. B2B customers are increasingly requiring their suppliers to demonstrate sustainable practices. B2C customers are making purchasing decisions based on environmental impact.



CUSTOMER EVOLUTION TRACKER

2010: "Is it cheap?"

2015: "Is it good quality?"

2020: "Is it sustainable?"

2025: "Can you prove it's sustainable?"

This isn't just about consumer goods. Industrial customers are increasingly requiring their suppliers to meet environmental standards, report on sustainability metrics, and demonstrate long-term viability.

When Walmart tells its suppliers they need to reduce their environmental impact, that's not a suggestion. That's a "comply or find new customers" requirement. And Walmart isn't alone—companies across industries are making similar demands of their supply chains.

The Insurance Reality Check

Insurance companies are really good at math. They have to be—their entire business model depends on accurately assessing risks and pricing them appropriately.

So when insurance companies start refusing to cover certain types of nature-related risks, or when they start charging dramatically higher premiums, you should pay attention.

INSURANCE COMPANY MATH

Their job: Assess risk and price it accurately

Their conclusion: Nature-related risks are getting expensive fast

Your takeaway: If the math experts are worried, you should be too

Property insurance in flood-prone areas is becoming unaffordable or unavailable. Crop insurance is getting more

expensive as weather becomes more unpredictable. Business interruption insurance is excluding more climate-related events.

The message is clear: companies that don't manage their nature-related risks will find it increasingly expensive (or impossible) to transfer those risks to someone else.

The Competitive Advantage Window

Here's the opportunity that most companies are missing: right now, in 2025, most of your competitors probably haven't figured this out yet. They're still treating nature-related risks as someone else's problem or as something they'll deal with "later."

This gives you a window of opportunity to get ahead of the curve and capture first-mover advantages.

THE OPPORTUNITY WINDOW

Now: Most competitors are asleep at the wheel

Soon: Early movers capture advantages

Later: Everyone scrambles to catch up

Eventually: Advantages become table stakes

Your move: Act now while the window is open

Companies that move first can: - Secure the best suppliers and partners - Attract the best talent - Access the cheapest capital - Build the strongest customer relationships - Develop the most efficient processes - Create the most defensible competitive positions

Companies that wait will find themselves competing for whatever's left over.

The Bottom Line (In Numbers Your CFO Will Love)

Let's put this in terms that will get budget approval:

Cost of inaction: Companies face an average of \$44 billion annually in nature-related losses. That's not a typo.

Cost of action: Implementing TNFD typically costs 0.1-0.5% of annual revenue for most companies.

Return on investment: Companies with strong environmental performance typically see 10-15% better financial performance than their peers.

Risk reduction: Proactive nature risk management can reduce supply chain disruption costs by 20-40%.

💰 THE CFO'S FAVORITE SLIDE

Investment: 0.1-0.5% of revenue

Risk reduction: 20-40% lower disruption costs

Performance improvement: 10-15% better than peers

Competitive advantage: Priceless (but also profitable)

What This Means for You

The business case for TNFD isn't complicated: companies that understand and manage their relationship with nature will outperform companies that don't. The only question is whether you want to be in the first group or the second group.

The good news is that you're reading this book, which suggests you're already thinking about being in the first group. The even better news is that the next chapter will show you exactly how TNFD works and how you can use it to build a more resilient, profitable, and competitive business.

CHAPTER SUMMARY

The reality: Nature-related risks are expensive and getting more expensive

The opportunity: Most competitors haven't figured this out yet

The action: Use TNFD to get ahead of the curve

The result: Competitive advantage and better financial performance

But first, let's make sure you understand what TNFD actually is and how it works. Because knowing why you should do something is only half the battle—you also need to know how to do it without making a mess of things.

Chapter 3: How to Speak Nature Without Sounding Like a Documentary

What TNFD Actually Is (Spoiler: It's Not That Scary)

Think of TNFD as nature's version of a financial audit, except instead of checking whether you've been creative with your accounting, it's checking whether you've been creative with your relationship to the natural world.

The Task Force on Nature-related Financial Disclosures was created by a bunch of very smart people who realized that businesses and nature have been in a complicated relationship for centuries, but nobody was really talking about it openly. It's like that couple everyone knows who clearly have issues but keep pretending everything is fine at dinner parties.

TNFD TRANSLATION GUIDE

What they say: “Framework for nature-related financial disclosures”

What they mean: “Please tell us how screwed you are if nature stops cooperating”

What you should hear: “Here's how to future-proof your business”

TNFD gives you a structured way to: 1. Figure out how your business depends on nature 2. Understand how your business affects nature 3. Identify what could go wrong (and right) 4. Tell everyone about it in a way that doesn't sound like you're making it up

It's basically relationship counseling for businesses and the environment, with more spreadsheets and fewer tissues.



The Four Pillars of Not Messing This Up

TNFD is built on four pillars, which is convenient because most people can remember four things without writing them on their hand. These pillars are the same ones used by TCFD (the climate disclosure framework), because apparently consistency is a good thing. Who knew?

THE FOUR PILLARS (EASY TO REMEMBER VERSION)

Governance: Who's in charge of not destroying the planet?

Strategy: What's your plan when nature gets moody?

Risk Management: How do you handle nature's curveballs?

Metrics & Targets: Can you prove you're not just making stuff up?

Pillar 1: Governance (Or: Who's Driving This Bus?)

Governance is about making sure someone responsible is actually paying attention to nature-related issues, and that this someone has enough authority to do something about it when things go sideways.

This isn't about creating a new committee that meets monthly to discuss the theoretical implications of biodiversity loss while eating catered sandwiches. This is about making sure that nature-related risks and opportunities are integrated into your actual decision-making processes.

⚠️ GOVERNANCE RED FLAGS

Bad: "Our intern handles sustainability stuff"

Worse: "We have a committee that meets quarterly"

Terrible: "The CEO mentioned trees once in a speech"

Good: "Nature risks are part of our enterprise risk management"

Good governance means: - Board-level oversight of nature-related issues - Clear roles and responsibilities for managing nature-related risks - Integration with existing risk

management and strategic planning processes - Regular reporting and monitoring

Think of it like this: if your company was a ship, governance is about making sure someone competent is actually steering, and that they're paying attention to both the GPS and the weather forecast.

Pillar 2: Strategy (Or: Your Plan for When Nature Doesn't Cooperate)

Strategy is about understanding how nature-related issues affect your business model, and what you're going to do about it. This requires thinking beyond the next quarterly earnings call, which can be challenging for some executives.

🌀 STRATEGY REALITY CHECK

Short-term thinking: "How do we hit this quarter's numbers?"

Long-term thinking: "How do we stay in business when our key inputs become scarce/expensive/illegal?"

TNFD thinking: "How do we turn nature-related challenges into competitive advantages?"

Your strategy should address: - How nature-related issues could affect your business model - What opportunities exist to create value through better nature management - How you're planning to adapt to changing conditions - What your business will look like in different future scenarios

This isn't about becoming a nature conservation organization. It's about being a smart business that recognizes reality and adapts accordingly.

Pillar 3: Risk Management (Or: Expecting the Unexpected)

Risk management is about identifying, assessing, and managing nature-related risks. This sounds straightforward until you realize that nature-related risks are interconnected, unpredictable, and often have cascading effects that can surprise you in creative ways.

NATURE'S RISK ROULETTE

Traditional risk: “Our supplier might raise prices”

Nature risk: “Our supplier’s region might become uninhabitable due to drought, which could affect 47 other suppliers in our network”

The difference: Nature risks don't read your risk management manual

Nature-related risks come in three flavors:

Physical risks: When nature directly messes with your operations (floods, droughts, storms, ecosystem collapse)

Transition risks: When society's response to nature problems affects your business (new regulations, changing consumer preferences, stranded assets)

Systemic risks: When the whole system gets wonky (supply chain disruptions, economic instability, social unrest)

The tricky part is that these risks are all connected, like a really complicated game of dominoes where you're not sure which piece will fall first or how many others it will take down with it.

Pillar 4: Metrics and Targets (Or: Proving You're Not Just Making Stuff Up)

Metrics and targets are about measuring your performance and setting goals for improvement. This is where things get interesting, because measuring your relationship with nature is more complicated than measuring your quarterly sales figures.

MEASUREMENT CHALLENGES

Easy to measure: How much water you use

Harder to measure: How much your water use affects local ecosystems

Really hard to measure: How ecosystem degradation might affect your business in 10 years

The TNFD approach: Start with what you can measure, improve your measurement over time

TNFD provides 14 core metrics that cover the basics: - Dependencies (how you rely on nature) - Impacts (how you affect nature) - Risks (how nature could affect you) - Responses (what you're doing about it)

The goal isn't to become an environmental scientist overnight. The goal is to start measuring the things that matter most to your business, and to get better at measurement over time.

The LEAP Approach (It's Not as Scary as It Sounds)

TNFD uses something called the LEAP approach to help you work through your nature-related assessment. LEAP stands for Locate, Evaluate, Assess, and Prepare, which is much easier to remember than most corporate acronyms.

THE LEAP APPROACH (FROG VERSION)

Locate: Where are you sitting? (What lily pad/ecosystem?)

Evaluate: What's around you? (Other frogs, predators, food sources?)

Assess: What could go wrong? (Drought, pollution, habitat loss?)

Prepare: What's your plan? (Find new lily pad, adapt, or croak?)



Locate: Where in the World Are You?

This is about mapping your interface with nature across your operations and value chain. Sounds fancy, but it's really just figuring out where your business touches the natural world.

For most companies, this includes: - Your facilities and operations - Your supply chain - Your customers and markets - Your investments and financing

The goal is to create a map that shows where your business depends on or affects natural systems. Think of it as Google Maps for your relationship with nature.

Evaluate: What's the Situation?

This is about understanding the condition and trends of the ecosystems and natural resources you depend on or affect. It's like checking the weather forecast, except the forecast is for the next 10-50 years and covers everything from water availability to biodiversity health.

ECOSYSTEM HEALTH CHECK

Green: Healthy and stable (rare but nice when you find it)

Yellow: Stressed but manageable (most places)

Red: Degraded and declining (more common than you'd like)

Black: Collapsed or collapsing (time to find Plan B)

Assess: What Could Go Right or Wrong?

This is where you identify and assess nature-related risks and opportunities. It's like scenario planning, except the scenarios include things like "what if the bees disappear" and "what if our key agricultural region becomes a desert."

The assessment should cover: - Physical risks from environmental changes - Transition risks from society's response to environmental problems - Systemic risks from broader system disruptions - Opportunities to create value through better nature management

Prepare: What's Your Plan?

This is about developing your response strategy and preparing your disclosures. It's where you decide what you're going to do about everything you've discovered, and how you're going to tell the world about it.

PREPARATION CHECKLIST

- ☒ Develop response strategies for key risks
- ☒ Identify and pursue key opportunities
- ☒ Set targets and metrics for improvement
- ☒ Prepare clear, honest disclosures
- ☒ Don't panic (nature problems are solvable with good planning)

The Global Context (Why Everyone's Doing This Now)

TNFD didn't emerge in a vacuum. It's part of a broader global shift toward recognizing that economic systems and natural systems are connected, and that pretending they're separate is no longer a viable strategy.

The numbers are pretty compelling: - \$44 trillion of economic value generation is moderately or highly dependent on nature - \$10 trillion of economic value is at risk from nature loss - \$2.6 trillion per year is needed to address the nature crisis

THE GLOBAL MATH

\$44 trillion: Economic value that depends on nature (that's half the global economy)

\$10 trillion: Economic value at risk from nature loss

\$2.6 trillion: Annual investment needed to fix the problem

Translation: This is not a small issue that will go away if we ignore it

When numbers get this big, governments and regulators start paying attention. When governments and regulators start paying attention, businesses need to start paying attention too.

The Asian Leadership Opportunity

Asian companies have a unique opportunity to lead on TNFD implementation, for several reasons:

1. **Direct experience:** Asian businesses have been dealing with nature-related risks for years, so they understand the reality in ways that some Western companies don't.
2. **Supply chain position:** Many Asian companies are key players in global supply chains, giving them influence over how nature-related risks are managed globally.
3. **Growth markets:** Asian economies are still growing rapidly, which means they can build nature considerations into their expansion plans rather than retrofitting them later.

ASIAN ADVANTAGE FACTORS

Experience: Already dealing with typhoons, droughts, and supply chain disruptions

Position: Key players in global supply chains

Timing: Building new infrastructure and systems

Opportunity: Lead the global transition instead of following

Companies like Mahindra Group, TCC Group Holdings, and ofi are already demonstrating that Asian companies can be leaders in nature-related risk management and disclosure.

What This Means for Your Implementation

Understanding the TNFD framework is like understanding the rules of a game before you start playing. You don't need to be an expert immediately, but you do need to understand the basic structure and requirements.

The key insights for implementation: 1. **Start simple**: You don't need to solve everything at once 2. **Focus on materiality**: Concentrate on the issues that matter most to your business 3. **Build on existing systems**: TNFD should integrate with your existing risk management and reporting processes 4. **Improve over time**: Your first TNFD disclosure doesn't need to be perfect

IMPLEMENTATION REALITY CHECK

Perfectionist approach: Spend two years developing the perfect system before starting

Pragmatic approach: Start with the basics and improve over time

TNFD recommendation: Be pragmatic (perfectionist companies are still planning while pragmatic companies are already benefiting)

The Bottom Line

TNFD provides a structured, practical framework for understanding and managing your company's relationship with nature. It's not about becoming an environmental

organization—it's about being a smart business that recognizes reality and adapts accordingly.

The framework is designed to be flexible and scalable, so you can start where you are and build sophistication over time. The important thing is to start, because the companies that figure this out early will have significant advantages over the companies that wait.

Part 2: The 'What' - Deconstructing the TNFD Framework

**Chapter 4: The LEAP Approach -
Your GPS for Navigating Nature
(Without Getting Lost in the Woods)**



Why LEAP Isn't Just Another Corporate Acronym

Most corporate acronyms are designed to make simple things sound complicated so that consultants can charge more money to explain them. LEAP is different—it's actually designed to make complicated things simple, which is refreshing in a world where “synergistic optimization of cross-functional deliverables” is considered normal business speak.

LEAP stands for Locate, Evaluate, Assess, and Prepare. It's TNFD's step-by-step approach to figuring out your relationship with nature without requiring a PhD in ecology or a nervous breakdown.

LEAP VS. OTHER CORPORATE APPROACHES

Traditional approach: Hire consultants, form committees, create PowerPoints, schedule more meetings

LEAP approach: Actually figure out what's going on and do something about it

Time to results: LEAP wins by about 18 months

Think of LEAP as your GPS for navigating nature-related risks. Except instead of telling you to “turn left in 500 meters,” it tells you things like “your supply chain is about to drive off a cliff in 5 years unless you take the next exit.”

Step 1: Locate (Or: Where in the World Are You?)

The first step is figuring out where your business actually touches the natural world. This sounds obvious until you realize that most companies have about as much visibility into their nature dependencies as they do into their teenagers' social media activities.

The “We Don’t Use Nature” Delusion

Let’s start by debunking the most common myth: “Our business doesn’t really depend on nature because we’re in [insert industry here].”

🚫 MYTH BUSTING STATION

“We’re a tech company”: Your data centers use more water than some cities

“We’re financial services”: Your portfolio is full of nature-dependent companies

“We’re retail”: Your entire supply chain depends on natural resources

Reality check: Every business is a nature business

Here’s a fun exercise: try to identify a single product or service in your company that doesn’t depend on natural resources at some point in its lifecycle. Go ahead, we’ll wait.

Couldn’t find one? That’s because there isn’t one. Even digital services depend on physical infrastructure, which

depends on materials, which come from nature. It's turtles all the way down, except the turtles are ecosystems.

Mapping Your Nature Interface

The Locate step involves creating what TNFD calls an “interface map”—basically a diagram showing where your business touches nature. This isn't as complicated as it sounds, but it does require some detective work.

NATURE DETECTIVE CHECKLIST

- ☒ Direct operations (facilities, manufacturing, offices)
- ☒ Supply chain (raw materials, components, services)
- ☒ Value chain (distribution, retail, end-of-life)
- ☒ Investments (what your money is funding)
- ☒ Financing (what your lenders care about)

Direct Operations: This is the easy part. Where are your facilities? What natural resources do they use? What ecosystems are they located in or near?

Supply Chain: This is where things get interesting (and by interesting, we mean potentially terrifying). Your supply chain probably extends into ecosystems you've never heard of, in countries you can't pronounce, depending on species you didn't know existed.

Value Chain: Don't forget about what happens after you sell your product. Where does it go? How is it used? What happens when customers are done with it?

Investments and Financing: If you have investments, pension funds, or even a corporate bank account, you're indirectly connected to all sorts of nature-dependent activities.

The Mahindra Group Example

Mahindra Group, the Indian conglomerate, went through this exercise and discovered they had dependencies on 47 different ecosystem services across their various business units. Forty-seven! That's more than most people have apps on their phone.

MAHINDRA'S NATURE AUDIT

Business units analyzed: 12

Ecosystem services identified: 47

"Oh snap" moments: Several

Competitive advantage gained: Significant

They found dependencies ranging from the obvious (water for manufacturing) to the surprising (specific soil microorganisms needed for their agricultural business). The exercise helped them identify risks they hadn't considered and opportunities they hadn't recognized.

Step 2: Evaluate (Or: What's Actually Going On Out There?)

Once you know where you interface with nature, the next step is figuring out what condition those natural systems are in. This is like checking the weather forecast, except the forecast covers the next 50 years and includes things like “chance of ecosystem collapse.”

The Ecosystem Health Report Card

Natural systems get report cards just like everything else, except instead of grades like A, B, C, they get classifications like “pristine,” “degraded,” and “completely screwed.”

ECOSYSTEM REPORT CARD GRADES

A+: Pristine (rare, like finding a parking spot at the mall during holidays)

B: Good condition (functional but showing some stress)

C: Degraded (still working but needs attention)

D: Severely degraded (barely hanging on)

F: Collapsed (time for Plan B)

The evaluation step involves understanding: - The current condition of the ecosystems you depend on - The trends (are they getting better or worse?) - The key pressures and threats - The timeline for potential changes

Where to Get Your Information

You don’t need to become a field biologist to do this evaluation. There are plenty of existing data sources and tools that can help you understand ecosystem conditions:

Global databases: Things like the Global Forest Watch, World Resources Institute data, and various UN databases provide ecosystem condition information for most of the world.

Local assessments: Government agencies, NGOs, and research institutions often have detailed information about local ecosystem conditions.

Satellite data: You can literally watch ecosystems change over time using satellite imagery. It's like Google Earth, but for ecosystem health.

Supply chain partners: Your suppliers often have detailed knowledge about local ecosystem conditions, especially if their business depends on them.

DATA DETECTIVE TIPS

Start global, get local: Use global databases to identify hotspots, then dig deeper with local sources

Ask your suppliers: They often know more about local conditions than any database

Use satellite data: Pictures don't lie (usually)

Check multiple sources: Ecosystems are complicated, so get multiple perspectives

The TCC Group Reality Check

TCC Group Holdings in Thailand didn't need sophisticated databases to know they had a water

problem—they were living it. Their beverage business was directly affected by droughts and water quality issues.

But the evaluation step helped them understand the broader context: how regional water systems were changing, what the long-term trends looked like, and how their water challenges connected to broader ecosystem health issues.

TCC'S WATER WAKE-UP CALL

The obvious: “We need water to make beverages”

The revelation: “Regional water systems are under increasing stress”

The insight: “We need to be part of the solution, not just a user”

The action: Invested in watershed restoration and water efficiency

This evaluation led them to invest in watershed restoration projects and water efficiency improvements that not only secured their water supply but also created positive community and environmental impacts.

Step 3: Assess (Or: What Could Go Right or Wrong?)

The assessment step is where you figure out what all this information means for your business. It's like scenario planning, except the scenarios include things like “what if our key agricultural region becomes uninhabitable” and “what if

the ocean currents that regulate our regional climate shut down.”

The Three Flavors of Nature-Related Risk

Nature-related risks come in three main varieties, like ice cream flavors except less enjoyable and more likely to affect your quarterly earnings:

THE RISK FLAVOR MENU

Physical risks: Nature directly messes with your stuff

Transition risks: Society’s response to nature problems affects your business

Systemic risks: The whole system gets wonky

Warning: Unlike ice cream, you can’t choose just one—they often come together

Physical Risks: These are the direct impacts of environmental changes on your business. Floods washing away your facilities, droughts shutting down your operations, storms disrupting your supply chains, ecosystem collapse making your raw materials unavailable.

Transition Risks: These are the impacts of society’s response to environmental problems. New regulations making your business model illegal, consumer preferences shifting away from your products, investors pulling funding from your industry, insurance becoming unavailable or unaffordable.

Systemic Risks: These are the big-picture impacts when multiple systems start failing at once. Economic instability from widespread environmental problems, social unrest from resource scarcity, supply chain collapse from multiple simultaneous disruptions.

The Opportunity Side of the Equation

It's not all doom and gloom. The assessment step should also identify opportunities to create value through better nature management.

✿ OPPORTUNITY CATEGORIES

Resource efficiency: Use less, save more

New products/services: Solve problems for others

Market positioning: Be the sustainable choice

Risk mitigation: Turn problems into competitive advantages

Resource Efficiency Opportunities: Using natural resources more efficiently can reduce costs, improve resilience, and create competitive advantages.

New Products and Services: Environmental challenges create market opportunities for companies that can provide solutions.

Market Positioning: Being the sustainable choice in your industry can attract customers, talent, and investors.

Risk Mitigation: Proactively managing nature-related risks can create competitive advantages when your competitors get caught off guard.

The ofi Success Story

olam food ingredients (ofi) turned their nature assessment into a competitive advantage by recognizing that their entire business model depended on healthy farming ecosystems around the world.

OFI'S TRANSFORMATION STORY

The risk: Climate change and soil degradation threatening global agriculture

The assessment: “Our business model depends on healthy farms”

The opportunity: “We can help farmers adapt while securing our supply”

The result: Market leadership in sustainable agriculture

Instead of just worrying about supply chain risks, they invested in helping farmers adapt to changing conditions, improve soil health, and increase resilience. This secured their supply chains while creating new revenue streams and market positioning advantages.

Risk Assessment Tools and Techniques

You don't need to reinvent risk assessment—you can build on existing tools and approaches:

Scenario Analysis: Develop different scenarios for how environmental conditions might change and assess the impacts on your business under each scenario.

Stress Testing: Test how your business would perform under extreme environmental conditions.

Materiality Assessment: Focus on the risks and opportunities that would have the biggest impact on your business.

Stakeholder Input: Get perspectives from suppliers, customers, investors, and other stakeholders about nature-related risks and opportunities.

RISK ASSESSMENT TOOLKIT

Scenario analysis: “What if X happens?”

Stress testing: “How bad could it get?”

Materiality assessment: “What matters most?”

Stakeholder input: “What are we missing?”

Step 4: Prepare (Or: What Are You Going to Do About It?)

The final step is developing your response strategy and preparing your disclosures. This is where you stop analyzing and start acting, which can be refreshing after all the thinking and planning.

Response Strategy Development

Your response strategy should address the key risks and opportunities you've identified. This isn't about solving every environmental problem in the world—it's about managing the nature-related issues that are most material to your business.

RESPONSE STRATEGY MENU

Avoid: Don't do risky things

Reduce: Minimize negative impacts

Adapt: Adjust to changing conditions

Transfer: Share risks with others (insurance, partnerships)

Accept: Live with some risks (but know what they are)

Risk Avoidance: Sometimes the best strategy is simply not to do risky things. Don't build facilities in flood zones, don't source from areas with high deforestation risk, don't invest in industries that depend on disappearing resources.

Risk Reduction: Reduce your negative impacts on nature and your dependence on vulnerable natural systems. Use resources more efficiently, invest in ecosystem restoration, diversify your supply chains.

Adaptation: Adjust your business model to changing environmental conditions. Develop new products for changing markets, invest in resilient infrastructure, build flexibility into your operations.

Risk Transfer: Share risks with others through insurance, partnerships, or contractual arrangements. But remember—if the risks are big enough, there might not be anyone willing or able to take them on.

Risk Acceptance: Some risks you'll just have to live with. The key is to make conscious decisions about which risks to accept and to monitor them carefully.

Target Setting and Metrics

Your response strategy should include specific targets and metrics for improvement. This is where you commit to measurable actions rather than just good intentions.

🎯 TARGET SETTING REALITY CHECK

Vague: “We will improve our environmental performance”

Better: “We will reduce our water use by 20% by 2030”

Best: “We will achieve water neutrality in water-stressed regions by 2028”

Pro tip: Specific targets get specific results

Good targets are: - **Specific:** Clear about what you're

trying to achieve - **Measurable:** You can track progress

objectively - **Achievable:** Challenging but realistic -

Relevant: Connected to your material nature-related issues -

Time-bound: Have clear deadlines

Disclosure Preparation

The final part of the Prepare step is getting ready to tell the world about your nature-related risks, opportunities, and responses. This isn't just about compliance—it's about communication.

DISCLOSURE DOS AND DON'TS

Do: Be honest about challenges and uncertainties

Don't: Pretend everything is perfect

Do: Show how you're improving over time

Don't: Make promises you can't keep

Do: Use clear, plain language

Don't: Hide behind jargon and technical terms

Good disclosures: - Tell a clear story about your relationship with nature - Explain your risks and opportunities in business terms - Show what you're doing about the issues you've identified - Demonstrate progress over time - Acknowledge uncertainties and limitations

Putting It All Together: The LEAP in Action

Let's look at how a hypothetical company might work through the LEAP process:

MegaCorp Manufacturing makes consumer electronics and has operations in 15 countries.

MEGACORP'S LEAP JOURNEY

Locate: “We use water, minerals, and energy. Our supply chain spans 47 countries.”

Evaluate: “Water stress is increasing in 3 key regions. Mineral supplies are at risk.”

Assess: “Water scarcity could cost us \$500M. Mineral shortages could disrupt production.”

Prepare: “Invest in water efficiency, diversify mineral sources, set targets, disclose progress.”

Locate: MegaCorp maps their operations and discovers they use significant amounts of water for manufacturing, depend on rare earth minerals from politically unstable regions, and have supply chains that extend into areas with high deforestation risk.

Evaluate: They research the condition of water resources in their key manufacturing regions and discover that three of their largest facilities are in areas experiencing increasing water stress. They also learn that several of their key mineral suppliers are in regions with increasing political and environmental risks.

Assess: MegaCorp analyzes what these conditions mean for their business. They estimate that water scarcity could cost them \$500 million over the next decade if they don’t adapt. They also identify opportunities to develop more water-efficient manufacturing processes and to work with suppliers on sustainable sourcing.

Prepare: Based on their assessment, MegaCorp develops a response strategy that includes investing in water

efficiency technologies, diversifying their mineral supply chains, working with suppliers on sustainable practices, and setting targets for improvement. They also prepare disclosures that explain their nature-related risks and responses to investors and other stakeholders.

The Bottom Line on LEAP

LEAP provides a structured approach to understanding and managing your relationship with nature. It's not about becoming an environmental organization—it's about being a smart business that recognizes reality and adapts accordingly.

The key to successful LEAP implementation: 1. **Start where you are:** You don't need perfect information to begin 2. **Focus on materiality:** Concentrate on the issues that matter most to your business 3. **Build on existing processes:** Integrate LEAP with your existing risk management and strategic planning 4. **Improve over time:** Your first LEAP assessment doesn't need to be perfect

🌀 LEAP SUCCESS FACTORS

Start simple: Perfect is the enemy of good

Focus: Not everything is equally important

Integrate: Build on what you already have

Iterate: Get better over time

**Chapter 5: The Core Metrics -
Measuring What Matters (Without
Drowning in Data)**



Why Metrics Matter (And Why Most Companies Get Them Wrong)

Here's a shocking revelation: you can't manage what you don't measure. This isn't exactly Nobel Prize-winning insight, but you'd be amazed how many companies try to manage their relationship with nature using the "hope for the best" approach.

The problem isn't that companies don't collect data—most companies collect more data than a teenager collects social media followers. The problem is that they collect the wrong data, measure the wrong things, and then wonder why their sustainability initiatives feel like they're running in circles.



DATA COLLECTION REALITY CHECK

What most companies measure: Everything they can easily count

What they should measure: Everything that actually matters to their business

The gap: Usually about the size of the Grand Canyon

TNFD's core metrics are designed to help you measure the things that actually matter for understanding and managing your relationship with nature. Think of them as the vital signs for your business's environmental health—except instead of checking your pulse and blood pressure, you're checking things like water dependency and biodiversity impact.

The 14 Core Metrics (Don't Panic, We'll Explain Each One)

TNFD has identified 14 core metrics that cover the essential aspects of nature-related financial disclosure. Before you start hyperventilating about having to track 14 different things, remember that you probably already track more metrics for your fantasy football league.

🌀 THE MAGNIFICENT 14 (ORGANIZED FOR SANITY)

Dependencies (4 metrics): How you rely on nature

Impacts (4 metrics): How you affect nature

Risks (3 metrics): How nature could affect you

Responses (3 metrics): What you're doing about it

The metrics are organized into four categories that align with the TNFD framework:

Dependencies: The “We Need This Stuff” Metrics

These metrics help you understand how your business depends on ecosystem services and natural resources. It’s like mapping your business’s life support systems, except the life support comes from nature instead of machines.

DEPENDENCY REALITY CHECK

What executives think: “We’re not that dependent on nature”

What the metrics reveal: “Actually, you’re completely dependent on nature”

What smart executives do: “Let’s make sure our dependencies are sustainable”

Metric D1: Water Consumption This measures how much water your organization uses across its operations and value chain. Water is like the internet of natural resources—you don’t realize how much you depend on it until it’s not available.

Why it matters: Water scarcity affects 40% of the global population and is getting worse. If your business depends on water (spoiler alert: it does), you need to know how much you use and where it comes from.

How to measure it: Track water consumption by source (municipal, groundwater, surface water) and by use (manufacturing, cooling, cleaning, etc.). Don’t forget about

indirect water use in your supply chain—that’s often the biggest number.

Metric D2: Land Use This measures the amount and type of land your organization uses or affects through its operations and value chain.

LAND USE TRANSLATION GUIDE

What it measures: How much of the planet your business footprint covers

Why it matters: Land is finite, and ecosystems don’t like being turned into parking lots

What to track: Direct land use, supply chain land use, land use change impacts

Why it matters: Land use change is one of the biggest drivers of biodiversity loss and ecosystem degradation. Understanding your land footprint helps you identify risks and opportunities for improvement.

How to measure it: Track direct land use at your facilities, estimate land use in your supply chain (especially for agricultural and forestry products), and assess whether your land use involves conversion of natural ecosystems.

Metric D3: Ecosystem Services Dependency This measures your organization’s dependency on specific ecosystem services that are material to your business operations.

Why it matters: Ecosystem services are nature’s free services—things like pollination, water purification, climate

regulation, and soil formation. They're free until they're not, and then they become very expensive very quickly.

How to measure it: Identify the ecosystem services your business depends on, assess the level of dependency (high, medium, low), and evaluate the condition and trends of those services in your key locations.

Metric D4: Natural Resource Dependency This measures your organization's dependency on natural resources that are material to your business operations.

NATURAL RESOURCE DEPENDENCY **DECODER**

Renewable resources: Things that can regenerate (if you don't use them faster than they regenerate)

Non-renewable resources: Things that don't come back (use them wisely)

Critical resources: Things your business can't function without (pay attention to these)

Why it matters: Natural resources are the raw materials of the economy. Understanding your dependencies helps you identify supply risks and opportunities for efficiency improvements.

How to measure it: Track your use of key natural resources (minerals, fossil fuels, biological resources), assess the sustainability of your sourcing, and evaluate supply chain risks.

Impacts: The “What We’re Doing to Nature” Metrics

These metrics help you understand how your business affects natural systems. It’s like getting a report card on your environmental behavior, except the teacher is Mother Nature and she’s not known for grade inflation.

Metric I1: Greenhouse Gas Emissions This measures your organization’s greenhouse gas emissions across scopes 1, 2, and 3.

GHG EMISSIONS DECODER RING

Scope 1: Direct emissions from your operations
(the stuff you burn)

Scope 2: Indirect emissions from energy you buy
(the electricity bill)

Scope 3: Everything else in your value chain
(the big scary number)

Why it matters: Climate change affects ecosystems, which affects your business. Plus, everyone’s measuring this now, so you might as well get good at it.

How to measure it: Use established protocols like the GHG Protocol. Focus on getting Scope 3 right—that’s usually where the big numbers are hiding.

Metric I2: Land Use Change This measures land use change associated with your organization’s operations and value chain.

Why it matters: Converting natural ecosystems to other uses (like turning forests into palm oil plantations) is a major driver of biodiversity loss and ecosystem degradation.

How to measure it: Track land use change in your direct operations and supply chain, with particular attention to conversion of natural ecosystems.

Metric I3: Water Pollution This measures pollution and contamination of water resources from your organization's operations and value chain.

💧 **WATER POLLUTION REALITY CHECK**

The obvious: Don't dump toxic stuff in rivers

The less obvious: Agricultural runoff, microplastics, pharmaceutical residues

The surprising: Even "clean" industries often have significant water impacts

Why it matters: Water pollution affects ecosystem health, human health, and your social license to operate. It can also create significant liability and regulatory risks.

How to measure it: Track pollutant discharges, water quality impacts, and compliance with water quality standards. Don't forget about indirect impacts through your supply chain.

Metric I4: Biodiversity Impact This measures your organization's impact on biodiversity and ecosystem integrity.

Why it matters: Biodiversity is like the insurance policy for ecosystem stability. When you reduce biodiversity, you're essentially canceling nature's insurance policy, which is generally not a smart financial move.

How to measure it: This is the trickiest metric to measure, but you can start with proxies like habitat area affected, species at risk in your operations areas, and ecosystem condition trends.

Risks: The “What Could Go Wrong” Metrics

These metrics help you understand your exposure to nature-related risks. It's like a weather forecast for your business, except the weather includes things like “chance of ecosystem collapse” and “probability of supply chain disruption due to biodiversity loss.”

Metric R1: Physical Risk Exposure This measures your organization's exposure to physical risks from environmental changes.

PHYSICAL RISK WEATHER REPORT

Acute risks: Sudden events (floods, storms, droughts)

Chronic risks: Long-term changes (sea level rise, temperature changes, ecosystem shifts)

Cascading risks: When one problem causes another problem, which causes another problem...

Why it matters: Physical risks can directly impact your operations, supply chains, and assets. They're also

becoming more frequent and severe due to climate change and ecosystem degradation.

How to measure it: Assess your exposure to acute and chronic physical risks across your operations and value chain. Use scenario analysis to understand potential impacts under different conditions.

Metric R2: Transition Risk Exposure This measures your organization's exposure to transition risks from changes in policy, regulation, market preferences, and technology related to nature and climate.

Why it matters: Society's response to environmental problems can create significant business risks through new regulations, changing consumer preferences, and shifting investor priorities.

How to measure it: Assess your exposure to potential policy changes, regulatory developments, market shifts, and technology disruptions related to nature and climate issues.

Metric R3: Systemic Risk Exposure This measures your organization's exposure to systemic risks from widespread environmental and social disruptions.

SYSTEMIC RISK SCALE

Local: Problems in one location or supply chain

Regional: Problems affecting entire regions or industries

Global: Problems affecting the entire economic system

Existential: Problems that threaten civilization
(let's hope we don't get here)

Why it matters: When environmental problems become big enough, they can destabilize entire economic systems. Understanding your exposure to systemic risks helps you prepare for scenarios that go beyond normal business planning.

How to measure it: Assess your exposure to potential systemic disruptions from environmental problems, including supply chain dependencies, market exposures, and financial system risks.

Responses: The “What We’re Doing About It” Metrics

These metrics help you track your organization's responses to nature-related risks and opportunities. It's like measuring your progress on your New Year's resolutions, except the consequences of failure are slightly more serious than not fitting into your old jeans.

Metric Re1: Nature-Related Investment This measures your organization's investment in nature-positive activities and solutions.

Why it matters: Investing in nature-positive solutions can reduce risks, create opportunities, and demonstrate commitment to stakeholders.

How to measure it: Track investments in ecosystem restoration, sustainable sourcing, nature-based solutions, and other activities that create positive outcomes for nature.

Metric Re2: Nature-Related Financing This measures the proportion of your organization's financing that is aligned with nature-positive outcomes.

 NATURE-POSITIVE FINANCING
DECODER

Green financing: Funding for environmental projects

Sustainable financing: Funding tied to sustainability performance

Nature-positive financing: Funding that creates net positive outcomes for nature

Regular financing: Funding that ignores nature (increasingly risky)

Why it matters: The financial system is increasingly considering nature-related risks and opportunities. Aligning your financing with nature-positive outcomes can reduce costs and improve access to capital.

How to measure it: Track the proportion of your financing that includes nature-related criteria, sustainability-linked terms, or explicit nature-positive requirements.

Metric Re3: Nature-Related Targets and Performance
This measures your organization's progress against nature-related targets and commitments.

Why it matters: Targets without measurement are just wishes. Measuring progress against targets demonstrates accountability and helps you course-correct when needed.

How to measure it: Track progress against your nature-related targets, including interim milestones and final outcomes. Be honest about both successes and shortfalls.

How to Implement Metrics Without Losing Your Mind

Now that we've covered what the metrics are, let's talk about how to actually implement them without requiring a PhD in environmental science or a nervous breakdown.

Start Simple, Get Sophisticated Over Time

You don't need to implement all 14 metrics perfectly on day one. Start with the metrics that are most material to your business and most feasible to measure with your current capabilities.

🎯 IMPLEMENTATION STRATEGY

Phase 1: Focus on 3-5 most material metrics

Phase 2: Add more metrics as capabilities improve

Phase 3: Increase sophistication and accuracy over time

Phase 4: Use metrics for strategic decision-making

Phase 1: The Essentials Start with the metrics that are most important for your business and easiest to measure. For most companies, this includes water consumption, GHG emissions, and at least one dependency metric.

Phase 2: Building Capability As you develop measurement capabilities and data systems, add more metrics. Focus on filling gaps in your understanding of risks and impacts.

Phase 3: Increasing Sophistication Improve the accuracy and granularity of your measurements. Start using the metrics for decision-making, not just reporting.

Phase 4: Strategic Integration Integrate metrics into strategic planning, risk management, and performance management systems.

Use Existing Data and Systems

You probably already collect more data than you realize. Before creating new measurement systems, audit what you already have and see how it can be used or adapted for TNFD metrics.

DATA ARCHAEOLOGY TIPS

Financial systems: Often contain resource consumption and cost data

Operations systems: Usually track inputs, outputs, and efficiency metrics

EHS systems: Environmental, health, and safety data is often relevant

Supply chain systems: May contain supplier sustainability data

Common sources of existing data: - **Utility bills**: Water and energy consumption - **Procurement records**: Raw material sourcing and supplier information - **Environmental permits**: Emissions and discharge data - **Sustainability reports**: Existing environmental metrics - **Supply chain audits**: Supplier environmental performance data

Focus on Materiality

Not all metrics are equally important for your business. Focus your measurement efforts on the metrics that matter most for understanding and managing your material nature-related risks and opportunities.

🔗 MATERIALITY FILTER QUESTIONS

Business impact: Could this significantly affect our financial performance?

Stakeholder concern: Do our key stakeholders care about this?

Risk exposure: Are we significantly exposed to risks related to this?

Opportunity potential: Could we create significant value by addressing this?

Use materiality assessment to prioritize which metrics to focus on first and which can wait until later.

Build Measurement Capabilities Over Time

You don't need perfect measurement systems from day one. Start with the best available data and improve your measurement capabilities over time.

Year 1: Use available data and reasonable estimates

Year 2: Improve data quality and fill key gaps **Year 3:** Increase granularity and accuracy **Year 4+:** Use metrics for strategic decision-making

MEASUREMENT MATURITY MODEL

Level 1: Basic estimates using available data

Level 2: Systematic data collection with some gaps

Level 3: Comprehensive measurement with good accuracy

Level 4: Integrated measurement supporting decision-making

Real-World Examples: How Companies Are Using These Metrics

Let's look at how some companies are actually implementing these metrics in practice:

TCC Group Holdings: Water Dependency and Impact

TCC Group, the Thai beverage company, focuses heavily on water-related metrics because their business literally depends on clean water.

TCC'S WATER METRICS APPROACH

D1 (Water Consumption): Track consumption across all facilities and key suppliers

I3 (Water Pollution): Monitor water quality impacts and treatment effectiveness

R1 (Physical Risk): Assess water stress and drought risks in key regions

Re1 (Investment): Track investments in water efficiency and watershed restoration

They use these metrics not just for reporting, but for operational decision-making about facility locations, supplier selection, and investment priorities.

Mahindra Group: Comprehensive Ecosystem Dependencies

Mahindra Group tracks multiple dependency metrics across their diverse business portfolio.

MAHINDRA'S MULTI-BUSINESS APPROACH

Automotive: Focus on mineral dependencies and supply chain risks

Agriculture: Track soil health, water availability, and climate impacts

Real Estate: Assess land use impacts and ecosystem services

Financial Services: Evaluate nature-related risks in loan portfolios

They've found that different business units need to focus on different metrics, but having a consistent framework helps with portfolio-level risk management.

ofi: Supply Chain Impact and Investment Metrics

olam food ingredients (ofi) focuses on supply chain-related metrics because their business model depends on sustainable sourcing from around the world.

OFI'S SUPPLY CHAIN FOCUS

I2 (Land Use Change): Track deforestation and ecosystem conversion in supply chains

D3 (Ecosystem Services): Monitor soil health and pollination services in sourcing regions

Re1 (Investment): Measure investments in sustainable agriculture and farmer support

Re3 (Targets): Track progress against zero-deforestation and regenerative agriculture commitments

They use these metrics to guide sourcing decisions, supplier engagement, and investment in supply chain sustainability programs.

Common Pitfalls and How to Avoid Them

Here are the most common mistakes companies make when implementing TNFD metrics, and how to avoid them:

Pitfall 1: Trying to Be Perfect from Day One

The mistake: Waiting until you have perfect data and measurement systems before starting.

The reality: Perfect data doesn't exist, and waiting for it means never starting.

The solution: Start with the best available data and improve over time.

⚠️ PERFECTIONISM WARNING

Perfectionist thinking: "We can't report anything until we have perfect data"

Pragmatic thinking: "We'll start with good enough data and improve over time"

Result: Pragmatists are already benefiting while perfectionists are still planning

Pitfall 2: Measuring Everything Instead of What Matters

The mistake: Trying to measure all 14 metrics equally, regardless of materiality.

The reality: Not all metrics are equally important for your business.

The solution: Focus on the metrics that matter most for your material nature-related issues.

Pitfall 3: Treating Metrics as a Compliance Exercise

The mistake: Collecting metrics just for reporting purposes without using them for decision-making.

The reality: Metrics are only valuable if they help you make better decisions.

The solution: Integrate metrics into strategic planning, risk management, and operational decision-making.

Pitfall 4: Ignoring Data Quality and Uncertainty

The mistake: Presenting estimates and approximations as if they were precise measurements.

The reality: Nature-related metrics often involve significant uncertainty and estimation.

The solution: Be transparent about data quality, uncertainty, and limitations.

DATA QUALITY HONESTY POLICY

Good: “Our water consumption estimate is based on facility-level data with $\pm 10\%$ accuracy”

Bad: “Our water consumption is exactly 2,847,392 liters”

Terrible: Making up numbers and hoping nobody notices

The Bottom Line on Metrics

TNFD metrics provide a structured approach to measuring your relationship with nature. They're not about becoming an environmental research organization—they're about having the information you need to make smart business decisions.

The key to successful metrics implementation: 1. **Start simple:** Focus on the most material metrics first 2. **Build on existing data:** Use what you already have 3. **Improve over time:** Perfect is the enemy of good 4. **Use for decisions:** Metrics are only valuable if they inform action

METRICS SUCCESS FORMULA

Materiality + Existing data + Continuous improvement + Decision integration = Successful metrics program

Part 3: The 'How' - Implementation and Strategy

Chapter 6: How to Set Goals That Actually Matter

What Science-Based Targets Actually Are (And Why They're Not as Scary as They Sound)

Science-based targets for nature are like GPS coordinates for your sustainability journey—they tell you exactly where you need to go based on what science says is necessary to avoid ecological disaster. Think of them as nature's way of saying, "Here's what you need to do if you want to keep having a planet to do business on."

The concept is simple: instead of setting arbitrary targets like "reduce our environmental impact by 10% because that sounds nice," you set targets based on what scientists say is actually needed to maintain healthy ecosystems and a stable climate.

TARGET SETTING EVOLUTION

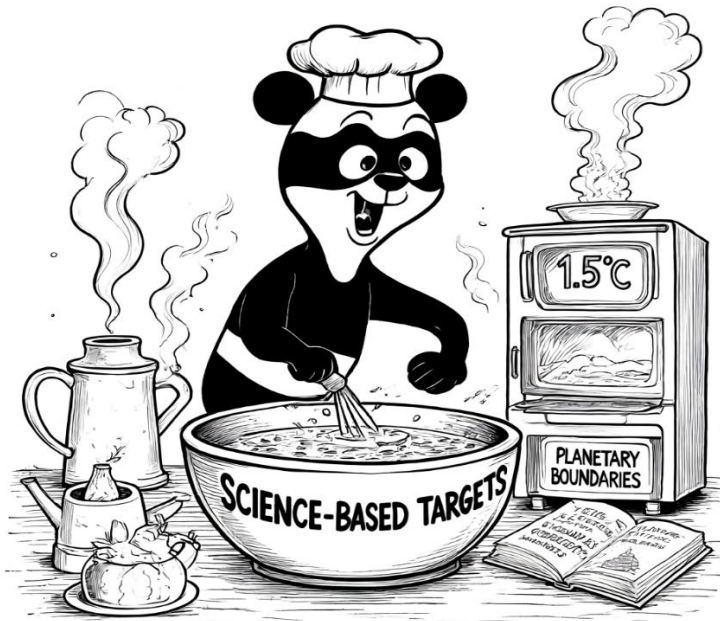
Old way: "Let's reduce our impact by 10% because it sounds good"

New way: "Let's reduce our impact by what science says is necessary"

Result: Targets that actually contribute to solving problems instead of just making us feel

It's like the difference between dieting by "eating a little less" versus following a nutrition plan designed by actual

nutritionists. One approach might make you feel virtuous, but the other approach actually gets results.



The Science Behind the Targets

The science-based targets for nature are grounded in research about planetary boundaries—the environmental limits within which humanity can safely operate. Think of planetary boundaries as nature’s credit limit, except when you exceed it, the consequences are slightly more serious than a phone call from your bank.

PLANETARY BOUNDARIES EXPLAINED

What they are: Environmental limits for a stable, habitable planet

How many we've crossed: 6 out of 9 (not great)

What this means: We're operating outside the safe zone

What businesses should do: Help get back inside the safe zone

Scientists have identified nine planetary boundaries, including climate change, biodiversity loss, nitrogen and phosphorus cycles, land use change, and freshwater use. We've already crossed six of these boundaries, which is like driving 90 mph in a 55 mph zone while texting—technically possible, but probably not sustainable long-term.

Science-based targets help companies align their goals with what's needed to get back within these planetary boundaries. It's not about being perfect—it's about being part of the solution instead of part of the problem.

The Science Based Targets Network (SBTN) Framework

The Science Based Targets Network (SBTN) has developed a framework for setting science-based targets for nature. It's like TCFD's climate targets, but for everything else that keeps the planet habitable.

SBTN'S TARGET CATEGORIES

Freshwater: Don't use more water than ecosystems can spare

Land: Don't convert more natural ecosystems

Biodiversity: Don't drive species extinct

Ocean: Don't turn the ocean into a garbage dump

Climate: Don't cook the planet (this one you probably already know)

The SBTN framework covers five key areas:

Freshwater Targets

Freshwater targets are about using water in ways that don't compromise the health of freshwater ecosystems or the availability of water for other users (including nature itself).

FRESHWATER TARGET REALITY CHECK

What most companies think: "We pay for water, so we can use as much as we want"

What science says: "Water is a shared resource with ecological limits"

What smart companies do: Set targets based on local water availability and ecosystem needs

Good freshwater targets consider: - **Local water stress:** How much water is available in each location where you operate - **Ecosystem water needs:** How much water local ecosystems need to stay healthy - **Seasonal variations:**

Water availability changes throughout the year - **Future projections:** How climate change might affect water availability

Example target: “Achieve water neutrality in all water-stressed regions by 2030, ensuring our water use doesn’t exceed local renewable water availability.”

Land Targets

Land targets are about avoiding further conversion of natural ecosystems and, where possible, restoring degraded land.

LAND USE HIERARCHY

Best: Avoid converting natural ecosystems

Good: Restore degraded land instead of converting new land

Okay: If you must convert land, offset with restoration elsewhere

Bad: Convert natural ecosystems without offsetting

Terrible: Convert natural ecosystems and pretend it doesn’t matter

The land use hierarchy is simple: 1. **Avoid:** Don’t convert natural ecosystems 2. **Reduce:** Minimize your land footprint 3. **Restore:** Restore degraded land where possible 4. **Offset:** If you must convert land, restore equivalent areas elsewhere

Example target: “Achieve zero net land use change by 2028, with no conversion of natural ecosystems and restoration of degraded land equivalent to any unavoidable land use.”

Biodiversity Targets

Biodiversity targets are about ensuring your activities don’t contribute to species extinction or ecosystem degradation.

BIODIVERSITY TARGET DECODER

No net loss: Don’t make biodiversity worse

Net positive: Make biodiversity better than when you started

Species-specific: Focus on particular species at risk

Ecosystem-based: Focus on overall ecosystem health

Biodiversity targets can focus on: - **Species conservation:** Protecting threatened or endangered species - **Habitat protection:** Maintaining or restoring critical habitats - **Ecosystem health:** Improving overall ecosystem condition and resilience - **Connectivity:** Maintaining or creating corridors between natural areas

Example target: “Achieve net positive biodiversity impact by 2030 in all regions where we operate, with particular focus on protecting critical habitats for endangered species.”

Ocean Targets

Ocean targets are about reducing pollution and impacts on marine ecosystems.

OCEAN IMPACT CATEGORIES

Plastic pollution: Stop adding to the garbage patches

Chemical pollution: Don't poison marine life

Overfishing: Don't empty the ocean

Coastal development: Don't destroy marine habitats

Climate impacts: Don't make ocean acidification worse

Ocean targets might address: - **Plastic waste:** Eliminating single-use plastics or ensuring proper waste management - **Chemical pollution:** Reducing toxic discharges to waterways - **Sustainable sourcing:** Ensuring seafood and marine products are sustainably sourced - **Coastal protection:** Protecting or restoring coastal ecosystems

Example target: "Eliminate single-use plastics from all operations by 2027 and achieve zero plastic waste to ocean by 2030."

Climate Targets (The One You Probably Already Know About)

Climate targets for nature focus on the intersection between climate change and ecosystem health. This goes beyond just reducing greenhouse gas emissions to include things like protecting carbon-storing ecosystems and building climate resilience.

CLIMATE-NATURE NEXUS

Emissions reduction: The classic climate target

Ecosystem protection: Protecting forests and other carbon stores

Nature-based solutions: Using nature to address climate change

Climate adaptation: Helping ecosystems adapt to changing conditions

Climate targets for nature might include: - **Emissions reduction:** Traditional GHG reduction targets - **Carbon sequestration:** Targets for removing CO₂ from the atmosphere through natural solutions - **Ecosystem protection:** Protecting forests, wetlands, and other carbon-storing ecosystems - **Climate resilience:** Building resilience in natural systems and supply chains

How to Set Science-Based Targets (Without Requiring a PhD)

Setting science-based targets sounds complicated, but it's actually more straightforward than most corporate strategic planning processes. Here's how to do it without losing your mind:

Step 1: Understand Your Context

Before you can set science-based targets, you need to understand your environmental context. This means figuring out what environmental challenges are most relevant to your business and locations.

CONTEXT MAPPING CHECKLIST

- ☒ What ecosystems do you operate in or affect?
- ☒ What are the key environmental challenges in those areas?
- ☒ How do your activities contribute to or address those challenges?
- ☒ What would science-based targets look like for your situation?

Questions to ask: - What are the key environmental pressures in your operating regions? - Which planetary boundaries are most relevant to your business? - What role could your company play in addressing these challenges? - What would “doing your fair share” look like?

Step 2: Choose Your Focus Areas

You don't need to set targets for every possible environmental issue. Focus on the areas where your business has the most significant impacts or dependencies, and where you can make the most meaningful contribution.

FOCUS AREA SELECTION CRITERIA

Materiality: Does this significantly affect your business?

Impact: Do you have significant impacts in this area?

Influence: Can you actually do something about it?

Urgency: Is this a critical environmental challenge?

Most companies start with 2-3 focus areas and expand over time as their capabilities develop.

Step 3: Set Ambitious but Achievable Targets

Science-based targets should be ambitious enough to contribute meaningfully to environmental goals, but achievable enough that you can actually deliver on them.

THE AMBITION-ACHIEVABILITY BALANCE

Too ambitious: “We’ll solve climate change by next Tuesday”

Too conservative: “We’ll reduce our impact by 1% over 10 years”

Just right: “We’ll achieve net zero emissions by 2030 through a combination of reduction and high-quality offsets”

Good targets are: - **Science-aligned:** Based on what science says is needed - **Time-bound:** Have clear deadlines - **Measurable:** You can track progress objectively - **Achievable:** Challenging but realistic given your resources and capabilities - **Relevant:** Address your most material environmental impacts

Step 4: Develop Implementation Plans

Targets without implementation plans are just wishes. Develop clear roadmaps for how you’ll achieve your targets, including interim milestones, resource requirements, and accountability mechanisms.



IMPLEMENTATION PLANNING

ESSENTIALS

Roadmap: Clear path from here to target achievement

Milestones: Interim goals to track progress

Resources: Budget, people, and capabilities needed

Accountability: Who’s responsible for what

Monitoring: How you’ll track progress and course-correct

Real-World Examples: Companies Setting Science-Based Targets for Nature

Let's look at how some companies are actually setting and implementing science-based targets for nature:

Mahindra Group: Comprehensive Nature Targets

Mahindra Group has set science-based targets across multiple environmental areas, reflecting their diverse business portfolio.

MAHINDRA'S TARGET PORTFOLIO

Water: Achieve water neutrality in water-stressed regions by 2030

Land: Zero net land use change across all operations by 2028

Biodiversity: Net positive biodiversity impact in all manufacturing locations by 2030

Climate: Net zero emissions by 2040, with interim targets aligned with 1.5°C pathway

Their approach recognizes that different business units have different environmental priorities, but all targets are grounded in scientific assessments of what's needed in their operating regions.

TCC Group Holdings: Water-Focused Targets

TCC Group has focused their science-based targets on water, reflecting their business's critical dependence on freshwater resources.

TCC'S WATER TARGET STRATEGY

Efficiency: 50% reduction in water intensity by 2030

Quality: Zero negative impact on local water quality by 2028

Availability: Water neutrality in all water-stressed regions by 2030

Resilience: 100% of facilities resilient to water stress scenarios by 2032

They've aligned their targets with local watershed capacity and ecosystem water needs, ensuring their water use doesn't compromise local water security or ecosystem health.

ofi: Supply Chain Nature Targets

olam food ingredients (ofi) has set science-based targets that address their supply chain impacts on land use, biodiversity, and climate.

OFI'S SUPPLY CHAIN TARGETS

Deforestation: Zero deforestation in supply chains by 2025

Regenerative agriculture: 1 million hectares under regenerative practices by 2030

Biodiversity: Net positive biodiversity impact in all sourcing landscapes by 2030

Climate: Science-based emissions reduction targets across value chain

Their targets recognize that as a global food ingredients company, their most significant environmental impacts occur in their agricultural supply chains rather than their direct operations.

Common Challenges and How to Overcome Them

Setting science-based targets for nature comes with some predictable challenges. Here's how to navigate the most common ones:

Challenge 1: Data and Measurement Complexity

The problem: Nature-related impacts are complex and difficult to measure precisely.

The solution: Start with the best available data and improve measurement over time. Don't let perfect be the enemy of good.



DATA PRAGMATISM PRINCIPLE

Perfectionist approach: Wait for perfect data before setting targets

Pragmatic approach: Set targets based on best available data, improve measurement over time

Result: Pragmatists are making progress while perfectionists are still planning

Challenge 2: Balancing Ambition and Achievability

The problem: Science says we need dramatic changes, but your company has limited resources and capabilities.

The solution: Set targets that are ambitious enough to matter but achievable enough to deliver. Build ambition over time as capabilities develop.

Challenge 3: Integrating Multiple Environmental Issues

The problem: Environmental issues are interconnected, and actions in one area can affect others.

The solution: Take a systems approach that considers interactions between different environmental issues. Look for solutions that address multiple challenges simultaneously.

SYSTEMS THINKING BENEFITS

Siloed approach: Address each environmental issue separately

Systems approach: Look for solutions that address multiple issues

Example: Regenerative agriculture can address climate, biodiversity, soil health, and water quality simultaneously

Challenge 4: Stakeholder Alignment

The problem: Different stakeholders have different expectations and priorities for environmental targets.

The solution: Engage stakeholders in target-setting process and communicate clearly about the scientific basis for your targets.

The Business Case for Science-Based Nature Targets

Science-based targets aren't just about environmental responsibility—they also create business value:

Risk Management

Science-based targets help you get ahead of environmental risks by addressing root causes rather than just symptoms.

📌 RISK MANAGEMENT BENEFITS

Traditional approach: React to environmental problems as they arise

Science-based approach: Prevent environmental problems by addressing root causes

Result: Lower risk exposure and fewer crisis management situations

Competitive Advantage

Companies with science-based targets often gain competitive advantages through improved efficiency, better stakeholder relationships, and access to new markets.

Stakeholder Confidence

Science-based targets demonstrate that your environmental commitments are credible and meaningful, not just marketing fluff.

Future-Proofing

By aligning with scientific assessments of environmental limits, science-based targets help future-proof your business against environmental constraints and regulations.

FUTURE-PROOFING LOGIC

If science is right: Environmental limits will eventually become business constraints

If you align with science: You'll be prepared for those constraints

If you don't: You'll be scrambling to adapt when constraints become binding

Getting Started with Science-Based Nature Targets

Ready to set your own science-based targets for nature? Here's a practical roadmap:

Phase 1: Assessment and Planning (Months 1-3)

- Assess your environmental context and materiality
- Identify priority focus areas
- Engage stakeholders and build internal support
- Develop target-setting methodology

Phase 2: Target Development (Months 4-6)

- Set specific, measurable targets aligned with scientific assessments
- Develop implementation roadmaps and resource plans
- Establish monitoring and reporting systems
- Get leadership approval and commitment

Phase 3: Implementation and Communication (Months 7-12)

- Launch implementation initiatives
- Communicate targets to stakeholders
- Begin monitoring and reporting progress
- Adjust plans based on early experience

Phase 4: Continuous Improvement (Ongoing)

- Monitor progress and course-correct as needed
- Improve measurement and reporting systems
- Expand targets to additional focus areas
- Share learnings and best practices



GETTING STARTED CHECKLIST

- ☒ Assess your environmental context and materiality

- ☑ Choose 2-3 priority focus areas
- ☑ Set ambitious but achievable targets
- ☑ Develop implementation roadmaps
- ☑ Establish monitoring systems
- ☑ Communicate targets to stakeholders

The Bottom Line on Science-Based Nature Targets

Science-based targets for nature provide a credible, meaningful way to align your environmental commitments with what science says is actually needed. They're not about being perfect—they're about being part of the solution.

The key to successful science-based targets: 1. **Ground in science**: Base targets on scientific assessments, not arbitrary goals 2. **Focus on materiality**: Address your most significant environmental impacts 3. **Balance ambition and achievability**: Set targets that are challenging but realistic 4. **Plan for implementation**: Targets without plans are just wishes 5. **Improve over time**: Start where you are and build sophistication over time

🌀 SCIENCE-BASED TARGETS SUCCESS FORMULA

**Scientific grounding + Material focus +
Balanced ambition + Implementation planning +
Continuous improvement = Meaningful
environmental impact**

Chapter 7: Embedding Nature in Governance - Made Simple (and a Little Wild!)

Ever feel like nature is that quiet, unassuming friend who always gets overlooked in important decisions? Well, in the world of corporate governance, nature has been pretty much invisible for too long. But guess what? The times, they are a-changin'! Companies are finally realizing that ignoring Mother Nature isn't just bad for the planet; it's bad for business. So, let's dive into how we can give nature a seat at the boardroom table, without actually bringing in a badger (unless it's a very well-behaved, suit-wearing badger).

Why Bother with Nature in Governance? (Beyond the Warm Fuzzies)

Look, we all love a good sunset, but embedding nature into your company's governance isn't just about feeling good. It's becoming a **non-negotiable** for a few very practical reasons:

- **ESG Obligations & Directors' Duties:** Environmental, Social, and Governance (ESG) factors are no longer optional extras. Regulators, investors, and even your customers are demanding that you show how you're protecting the planet. Directors, you've got duties to fulfill, and ignoring nature-related risks is like ignoring a giant, green elephant in the room [1].

- **Sustainability Reporting:** Laws like the European Corporate Sustainability Reporting Directive (CSRD) are making companies spill the beans on their environmental impact. This isn't just about what you *do* to nature, but also how nature impacts *you* (hello, double materiality!) [1]. Think of it as nature's report card, and you definitely want to pass.
- **Risk Management:** From supply chain disruptions due to extreme weather to reputational damage from environmental mishaps, nature-related risks can hit your bottom line harder than a rogue asteroid. Proactive management isn't just smart; it's survival [2].



Pop-Up Tip: The Green Elephant in the Room

Ignoring nature in governance is like trying to drive with a blindfold on. You might get away with it for a bit, but eventually, you're going to hit something big and green. Best to open your eyes and steer clear!

Giving Nature a Voice: From Silent Partner to Boardroom Buzz

Nature is a silent stakeholder. It can't send emails, attend meetings, or demand a pay raise (though a particularly angry volcano might make its feelings known). So, how do we give this crucial, yet quiet, partner a voice in our decision-making? It's about recognizing its inherent value and integrating its needs into the very fabric of your organization [1].

Researchers have been busy figuring out how to do this, and they've come up with some rather clever models. It's not about literally appointing a tree to your board (though that would certainly liven up quarterly reports), but about creating structures that ensure nature's interests are represented [1].

The Four Flavors of Nature-Inclusive Governance (No Artificial Colors!)

Think of these as different ways to invite nature to the party, each with its own level of commitment:

1. Nature as Inspiration: The Muse of the Boardroom

This is where nature becomes your guiding star. It's embedded in your company's core values, mission statement, or even legally adopted into your constitutional documents. Some companies even symbolically appoint nature as their CEO! (Imagine the press release: "Our new CEO, Gaia, has mandated a 100% reduction in carbon emissions by next Tuesday.") [1]

⚠ Warning: Greenwashing Alert!

Just saying you're

green doesn't make you green. Transparency, accountability, and measurable action are key to avoiding accusations of greenwashing. Don't just talk the talk; walk the (eco-friendly) walk! [1]

2. Nature as Adviser: The Wise Old Owl on the Payroll

Here, you bring in the experts. This could be an individual or a committee of specialists who provide advice and support on nature-related decision-making. Think of them as nature's legal team, making sure you don't accidentally build a factory on a rare butterfly breeding ground [1].

3. Nature as Director: Giving Nature a Proper Voice

This is where things get serious. A directorship role is established within the company's governance framework, specifically mandated to represent nature's interests. This director (or directors) has rights to support their role in board decision-making. The UK eco-beauty brand Faith in Nature famously put nature on its board, proving it's not just a whimsical idea [1]



🧐 Reality Check: Is Nature a Good Negotiator?

While a Nature Director won't be haggling over quarterly profits, their presence ensures that environmental considerations are front and center. It shifts the conversation from "Can we afford to be green?" to "Can we afford *not* to be green?"

4. Nature as Shareholder: Putting Purpose Over Profit

This model gets really creative, often involving alternate ownership structures where purpose trumps profit. This could be steward ownership, a golden shareholder, or neutralized capital. Patagonia, for example, allocated its voting shares to a foundation dedicated to protecting the planet, ensuring its mission of "saving the home planet" remains paramount [1].

So, You Want to Embed Nature? (It's Easier Than You Think!)

If you're feeling inspired to give nature a voice in your organization, where do you start? It's not about grand gestures right away, but about thoughtful integration:

1. **Define Your Nature:** How does your company interact with nature? What are your dependencies and impacts? Get specific. Are you a water guzzler? A land user? A carbon emitter? [1]
2. **Set Your Goals:** What do you hope to achieve with nature governance? Reduced footprint? Enhanced biodiversity? Improved reputation? Clear goals lead to clear actions.
3. **Transparency is Your Best Friend:** Publicly share your theory of change and publish annual impact reports. Show the world (and your stakeholders) that you're not just greenwashing, but genuinely making a difference with measurable evidence [1].

Callout: The Future is Green (and Governed!)

Nature governance is an evolving field, but it's clear that it's not a passing fad. Companies that embrace it will be better positioned for long-term sustainability, resilience, and perhaps even a bit of good karma. So, go forth and embed nature – the planet (and your balance sheet) will thank you!

Chapter 8: The Data Challenge - Made Simple

Introduction: The Wild West of Data

Ever felt like you're drowning in data? You're not alone. In today's digital age, data is everywhere – streaming from our phones, buzzing from our smart devices, and piling up in every business system imaginable. It's supposed to be a goldmine, a treasure trove of insights that helps us make smarter decisions, predict the future (sort of), and generally be more awesome. But let's be honest, sometimes it feels less like a goldmine and more like a chaotic, untamed wilderness. Welcome to the Wild West of Data, where every business is a prospector, and the nuggets of wisdom are often buried under mountains of digital dust.



This chapter isn't here to scare you, but to equip you with a trusty map and a few survival tips for navigating this data frontier. We'll tackle the most common data challenges that turn potential gold into pure headache, all in a witty, jargon-free style. Think of us as your friendly, slightly sarcastic guides through the data jungle. So, saddle up, partner, because we're about to wrangle some data beasts!

Challenge 1: The Messy Data Monster (Data Quality)

Imagine you're trying to bake a gourmet cake, but half your ingredients are expired, some are mislabeled, and a few are just... well, glitter. That's what working with poor data quality feels like. It's the number one culprit behind bad decisions, wasted resources, and enough frustration to make you want to throw your computer out the window. The Messy Data Monster manifests as inaccuracies, incompleteness, inconsistencies, duplicates, and non-standardized formats. It's the digital equivalent of a toddler's playroom after a sugar rush.

Why it matters: Garbage In, Garbage Out (GIGO)

This isn't just a catchy phrase; it's a fundamental truth in the data world. If your data is flawed, any analysis, report, or AI model built upon it will also be flawed. You'll end up making decisions based on faulty information, which is about as effective as navigating a minefield blindfolded. It can lead

to missed opportunities, incorrect customer targeting, and a general sense of

flailing in the dark. Nobody wants that.

Solutions (Made Simple): Taming the Beast

So, how do we tame this unruly beast? It's not magic, but it does require a bit of elbow grease and some smart strategies:

- **Data Validation: The Bouncer at the Data Club.** Think of data validation as the strict bouncer at an exclusive club. It checks every piece of data trying to get in, making sure it meets the dress code (format), has a valid ID (correct type), and isn't trying to sneak in a fake name (accuracy). If it doesn't pass muster, it's politely (or not so politely) shown the door. This prevents bad data from entering your systems in the first place.
- **Data Cleansing: Spring Cleaning for Your Spreadsheets.** For the data that *did* manage to sneak in, data cleansing is your deep-clean operation. This involves identifying and fixing errors, removing duplicates, filling in missing values (carefully!), and standardizing formats. It's like finding all those mismatched socks and finally pairing them up.
- **Data Governance: The Rules of the Road.** This is where you set the laws of the land for your data. Who owns what data? What are the definitions of key terms? How often should data be updated? Data governance establishes policies, processes, and responsibilities to

ensure data quality is maintained consistently across the organization. It's the constitution for your data kingdom.

- **Standardization: Everyone Speaks the Same Language.** Imagine trying to have a conversation where one person speaks in inches, another in centimeters, and a third in ancient Sumerian. That's non-standardized data. Standardization ensures that units, currencies, date formats, and other key data points are consistent. It makes sure everyone is on the same page, speaking the same data dialect.

Challenge 2: The Data Silo Saga (Integration & Fragmentation)

Ever tried to get information from different departments in a large company? It can feel like you're trying to solve a puzzle where half the pieces are missing, and the other half are from a completely different puzzle. This, my friends, is the Data Silo Saga. It's when data is scattered across various systems, databases, and even individual spreadsheets, refusing to communicate or integrate with each other. Each department has its own little data island, and they're not exactly keen on building bridges.

Why it matters: An Incomplete Picture

When data lives in isolated silos, you get an incomplete, fragmented view of your business. You can't see the whole picture, which leads to slow decision-making, missed opportunities, and a general feeling of

being perpetually behind the curve. Imagine trying to understand your customers when their purchase history is in one system, their support tickets in another, and their marketing interactions in a third. It's like trying to understand a novel by reading only every third page.

Solutions (Made Simple): Building Bridges and Breaking Walls

Breaking down data silos requires a bit of diplomacy and some clever engineering:

- **Centralized Data Management: The Data Peace Treaty.** The goal here is to bring all your data together into one harmonious place. This could be a data warehouse, a data lake, or a unified data platform. It's like getting all the warring factions to sign a peace treaty and agree to live under one roof.
- **ETL Tools: The Data Translators.** ETL stands for Extract, Transform, Load. These tools are the unsung heroes that pull data from various sources (extract), clean and standardize it (transform), and then push it into your centralized system (load). They're the multilingual diplomats making sure everyone understands each other.
- **APIs: The Data Diplomats.** Application Programming Interfaces (APIs) are like universal connectors that allow different software applications to talk to each other directly. They simplify integration by providing predefined methods for data exchange, making it easier

for your systems to share information without needing a full-blown translation service.

- **Cloud-based Data Lakes: The Big, Happy Data Family Home.** Cloud platforms offer scalable and flexible solutions for storing vast amounts of diverse data. Data lakes, in particular, can store raw, unstructured data from all your sources, making it accessible for various analytical purposes. It's a big, welcoming home where all your data can live together, happily ever after.

Challenge 3: The Security Scarecrow (Data Security & Privacy)

In the digital age, data is often more valuable than gold. And just like gold, everyone wants a piece of it – sometimes for nefarious reasons. The Security Scarecrow represents the constant threat of unauthorized access, data breaches, and the misuse of sensitive information. It's the lurking shadow that keeps data professionals up at night, wondering if their digital fortress is strong enough. From personal customer details to proprietary business strategies, protecting this treasure trove is paramount.

Why it matters: The Cost of a Breach

The consequences of a data breach can be catastrophic. We're talking reputational damage that takes years to repair, hefty legal penalties (hello, GDPR fines!), and a complete erosion of customer trust. It's not just about losing data; it's about losing credibility, market share, and potentially your

entire business. A single misstep can turn your data goldmine into a public relations nightmare and a legal battlefield.

Solutions (Made Simple): Fortifying Your Digital Castle

Protecting your data requires a multi-layered defense strategy, much like guarding a medieval castle:

- **Access Controls: The Data Bouncers (Again!).** Just like at the data club, you need strict bouncers deciding who gets in and what they can do once inside. Role-based access controls (RBAC) ensure that only authorized personnel can access specific data, and multi-factor authentication (MFA) adds an extra layer of security. Think of it as having different keys for different rooms in your castle.
- **Encryption: The Data Secret Code.** Encryption is like scrambling your data into an unreadable secret code. Even if a nefarious intruder manages to get their hands on it, they won't be able to understand it without the decryption key. It's your data's invisible cloak, making it useless to anyone without proper authorization.
- **Regular Security Audits: The Data Detective Work.** You wouldn't leave your castle gates unguarded, would you? Regular security audits are your digital patrols, constantly checking for vulnerabilities, weaknesses, and potential breaches. Penetration testing, vulnerability

scanning, and compliance checks are all part of this essential detective work.

- **Compliance with Regulations: Playing by the Rules.** The world of data is increasingly regulated. Laws like GDPR (Europe), CCPA (California), and HIPAA (healthcare) dictate how you must collect, store, and process sensitive data. Ignoring these rules is like playing a game without knowing the rules – you’re bound to get penalized. Staying compliant isn’t just good practice; it’s a legal necessity.
- **Data Classification: Knowing What You’re Protecting.** Before you can protect your data, you need to know what you have. Data classification involves categorizing your data based on its sensitivity, value, and regulatory requirements. Is it public, confidential, or top-secret? Once you know, you can apply the appropriate level of protection.

Challenge 4: The Scaling Struggle (Scalability Issues)

Congratulations! Your business is booming, and your data is growing faster than a teenager’s appetite. Sounds great, right? Well, not always. This rapid growth often leads to the Scaling Struggle, where your existing data systems groan under the weight of ever-increasing volumes, velocities, and varieties of data. What worked perfectly for a small dataset can buckle and break when faced with

petabytes of information. It's like trying to fit an elephant into a phone booth – eventually, something's going to give.

Why it matters: The Performance Pinch

When your data systems can't keep up, everything slows down. Reports take hours instead of minutes, applications become sluggish, and real-time insights become a distant dream. This performance pinch frustrates users, delays critical decision-making, and can even lead to lost revenue. Imagine your e-commerce site crashing during a Black Friday sale because your database couldn't handle the traffic. Not a pretty picture.

Solutions (Made Simple): Growing Pains, Solved

Scaling your data infrastructure doesn't have to be a nightmare. With the right approach, you can grow gracefully:

- **Cloud-based Solutions: The Elastic Data Band.** Cloud platforms (like AWS, Azure, Google Cloud) are your best friends here. They offer incredible scalability, allowing you to dynamically expand or shrink your storage and processing power as needed. It's like having an elastic band for your data – it stretches to accommodate growth without breaking.
- **Optimized Data Processing Workflows: The Data Express Lane.** Just throwing more hardware at the problem isn't always the answer. Optimizing your data pipelines and processing workflows can significantly improve efficiency. This means streamlining ETL processes, using efficient algorithms, and ensuring your

queries are lean and mean. Think of it as building an express lane for your data, bypassing traffic jams.

- **Modular Data Architecture: Building with LEGOs, Not Concrete.** Instead of monolithic, rigid systems, adopt a modular architecture. This means breaking down your data infrastructure into smaller, independent components that can be scaled individually. It's like building with LEGOs – you can easily add or remove blocks without tearing down the whole structure.
- **Automation and AI: The Data Superheroes.** Automation can handle repetitive tasks like data ingestion, cleansing, and monitoring, freeing up your human team for more strategic work. AI and machine learning can optimize resource allocation, predict future data growth, and even identify performance bottlenecks before they become critical. They're the superheroes that keep your data flowing smoothly.

Challenge 5: The Governance Gap (Lack of Data Governance)

Imagine a bustling city with no traffic laws, no building codes, and no mayor. Pure chaos, right? That's pretty much what happens when an organization suffers from a Governance Gap in its data strategy. Data governance isn't the sexiest topic, but it's the invisible infrastructure that keeps your data city running smoothly. It's the absence of clear rules, responsibilities, and standards for managing your most valuable digital asset.

Why it matters: Data Chaos and Compliance Nightmares

Without proper data governance, your data becomes a free-for-all. Who's responsible for its accuracy? Who decides what can be shared and with whom? This leads to inconsistent data, conflicting reports, and a general lack of trust in the information. Beyond the internal chaos, a governance gap can lead to serious compliance nightmares, resulting in hefty fines and legal battles. It also stifles innovation, as nobody knows which data they can truly rely on to build new products or services.

Solutions (Made Simple): Establishing Law and Order

Bringing order to your data kingdom requires a clear framework and dedicated roles:

- **Well-defined Data Governance Strategy: The Data Constitution.** This is your foundational document, outlining the principles, policies, and procedures for managing data across its entire lifecycle. It defines data ownership, quality standards, security protocols, and compliance requirements. It's the supreme law of your data land.
- **Assigning Data Stewards: The Data Sheriffs.** These are the individuals or teams responsible for the quality, integrity, and security of specific datasets. They act as the guardians of your data, ensuring that policies are followed and issues are addressed. They're the sheriffs who enforce the data constitution.

- **Governance Frameworks: The Data Rulebook.**
Leveraging established frameworks (like DAMA DMBOK) can provide a structured approach to implementing data governance. These frameworks offer best practices, guidelines, and processes to help you build a robust and effective governance program. Think of it as a comprehensive rulebook for running your data city.

Challenge 6: The Talent Tangle (Lack of Skilled Data Professionals)

So you've got the data, you've got the tools, but who's going to actually *do* anything with it? Enter the Talent Tangle – the persistent problem of not having enough skilled data professionals to manage, analyze, and interpret the ever-growing deluge of information. The demand for data scientists, data engineers, and data analysts has skyrocketed, creating a significant gap between available talent and organizational needs. It's like having a state-of-the-art kitchen but no chefs to cook the gourmet meal.

Why it matters: Untapped Potential and Stalled Progress

This shortage of skilled professionals means that valuable data often sits unused, insights are missed, and promising data initiatives stall or fail entirely. Without the right expertise, organizations struggle to extract meaningful value from their data, falling behind competitors who can leverage data more effectively. It's a classic case of having

all the ingredients for success but lacking the culinary masters to turn them into a feast.

Solutions (Made Simple): Cultivating Your Data Garden

Bridging the talent gap requires a multi-pronged approach, focusing on both internal development and external recruitment:

- **Employee Training Programs: Upskilling Your Data Squad.** Don't just look outside; cultivate talent from within! Invest in comprehensive training programs to upskill your existing employees in data literacy, analytics tools, and specialized data roles. It's often easier and more cost-effective to teach your current team new tricks than to find external unicorns.
- **External Data Consultants: Bringing in the Cavalry.** Sometimes, you need specialized expertise for specific projects or to kickstart your data journey. External consultants can provide the necessary skills and experience without the long-term commitment of a full-time hire. Think of them as mercenary data ninjas, swooping in to solve your problems.
- **Intuitive Data Management Platforms: Making Data Easier for Everyone.** The easier your tools are to use, the less specialized knowledge is required. Investing in user-friendly, low-code/no-code data platforms can empower a broader range of employees to interact with

and analyze data, reducing the reliance on highly specialized data scientists for every task.

- **Partnerships with Universities: Growing Your Own Data Talent.** Forge relationships with universities and educational institutions to create internship programs, mentorship opportunities, and even custom curricula. This allows you to identify and nurture emerging talent, building a pipeline of future data professionals tailored to your needs.

Conclusion: Taming the Data Beast

Phew! We've journeyed through the Wild West of Data, faced down the Messy Data Monster, navigated the Data Silo Saga, outsmarted the Security Scarecrow, survived the Scaling Struggle, bridged the Governance Gap, and untangled the Talent Tangle. It's clear that the data landscape is fraught with challenges, but it's also brimming with immense potential.

The key to taming the data beast isn't a single magic bullet, but a holistic and continuous approach. It requires a combination of robust processes, smart technology, clear governance, and, most importantly, skilled and empowered people. By proactively addressing these challenges, organizations can transform their data from a chaotic wilderness into a well-managed, fertile ground for innovation and growth.

When managed correctly, data isn't just a collection of facts and figures; it's the compass that guides your business,

the fuel that drives innovation, and the crystal ball that offers glimpses into the future. So, embrace the challenge, equip yourself with the right strategies, and get ready to unlock the true power of your data. The bright future of data awaits those brave enough to tame it!

Part 4: Practical Implementation

Chapter 9: TNFD in Action -More

Case Studies (Made Simple!) 🌳🌍💰

Asian Case Studies: Where the Rubber Meets the Rainforest (and the Concrete Jungle)

Asia is a powerhouse of economic activity, but it's also incredibly rich in biodiversity. This makes it a crucial region for TNFD implementation. Let's peek at a couple of examples to see how companies are putting TNFD into action.

Case Study 1: An Asia-based Financial Institution – Banking on Biodiversity

Imagine a big bank in Asia. You might think, “What do banks have to do with nature?” Well, a lot! Their investments and lending activities can have a massive impact, both positive and negative. This particular financial institution decided to be a pioneer in its home country, aiming to publish the first TNFD report.

The Challenge: How do you measure a bank's nature footprint when your main business isn't exactly digging up dirt? Their risk management team needed help assessing the nature-related impacts and dependencies of their investment assets and operations, and then publishing a TNFD report using the LEAP approach.

The Solution (with a little help from S&P Global Sustainable1):

S&P Global Sustainable¹ (S1) stepped in with a four-step process, leveraging their Nature & Biodiversity Risk data solution. This wasn't just about crunching numbers; it was about understanding the bank's entire ecosystem footprint. Here's how they did it:

1. **Evaluating the Ecosystem Footprint:** This measures the direct and operational impact on nature. Think land area impacted, ecosystem degradation, and the significance of the affected ecosystems. It's like giving the bank a nature report card. The results were expressed in hectares of the most globally significant ecosystems that would be fully degraded by the bank's operations. Talk about a reality check!
2. **Determining Ecosystem Significance:** S1 evaluated Key Biodiversity Areas (KBAs) – sites critical for the global persistence of biodiversity. This helped the bank understand where its investments were having the biggest impact on the planet's most precious places.
3. **Creating a Dependency Score:** This score measured the bank's reliance on 21 different ecosystem services. It's like a credit score for nature, showing where the bank is most vulnerable to nature-related risks.
4. **Helping to Prepare the TNFD Report:** Finally, S1 helped the bank put it all together in a shiny new TNFD report, making them the first in their market to do so. Talk about a competitive advantage!

The Takeaway: This case study shows that even financial institutions can (and should!) get their hands dirty

with nature-related data. By understanding their impacts and dependencies, they can make smarter investment decisions that are good for both their portfolio and the planet.

Case Study 2: AECOM – Building a Better, Greener Future

Now let's shift gears to the world of infrastructure. AECOM, a massive multinational consulting firm, is in the business of building things – roads, railways, buildings, you name it. And as you can imagine, all that construction can have a pretty big impact on nature.

The Challenge: How do you assess nature-related risks across a huge portfolio of infrastructure projects, each with its own unique set of challenges? AECOM needed a way to prioritize its efforts and focus on the projects with the biggest potential for both risk and opportunity.

The Solution (with a little help from Global Canopy):

AECOM teamed up with Global Canopy to pilot the TNFD's LEAP approach across a range of projects in Asia. They used a high-level risk screening process, looking at everything from biodiversity importance to physical risks like floods and droughts. Here's a peek at their process:

5. **Determining Sensitive Locations:** AECOM identified projects in key areas across South, Southeast, and East Asia. They took a conservative approach, looking at the entire sub-national district where a project was located to capture the broader landscape context.

6. **Scoring and Ranking:** They then mapped and summarized a whole bunch of nature-related variables, grouping them into eight categories aligned with TNFD guidance. This allowed them to score and rank projects based on their potential impacts, risks, dependencies, and opportunities.

Geek Out!

What kind of data are we talking about? AECOM looked at everything from forest loss and changes in species abundance to flood risk and water stress. They even considered reputational risk, because let's face it, nobody wants to be known as the company that destroyed a pristine ecosystem.

he Takeaway: This case study highlights the importance of a data-driven approach to managing nature-related risks in the infrastructure sector. By using geospatial data and a systematic scoring process, companies like AECOM can make more informed decisions about where to focus their sustainability efforts. It's not just about avoiding negative impacts; it's about actively seeking opportunities to create a more nature-positive future.

The Road Ahead: A Nature-Positive Future for Asia (and the World)

So there you have it – a whirlwind tour of TNFD in action in Asia. As you can see, companies across different sectors are starting to wake up to the importance of nature-related financial disclosures. It's not always easy, and there are definitely challenges ahead (like data availability and the dreaded greenwashing), but the momentum is building.

By embracing the TNFD framework and the LEAP approach, companies can move beyond simply managing their environmental impact and start actively contributing to a nature-positive future. And that's good news for everyone – from the smallest frog to the biggest bank.

Final Thought

Nature isn't just a resource to be exploited; it's a partner to be respected. By integrating nature into our financial decision-making, we can build a more sustainable and resilient world for generations to come. Now go forth and be a nature champion! TNFD champion!

Appendix A: TNFD Glossary and Key Terms

TNFD GLOSSARY

Biodiversity: The variability among living organisms from all sources including terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part.

Dependencies: Aspects of ecosystem services that an organization relies on to function.

Ecosystem Services: The contributions that ecosystems make to human well-being, categorized as provisioning, regulating, supporting, and cultural services.

Impacts: Changes in the state of nature caused by business activities, which may be positive or negative.

LEAP: The TNFD risk and opportunity assessment approach: Locate, Evaluate, Assess, Prepare.

Materiality: The principle of focusing on nature-related issues that are most significant to your business and stakeholders.

Nature: The natural world, with an emphasis on the diversity of living organisms (including people) and their interactions among themselves and with their environment.

Nature-positive: A high-level goal and concept describing a future state of nature which is greater than the current state.

Nature-related Dependencies: Aspects of ecosystem services that an organization relies on to function.

Nature-related Impacts: Changes in the state of nature caused by business activities.

Nature-related Opportunities: Activities that create positive outcomes for organizations and nature.

Nature-related Risks: Potential threats posed to an organization linked to its and society's dependencies and impacts on nature.

Science-Based Targets for Nature (SBTN): Targets that are aligned with what science indicates is necessary to address the nature crisis.

TNFD: Task force on Nature-related Financial Disclosures - provides a framework for organizations to report and act on evolving nature-related risks.

Appendix B: TNFD Maturity Self-Assessment Tool

Quick TNFD Maturity Check

Rate your organization on a scale of 1-4 for each statement: 1 = Not at all 2 = Somewhat 3 = Mostly 4 = Completely

Governance: - We have clear nature-related leadership and accountability - Nature considerations are integrated into our business strategy - Our board provides nature-related oversight

Strategy: - We have identified our material nature-related issues - We have set clear nature-related goals and targets - We regularly review and update our nature strategy

Risk Management: - We identify and assess nature-related risks - We have processes to manage nature-related risks - We monitor nature-related risk performance

Metrics and Targets: - We track key nature-related metrics - We have set specific nature-related targets - We report on our nature-related performance

Scoring: - 12-20: Beginner (Focus on building foundations) - 21-32: Developing (Time to create a strategy) - 33-44: Advanced (Ready to lead and innovate) - 45-48: Leader (Share your expertise with others!)

References and Resources

For the most up-to-date nature-related standards and guidance, visit:

TNFD (Taskforce on Nature-related Financial Disclosures): <https://tnfd.global>

Science Based Targets Network (SBTN):
<https://sciencebasedtargetsnetwork.org>

Global Reporting Initiative (GRI):
<https://www.globalreporting.org>

IFRS Foundation: <https://www.ifrs.org>

International Union for Conservation of Nature (IUCN): <https://www.iucn.org>

Convention on Biological Diversity (CBD):
<https://www.cbd.int>

Natural Capital Accounting and Valuation of Ecosystem Services (NCAVES):
<https://seea.un.org/content/ncaves>

Business for Nature: <https://www.businessfornature.org>

World Economic Forum Nature Action Agenda:
<https://www.weforum.org/nature-action-agenda>

CDP (formerly Carbon Disclosure Project):
<https://www.cdp.net>

Example nature-related disclosures under TNFD

Framework: <https://tnfd.global/publication/additional-guidance-on-assessment-of-nature-related-issues-the-leap-approach/>

TNFD Recommendations:

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

TNFD Guidance on the Science:

<https://tnfd.global/publication/guidance-on-the-science/>