



# **ATTRACTING INVESTMENT IN NATURE BASED SOLUTIONS:**

## **HOW NBS PROJECTS CAN APPLY THE TNFD REPORTING FRAMEWORK**

## DISCLAIMER:

**This Report and its associated Suggested Guidance and Metrics Workbook\* are intended as an internal assessment tool for nature-based solutions (NbS) projects to help prepare their disclosures on sustainability topics: social, nature and climate.** As a tool they are intended to provide guidance to NbS project teams in the process of preparing reports or presentations to actual or potential financial stakeholders to enable them to assess the NbS project and include it in their own reports, as needed. Neither this Report nor the Suggested Guidance or Metrics Workbook are intended to provide definitive advice on any accounting or reporting standard, and they should not be relied upon to determine statements for inclusion in an organisation's financial or sustainability reports, whether statutory or otherwise. Users of the Report, Suggested Guidance and Metrics Workbook are encouraged to obtain external advice in relation to accounting and reporting matters.

The Report, Suggested Guidance and Metrics Workbook are intended to relate only to environmental, social and governance topics relevant to NbS projects and do not include any guidance or advice on financial evaluation or reporting of financial performance. WWF-UK is not authorised to conduct regulated investment activities and consequently nothing in the Report, Suggested Guidance or Metrics Workbook is intended to constitute investment advice, promotion of an investment opportunity or other form of regulated investment activity.

For the avoidance of doubt, the Report, Suggested Guidance and Metrics Workbook are not publications of the Taskforce on Nature-related Financial Disclosures. Commentary in the Report, Suggested Guidance or Metrics Workbook that cites published reporting standards, guidance, approaches or tools is specific to that cited version and does not apply to any previous or future version of that standard, guidance, approach or tool.

*\*The Metrics Workbook is a separate spreadsheet document and is available in a downloadable and editable format from the WWF-UK webpage for use by NbS project teams who are interested in applying the TNFD framework and LEAP approach. The Suggested Guidance is included as an Annex in this Report and is also available for download in an editable format from the above webpage, to complement the Workbook - project teams are encouraged to annotate the columns marked "NbS project-specific comments/notes". Both the Metrics Workbook and Suggested Guidance may be updated from time-to-time by WWF-UK at its own discretion according as there are updates in guidance or as feedback is obtained from users.*

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## ABOUT WWF:

WWF is one of the world's largest independent conservation organisations, active in nearly 100 countries. Our supporters – more than five million of them – are helping us restore nature and tackle some of the main causes of nature's decline, particularly the food system and climate change. We want a world with thriving habitats and species, and we want to change hearts and minds so it becomes unacceptable to overuse our planet's resources.

## ABOUT THE CLIMATE SOLUTIONS PARTNERSHIP:

This Report has been prepared by the WWF-UK NbS Accelerator team, which is part of the Climate Solutions Partnership. The Climate Solutions Partnership is a five-year philanthropic collaboration between WWF, World Resources Institute (WRI) and HSBC. It aims to scale up nature-based solutions, remove deforestation from palm oil supply chains and increase sustainable production and consumption, and help transition the energy sector in Asia towards renewables.

# KEY TERMS USED

As in the main Report, in the Suggested Guidance and Metrics Workbook:

**Nature-based solutions (“NbS”)** are defined as “actions to protect, conserve, restore, sustainably use and manage natural or modified terrestrial, freshwater, coastal and marine ecosystems, which address social, economic and environmental challenges effectively and adaptively, while simultaneously providing human well-being, ecosystem services and resilience and biodiversity benefits” (UNEA, 2022).

**“NbS project”** means an NbS intervention or set of NbS interventions – whether at local level or landscape level – which are designed, implemented and governed by a project organisation (whether an NGO, civil society organisation, corporation, government agency or partnership) with the intention of addressing social, economic and environmental challenges through a nature-based solution.

**“Financial stakeholders”** means all entities directly or indirectly financing an NbS project, or directly or indirectly purchasing goods or services from it – i.e. any downstream value chain partner of the NbS project. This is deliberately intended to be a broad interpretation:

- It includes not only investors seeking a direct financial return, but also those providing grant finance or other form of non-returnable capital, whether for ESG reporting purposes, risk mitigation, brand enhancement, philanthropy or other motive.
- An entity may be either or both a financial investor and a value chain partner, e.g. where a corporation both invests in (provides debt or equity or gives commitments supporting such investment) and as part of a nature- or climate-positive strategy supports NbS projects within its supply chain to address nature-related dependencies and impacts.
- In some places, we distinguish between actual (current) and potential financial stakeholders. In principle, an organisation’s disclosures under the TNFD and its use of the LEAP approach refer to its own nature dependencies, impacts, risks and opportunities, irrespective of the financial stakeholders. However, given the nascent state of the NbS finance market, the report and annexes give more attention to potential than actual financial stakeholders, by showing where NbS projects may use TNFD and the LEAP approach to identify, engage and align reporting with potential financial stakeholders.
- Where necessary the text distinguishes between types of financial stakeholders or their roles in the NbS project: financial institutions and corporate entities, and their various roles as financial investors, lenders, and value or supply chain partners.



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# 1. EXECUTIVE SUMMARY

The world faces a **triple challenge**: averting dangerous climate change, restoring and protecting nature, and delivering human wellbeing equitably. To meet the triple challenge and the 2030 Kunming-Montreal Global Biodiversity Framework goals, we must address socioeconomic drivers like fossil fuel emissions and nature exploitation, and significantly scale up financing for nature-based solutions (“NbS”). These actions involve the protection, management and restoration of nature at scale to meet societal challenges, such as mitigating and adapting to climate change, or delivering food security. This builds on the growing recognition that we cannot tackle these challenges without healthy and well-functioning ecosystems.

**Inadequate information on returns and impact have been restricting NbS investment to date.** Finance for NbS is at nowhere near the required levels: current annual investment of US\$154bn per year is less than a third of the [UNEP estimated annual requirement of US\\$484bn by 2030](#), and just US\$26bn of current annual investment comes from private sources. The [2022 report on barriers to financing NbS](#) prepared by Terranomics for WWF and the Climate Solutions Partnership identified that inconsistency of reporting and a plethora of competing methods and taxonomies have not given investors the needed clarity on the opportunities, risks and impacts of NbS.



**The launch in September 2023 of the Recommendations of the Taskforce on Nature-related Financial Disclosures (the “[TNFD Recommendations](#)”) is an opportunity to address this information gap.** TNFD is gaining traction – already by [January 2024](#), 320 corporates and financial institutions worldwide have agreed to adopt TNFD recommendations in their reporting for financial years 2024 or 2025. TNFD is designed to be consistent with, and is informed by, the wider sustainability reporting standards and frameworks used by corporates and financial institutions, such as the IFRS Sustainability Disclosure Standards. Like the Taskforce on Climate-related Financial Disclosures (TCFD), the TNFD provides a framework and recommendations for organisations to assess, formulate a strategy and report on nature-related issues consistently with leading sustainability reporting standards. TNFD has also developed the [LEAP \(Locate-Evaluate-Assess-Prepare\) approach](#) to help organisations to assess nature-related dependencies, impacts, risks and opportunities. Beyond helping to identify nature-related issues, the LEAP approach can be harnessed by NbS projects to inform their project design, governance, management and reporting – albeit other supplementary sources may be required for some social

and climate issues. This not only helps project developers to design and implement NbS projects in a way that maximises their positive impacts (e.g. climate, nature and social) but, crucially, it can also help NbS project developers communicate project design and impacts more effectively to investors, lenders and other financial stakeholders, thereby helping to attract capital.

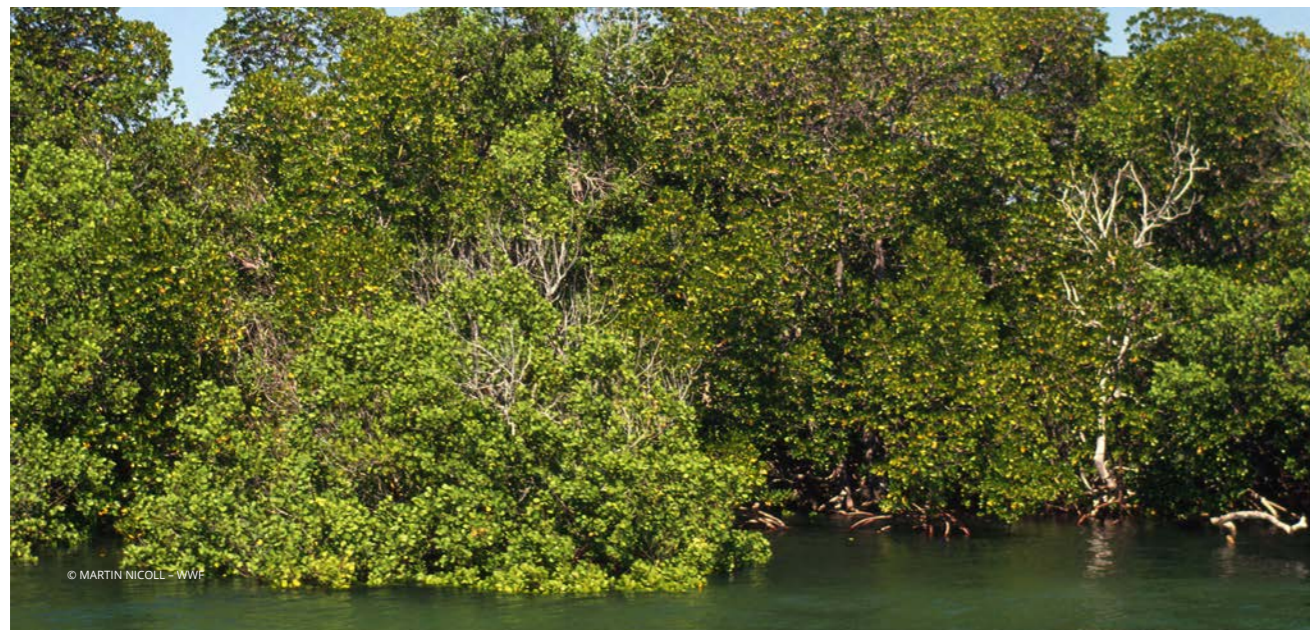
**This Report and its annex Suggested Guidance for NbS projects using TNFD (“[Suggested Guidance](#)”) and the associated “[Metrics Workbook](#)” are together intended as a tool to help NbS projects apply the TNFD framework.** They can help NbS projects to assess or review their own nature-related dependencies, impacts, risks and opportunities as well as identify potential financial stakeholders for whom the NbS is an opportunity or response to their nature-related issues. They guide NbS projects in how to assess and evaluate their own project design, governance and implementation, and to report on this in alignment with the [TNFD Recommendations](#). However, especially for social topics, the Report and Suggested Guidance also refer to the Global Reporting Initiative Standards (“[GRI Standards](#)”), although other standards such as the Global Impact Investor Network’s [IRIS+ impact reporting system](#) can also provide additional guidance.

**This Report, Suggested Guidance and Metrics Workbook are primarily targeted at NbS project teams considering preparing reports or presentations to actual or potential financial stakeholders.** When engaging with potential financial stakeholders, NbS projects will be able to present their investment case more effectively if they use TNFD Recommendations to align their reporting to how those stakeholders evaluate and disclose their own social- and nature-related dependencies, impacts, risk, opportunities and performance. This gives financial stakeholders relevant information to evaluate the NbS project and, if required, to factor into their own reporting under the principal sustainable reporting standards.

**The Suggested Guidance refers to the pillars set out in the TNFD Recommendations and gives guidance on how an NbS project might apply each stage in the LEAP approach.** The Metrics Workbook provides guidance on the potential selection and use of metrics and indicators by NbS projects to assess and report on their nature-related impacts, dependencies, risks and opportunities. The workbook provides checklists for the most pertinent [TNFD LEAP guidance v1](#) and GRI Standards indicators, helping NbS projects determine their relevance in design, evaluation, and reporting phases.

**Together, the Report, Suggested Guidance and Metrics Workbook aim to harmonise NbS project reporting with the reporting requirements of financial stakeholders.** We demonstrate how the TNFD framework provides opportunities for NbS projects to assess and report on their own nature-related issues, as well as how they can respond to nature-related issues of potential financial stakeholders, especially those with significant impacts and dependencies on nature. For example, for global corporations operating in or sourcing from the area of influence of an NbS project, the NbS project could help address the impacts and dependencies of that corporation in that area by promoting resilience in commodity supply chains through sustainable production practices. For financial institutions, the NbS project could reduce nature- or climate-related physical risks affecting assets in that area or region by maintaining ecosystem service flows that provide flood or climate protections. Some of these financial stakeholders might potentially invest in or source from the NbS project – in which case they are obliged to consider the impacts of the NbS project on their own overall organisational impacts.

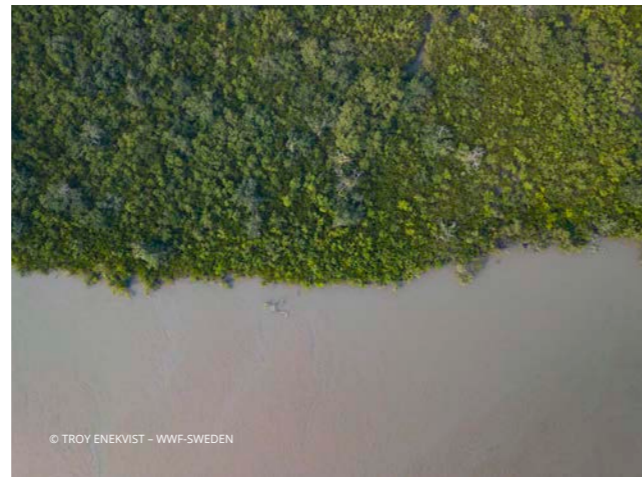
**NbS projects following the [IUCN Global Standard for NbS](#) have a head start in applying the TNFD framework and recommendations.** The IUCN Global Standard sets out criteria for cost-effective, high-integrity solutions that deliver for people, nature and societal outcomes. These criteria provide core guidance to support the design, implementation and governance of NbS, including robust monitoring, evaluation and learning. We demonstrate how the IUCN Global Standard for NbS and the TNFD recommendations complement each other to support NbS in their design, governance and reporting processes.



## 2. ABOUT THIS REPORT

### 2.1 PURPOSE OF THIS REPORT

**This Report explains how NbS projects can align their project evaluation, assessment and reporting with the TNFD and the wider sustainability reporting architecture, which is increasingly coalescing around the IFRS Sustainability Disclosure Standards.** Since the TNFD is designed and recognised to align with other reporting standards and frameworks (notably the IFRS Sustainability Disclosure Standards, GRI and TCFD, see section 4.1 below), aligning project reporting with the TNFD promotes alignment with wider reporting requirements. We demonstrate how the TNFD framework, recommendations, and LEAP approach, can be used as practical tools to help NbS project developers disclose their own nature-related issues and respond to the nature-related issues of financial stakeholders, whether intermediate investors or developers, ultimate shareholders or lenders, parent companies or supply chain partners. To facilitate this process, we present an approach whereby parties implementing NbS can select and monitor performance metrics that cover governance, dependencies and impacts, and risk and opportunities relating to nature. This approach follows the disclosure processes and formats that financial stakeholders are increasingly using to report to their investors under generally accepted reporting standards.



**This Report, Suggested Guidance and Metrics Workbook can be used by NbS project organisations of any scale, up to and including landscape-scale NbS.** The Guidance deals with the reporting interface between the NbS organisation and external stakeholders, principally actual and potential financial stakeholders. Any NbS organisation with the legal and financial ability to implement interventions, raise funds, and secure commitments can apply TNFD principles and the LEAP approach to showcase its design, governance, and intended environmental and societal impacts.

**The Report and Guidance can also be used when presenting to providers of grants and other support as well as to investors seeking direct financial returns or value chain partners seeking to enhance operating profits.** Beyond seeking direct commercial profits, corporates and financial institutions may engage with NbS projects through other forms of non-returnable contributions or grant finance, whether for environmental, social and governance (ESG) reporting purposes, risk mitigation, brand enhancement or other motives. Public bodies and philanthropic organisations likewise are sources of non-returnable contributions, grant finance and other support (such as technical assistance). Irrespective of whether these financial stakeholders have formally adopted TNFD, they are likely to apply many of the elements of TNFD recommendations and additional guidance, including LEAP, when considering supporting NbS projects.

### 2.2 LIMITATIONS ON THE SCOPE OF THE REPORT

**This Report presupposes that the NbS project is following sound design, implementation and monitoring principles – such as those set out in the [IUCN Global Standard for NbS](#)<sup>1</sup>.** Our focus is on helping high-quality NbS projects align with investor disclosure requirements or expectations, with a focus on how both [TNFD Recommendations](#)<sup>2</sup> and the [TNFD LEAP](#)<sup>3</sup> approach can support their reporting on nature-related issues. Although we indicate how the LEAP approach can also help to enhance aspects of project design and governance (section 5.1 below and the Suggested Guidance), we do not comprehensively explore this. Alignment with reporting frameworks such as the TNFD does not, by itself, indicate that an NbS is adequately designed to foster to human wellbeing, deliver biodiversity net gain and respond to societal challenges. It therefore does not supplant the need for contextually tailored monitoring and evaluation frameworks that respond to multiple audience needs, and robust design criteria such as the IUCN Global Standard. For example, while alignment with the TNFD framework and recommendations demonstrates accounting of nature-related issues, it does not necessarily cover all parameters relevant to assess NbS impact, effectiveness and trade-offs, notably on social topics. Further, the context-specific and unpredictable ways in which nature-related risks evolve in a specific location is unlikely to be fully accounted for solely by adherence to TNFD.



**Constraining the focus of monitoring and evaluation to investor disclosure requirements may risk marginalising Indigenous Peoples and Local Communities and other affected stakeholders, as well as robust adaptive management.** A core aspect of NbS is designing the project in line with the needs, values and perspectives of Indigenous Peoples and Local Communities (IPLCs), requiring robust stakeholder engagement processes (IUCN NbS standard criterion 5), a principle echoed in the [TNFD Guidance on engagement with IPLCs and affected stakeholders v1](#)<sup>4</sup>. Just and contextually tailored engagement of and reporting to IPLCs is a fundamental aspect of effective project governance that affects the ecological and social integrity of the intervention, given the strong interdependencies between people and nature that shape landscapes and seascapes.

**This Report does not cover financial structuring and evaluation of NbS investment,** since depending on the type, scale and jurisdiction of an NbS, different financing structures, risk attributes and indicative expected investment returns will be appropriate. As stated in the disclaimer (page 2), neither the Report, Suggested Guidance nor Metrics Workbook include any Guidance or advice on financial evaluation or reporting of financial performance.

### 3. INTRODUCTION

**Governments, businesses and investors increasingly recognise that reversing nature loss is fundamental to addressing the triple challenge of climate change, biodiversity loss and supporting the wellbeing of a growing world population.**<sup>5,6</sup> These societal challenges are deeply interwoven: biodiversity and healthy ecosystems are fundamental for mitigating and adapting to climate change,<sup>7,8</sup> food and water security,<sup>9</sup> and reducing the risk of emerging infectious diseases.<sup>10</sup> By adopting the Kunming-Montreal Global Biodiversity Framework at the 15th Conference of the Parties to the Convention on Biological Diversity (CBD COP15) in 2022, governments recognised the importance of tackling the biodiversity crisis to deliver a healthy, sustainable future.



**At the 28th Conference of the Parties (COP28) to the United Nations Framework Convention on Climate Change (UNFCCC) held in Dubai, the interdependencies between climate and biodiversity were at the core of discussions. COP28 asserted that:**

*“a strengthened interconnection between nature and climate change cannot only foster emissions reductions but can also strengthen climate resilience and the livelihoods of people”*

and that

*“positive developments exist in terms of standards and guidance, such as the recognition and universal definition of the term nature-based solutions and more advanced standards for private entities on how to set targets and disclose risks related to nature... a growing number of insurers, banks and investors recognise the risks of inaction and the emerging opportunities related to adaptation and resilience.”<sup>11</sup>*

**Nature underpins all economic activity: the loss of nature has widespread systemic financial implications.** More than half (55%) of the world's total GDP is moderately or highly dependent on nature,<sup>12</sup> while 85% of the world's largest companies included in the [S&P Global 1200 index](#)<sup>13</sup> have a significant dependency on nature across their direct operations, underpinning their cashflows and enterprise value. Protecting nature could avert US\$2.7 trillion in annual economic losses.<sup>14</sup> It is no surprise that [\(WEF\) global risk reports](#)<sup>15</sup> have consistently ranked biodiversity loss and ecosystem collapse among the top five threats humanity will face in the next decade.



**Biodiversity and ecosystem service loss create a myriad of significant physical risks for businesses and their investors.**

These risks include reduced commodity yields, output losses and disrupted supply chains, risks compounded by the direct impacts of climate change and societal disruption.<sup>16,17</sup> Businesses also face increasing exposure to nature-related transition risks as regulations and consumer preferences place restrictions on activities that harm nature. Poorer countries with higher levels of livelihood dependencies on biodiversity and ecosystem services have greater exposures to the impacts of climate change and biodiversity loss,<sup>18</sup> and this inequality, if not addressed, can create wider systemic risks which could undermine efforts elsewhere to halt climate change and nature loss.



**Scaling up NbS can play a vital part in restoring and protecting nature and the benefits it supports.**

Alongside tackling the drivers of climate change and biodiversity loss (notably continued fossil fuel emissions and land-use change), scaling up investment in NbS is essential since high-quality NbS are inherently designed to address societal challenges and provide an integrated response to the climate and biodiversity crises.<sup>3,19</sup> Importantly, since NbS require working with rather than against nature, they provide a clear opportunity to support a shift towards circular economies.<sup>20</sup>

**THE BIG NATURE TURNAROUND**

Repurposing \$7 trillion to combat nature loss

**NEGATIVE**

Almost \$7trillion per year

**PRIVATE PUBLIC**

\$5trillion per year \$1.7trillion per year

140x bigger than private finance to nature-based solutions 10x more than public finance for nature-based solutions

5% of global GDP 55% increase from 2021

**POSITIVE**

\$200billion per year invested in nature-based solutions

Needs to triple to \$542billion by 2030

**PRIVATE PUBLIC**

\$35billion per year = 18% \$165 billion per year = 82%

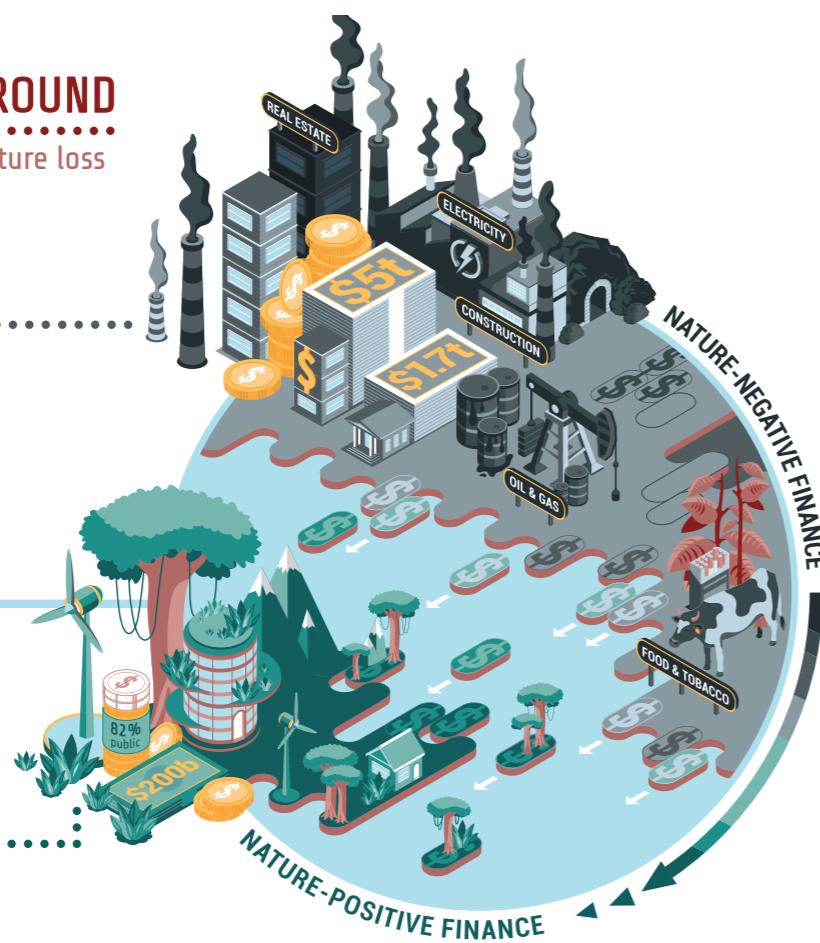


Figure 1. The Big Nature Turnaround

United Nations Environment Programme (2023). The Big Nature Turnaround: Repurposing \$7 trillion to combat nature loss. <https://wedocs.unep.org/20.500.11822/44280>.

**However, investment in NbS is not yet near the scale required.** The United Nations Environment Programme (UNEP) estimates that annual investment in NbS needs to treble to US\$542 billion by 2030 from 2023 levels, calling for significant increases of both public and private financing. Notably, private finance only represents 18% (US\$35 billion) of the current US\$200 billion of NbS finance flows.<sup>21</sup> While the market for private investment in NbS is growing, it is still at an early stage, with only limited revenue streams available to service nature-positive investment compared to the revenues (often subsidised) that can be generated from nature-depleting activities. Compared to those available to emissions reduction measures (e.g. renewable energy support), the availability and scale of revenue mechanisms supporting nature restoration and climate adaptation (such as payments for ecosystem services, and mandatory biodiversity and carbon credit markets) remain very limited in most jurisdictions.

**Despite the need, the potential for NbS to attract investment has also been constrained by insufficient information and inconsistencies in reporting on the impacts of NbS,** as highlighted in surveys of financial institutions.<sup>22,23</sup> However, this barrier may be reducing due to the increasing harmonisation of corporate sustainability reporting standards, which are increasingly coalescing around the IFRS Sustainability Disclosure Standards (see Section 4 below).

**Sustainability reporting has grown substantially, paralleling the rise in ESG investment practices**<sup>2</sup>. Initially driven by investor demand and more recently by regulation, sustainability reporting is now the norm for large public corporations and financial institutions globally<sup>24</sup>. Notably, corporate reporting standards on climate-related topics now follow the Recommendations of the TCFD, which are now mandatory in many jurisdictions and which in 2023 were incorporated in IFRS Sustainability Disclosure Standards. For nature- and biodiversity-related topics, the TNFD was launched in 2021. Mirroring TCFD, it provides a consistent framework for organisations to report and act on nature-related issues, as part of a broader aim to facilitate the shift of global financial flows towards nature-positive outcomes.



**The TNFD Recommendations and the TNFD assessment approach (“the LEAP approach”, see section 5.1) encourages corporates and investors to consider their response to the nature and biodiversity crises in a manner like how the TCFD has required them to respond to the climate crisis.** NbS projects that apply the TNFD recommendations and LEAP approach will be able to present and report to potential and actual financial stakeholders consistently with how these stakeholders are likely to be appraising their own nature-related strategies. As of January 2024, 320 corporates and financial institutions worldwide have agreed to adopt TNFD in their reporting for financial years 2024 or 2025 – further evidence that corporates and financial institutions are increasingly prepared to directly address and finance nature positive actions.

**This Report aims to help NbS projects to apply TNFD, using the Suggested Guidance and Metrics Workbook in Annexes A and B as practical tools to adapt for their own use.** The Guidance and Metrics Workbook show how the LEAP approach can support NbS project design, governance, risk management and monitoring, and enable projects to report and present their investment case and

performance following TNFD Recommendations. We hope that this will foster adoption of the TNFD framework by NbS projects to scale action towards sustainable restoration and management of landscapes in ways that benefit both people and nature.



## 4. OVERVIEW OF REPORTING STANDARDS

### 4.1 BACKGROUND – THE GROWTH OF SUSTAINABILITY REPORTING

**Sustainability reporting (its practice and uptake) has grown in tandem with ESG investment practices.** Also known as non-financial corporate reporting, sustainability reporting has been largely voluntary, but is increasingly applied by large corporates and financial institutions. It enables these organisations to meet the needs of investment managers that apply ESG practices and to report to a wider audience on how they address and achieve their corporate social and environmental responsibilities. Just as investors have had flexibility in how they apply ESG, corporates and projects have had flexibility as to what and how to report on sustainability, and have been able to choose between alternative standards and frameworks such as those shown in Box 1 below. The resulting inconsistency has made it challenging to benchmark and assess performance across sectors or aggregate results at portfolio level. It has also increased the risk of greenwashing and selective partial reporting of material issues (i.e. overstating positive impact and understating negative impacts).

#### [BOX 1] LEADING STANDARDS AND FRAMEWORKS IN SUSTAINABILITY REPORTING

##### Voluntary standards:

- **IFRS Sustainability Disclosure Standards.** These are set by the International Sustainability Standards Board (ISSB) established by the IFRS Foundation in 2021 and include standards still in use issued by bodies now integrated or merged into ISSB: the Sustainable Accounting Standards Board (SASB) and the Climate Disclosures Standards Board, part of CDP (formerly the Carbon Disclosure Project).
- **The Global Reporting Initiative (GRI)**
- **Impact Reporting and Investment Standards (IRIS)**
- **Green Bond/Green Loan Principles** and International Capital Market Association (ICMA) Harmonised Framework for Impact Reporting (for sustainable debt products)

##### Voluntary frameworks:

- **Taskforce on Nature-related Financial Disclosure (TNFD)**
- **Taskforce on Climate-related Financial Disclosure (TCFD)**
- **Science-Based Targets initiative (SBTi)**  
(targets for corporate action towards climate mitigation)
- **Science Based Targets Network (SBTN) targets for nature**  
(corporate nature-related targets)

##### Mandatory reporting frameworks and regimes:

- For example, the **European Sustainability Reporting Standards (ESRS)**<sup>25</sup> being developed by the European Financial Reporting Advisory Group (EFRAG) under the EU Corporate Sustainability Reporting Directive (2022).

### Sustainability reporting standards bodies are coalescing around the International Sustainability

**Standards Board (ISSB)** established by the International Financial Reporting Standards (IFRS) Foundation Trust and announced at COP26. The Sustainable Accounting Standards Board (SASB) and the Climate Disclosures Standards Board (CDSB) merged into the ISSB in late 2021.<sup>26</sup> The former SASB Standards are being integrated into ISSB standards while the CDP Framework is to integrate the ISSB climate-related disclosures standard into its environmental disclosures platform. Importantly, all these standards are informed by and incorporate recommendations of the TCFD, which had been adopted by over 4,850 large corporates and financial institutions worldwide by the end of 2023 (see [2023 TCFD Status Report](#)<sup>27</sup>), and which are becoming mandatory for climate-related reporting in many of the world's largest financial markets.<sup>28</sup> The ISSB is now also exploring how to align its evolving standards and guidance with the TNFD framework.

### For those that decide to formally adopt it, ISSB has announced that its General Requirements ("IFRS S1")<sup>29</sup> should be applied for annual reporting periods beginning on or after 1 January 2024.

IFRS S1 mandates disclosing "all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's financial prospects over the short, medium or long term," focusing on external impacts on the entity, unlike standards like GRI and ESRS that assess the entity's impact on the world (see Box 2).

In relation to sustainability-related risks and opportunities, IFRS S1 sets out high-level principles covering governance processes and management procedures; strategy; processes for identifying, assessing, prioritising and monitoring risks and opportunities; and performance measurement, including progress towards any targets the entity has set or is required to meet. It refers to other standards for more detailed sectoral and thematic guidance and envisages harmonising with other standards-setting bodies (both voluntary and mandatory), such as GRI. The IFRS S1 single materiality approach provides an important global baseline that responds to the demand from investors and regulators for more consistent and comparable information on sustainability-related financial risks and opportunities. In relation to nature, this is a welcome first step, but does not provide all the information needed to address all nature-related (systemic) risks and impacts, and to support the Global Biodiversity Framework objectives of halting and reversing nature loss.

## [BOX 2] HARMONISATION OF STANDARDS

ISSB envisages harmonisation of standards, and this is the goal of other standards bodies including TNFD:

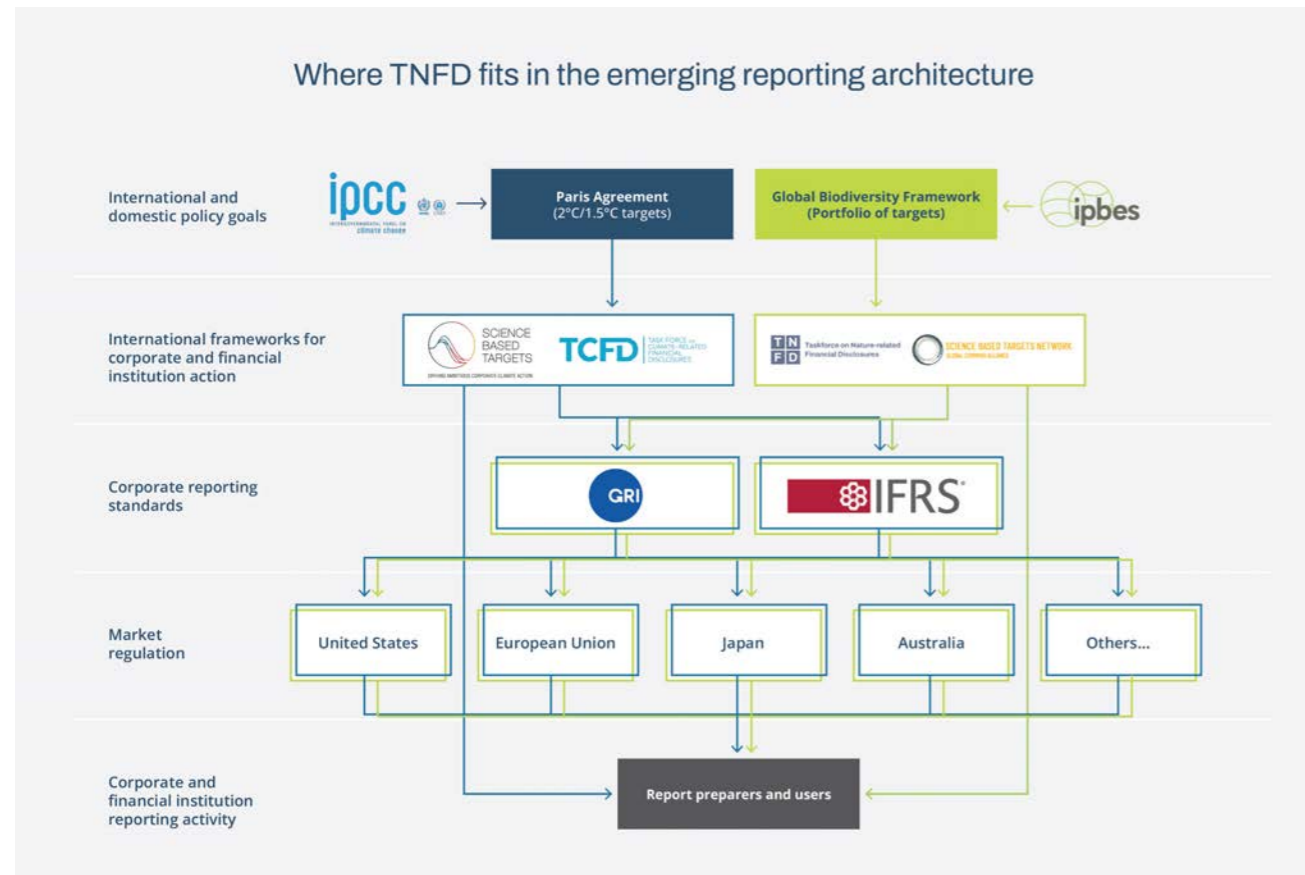
- **ISSB-GRI:** GRI has longstanding specific guidance on sustainability reporting, and ISSB and GRI have agreed to coordinate work programmes and standard-setting activities,<sup>30</sup> and aim to align disclosures, guidance, concepts and definitions.<sup>31</sup> GRI Disclosure Standards have been adopted on a voluntary basis by many large corporates globally across multiple sustainability topics – e.g. the GHG Protocol standards for reporting scope 1, 2, and 3 emissions.
- **ESRS-ISSB-GRI:** ESRS requires reporting entities to adopt "double materiality" – to report both how the world affects the reporting entity (financially, risk and reputationally – which is the focus of ISSB) and how the reporting entity impacts the world (its sustainability – the focus of GRI).<sup>32</sup> ESRS imposes more reporting obligations than ISSB, but these can largely be met by companies also adopting GRI. EFRAG and GRI have committed to closely collaborate.
- **ISSB-TCFD-TNFD:** TNFD has been developed deliberately to be consistent with TCFD – for example, it has adopted the same categorisation of recommended disclosures – and this is expected to enable TNFD disclosures to be readily consistent with ISSB reporting standards. Similarly, ISSB intends to draw on TNFD's nature-related risk management and disclosure approach.
- **Other standards bodies are developing or expanding their guidance on nature.** GRI has released its 2024 Biodiversity Standard, updating from the 2016 version and which draws on TNFD recommendations and the draft ESRS E4 biodiversity and ecosystems standards. In May 2023, the Science-Based Targets Network released technical guidance for corporate nature targets, to be trialled in 2023 by selected corporates. In November 2022 EFRAG issued the [Draft] ESRS E4 Biodiversity and ecosystems standard for consultation.



## 4.2 HOW DO THESE STANDARDS LINK TOGETHER? RELEVANCE FOR NBS PROJECTS

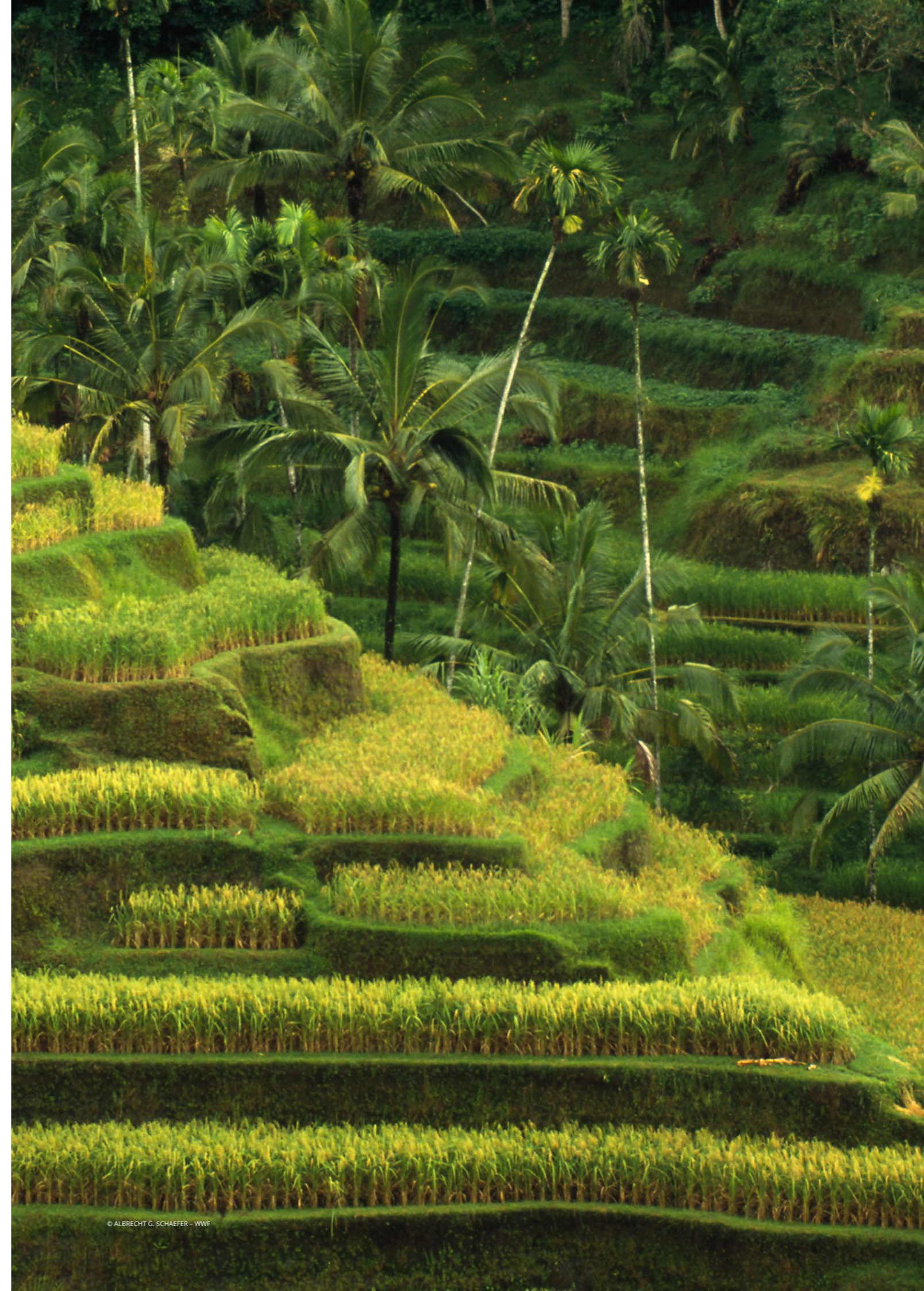
The joining up of sustainability reporting frameworks and standards has significant implications for NbS projects. The [TNFD Recommendations](#)<sup>2</sup> outline how the TNFD relates to the TCFD and corporate reporting standards such as GRI Standards and IFRS Sustainability Disclosure Standards (see Figure 2 below). In particular, the reporting architecture for recommended disclosures (governance, strategy, risk and impact management, and metrics and targets) embedded in the TCFD and IFRS S1 is also used by the TNFD. This emerging reporting architecture will be the lens through which financial institutions and corporates will increasingly be evaluated by investors, regulators and other stakeholders as to their strategies, actions and performance on sustainability matters, especially climate and nature. Consequently, these reporting frameworks and standards will inform the investment decisions of financial institutions and corporates, since their own investors and stakeholders will use these to assess their performance.

For NbS projects, this represents an opportunity. By describing the NbS project's own nature-related issues in a way that aligns with the disclosure requirements of financial institutions and corporates, NbS projects in their early stages can better communicate the investment case for their planned interventions. Further, harnessing the TNFD Recommendations can also support other aspects of the NbS project lifecycle, such as enhancing project design, governance and risk management, or monitoring and management (see Section 5.1). This in turn can strengthen interventions and help attract capital.



**Figure 2. Where the TNFD fits in the emerging nature-related corporate reporting architecture**

Source: TNFD Recommendations Figure 6 p. 20 with links to metrics sources and NbS reporting added. The ISSB was established by IFRS as noted in Section 4.1.



# 5. INTRODUCTION TO TNFD AND THE LEAP APPROACH

## 5.1 INTRODUCTION

The TNFD is a private-sector led initiative, established in 2021, that has released the [TNFD Recommendations](#)<sup>2,3</sup> and guidance to enable businesses and finance to integrate nature into decision-making. TNFD's overall aim is to support a shift in global financial flows towards nature-positive outcomes. The TNFD framework for disclosure cuts across the four pillars aligning with TCFD and IFRS S1 general disclosures: governance, strategy, risk and impact management, and metrics and targets (see TNFD Recommendations Figure 1, p. 9, replicated in Annex A to This Report, [p. 8]). The TNFD provides a risk management and disclosure framework for organisations to assess, report and act on nature-related issues, analogous to the TCFD for climate-related issues. As well as its general recommendations, TNFD provides guidance on other topics such as scenario analysis and engagement with Indigenous Peoples and Local Communities (IPLCs) and intends to add progressively sector- and biome-specific guidance (See Annex A for links to selected TNFD additional guidance).

TNFD is intended to be used by organisations of all types and sizes (see [executive summary of the TNFD Recommendations](#)<sup>2</sup>, p. 3). The TNFD recommendations offer a framework for nature-related disclosures, aiding NbS projects in creating detailed reports on their performance and strategies, covering their theory of change, design, governance, stakeholder engagement, risk management, and evaluation.

However, the initial TNFD Recommendations and associated guidance are largely framed around the issues facing large companies or financial institutions. Some of the issues arising from larger entities' environmental footprint, dependencies and impact can be addressed by NbS projects, making these larger entities potential financial stakeholders in the NbS project. Via their impact on the local or immediate landscape/seascape or catchment area, NbS projects can affect or influence financial stakeholders who operate in, source from or finance businesses in that locality. Some of those financial stakeholders might potentially invest in or source from the NbS project – in which case, they are obliged to consider the impacts of the NbS project on their own organisational impacts.

The TNFD recommended disclosures are aligned with those of the TCFD to promote integrated climate and nature reporting. In the case of NbS as commercial enterprises, the TNFD provides report users and potential investors with a more “integrated and holistic picture of an organisation's financial and non-financial circumstances” (TNFD Recommendations, p. 45). In turn, integrated nature-climate disclosures support embedding of NbS in corporate and financial response strategies, including to foster alignment of corporate strategies with the UN Sustainable Development Goals (SDGs). Integrated nature-climate disclosures align with the integrated focus which underpins effective NbS. For reporting social topics to potential investors, a crucial aspect of NbS, it is also important for NbS projects to refer to other reporting standards which provide guidance on socioeconomic indicators and metrics, such as GRI.

The LEAP (Locate, Evaluate, Assess, Prepare) approach proposed by TNFD, although not mandatory for disclosure to TNFD, provides a structured approach to identify and assess the nature-related issues facing projects, as well as along value chains and investment or ownership portfolios. The [TNFD LEAP guidance v1](#)<sup>3</sup> (p. 6) states, “LEAP is essentially an internal due diligence assessment process; it is optional and not required to make the disclosures recommended by the TNFD. If your organisation already has an equivalent due diligence process for nature-related issues, it can continue to use that to inform its TNFD-aligned disclosure statements and use LEAP as a checklist to ensure that the process adequately addresses nature-related issues, in line with the TNFD's recommended disclosures.”

The LEAP approach provides a valuable method to guide NbS projects to align with the TNFD framework. The LEAP approach enables NbS projects to report in formats that are familiar to financial stakeholders, and comparable to other NbS projects, including harnessing TNFD proposed metrics and indicator categories to promote standardisation. The method is not simply a process of selecting “off the shelf” pre-specified metrics, although these exist and indeed may well be appropriate choices. In identifying performance metrics, the LEAP approach explains how projects can evaluate and assess their nature-related dependencies, impacts, risk and opportunities in accordance with clear project and corporate governance and strategy, and identify reporting metrics that are verifiable (capable of independent audit or review). Not all outputs generated by the LEAP approach need to be disclosed: in identifying nature-related issues, LEAP is flexible as to the methods and sources from which evaluation and assessment can be derived. This flexibility readily accommodates designing the project in accordance with the IUCN Global Standard for NbS, or through applying [SBTN](#) methodologies to set performance targets<sup>33</sup>.

High-quality NbS projects may already have in place many of the policies, practices, and monitoring and evaluation processes that allow them to readily complete the stages of the LEAP approach and to make TNFD-compliant disclosures. In their case, following the LEAP approach acts as an internal due diligence check. For some NbS projects that are earlier in their project design and development, or for some smaller project teams, following the LEAP approach provides a structure to ensure that they both follow best practice NbS standards and can communicate this to financial stakeholders.

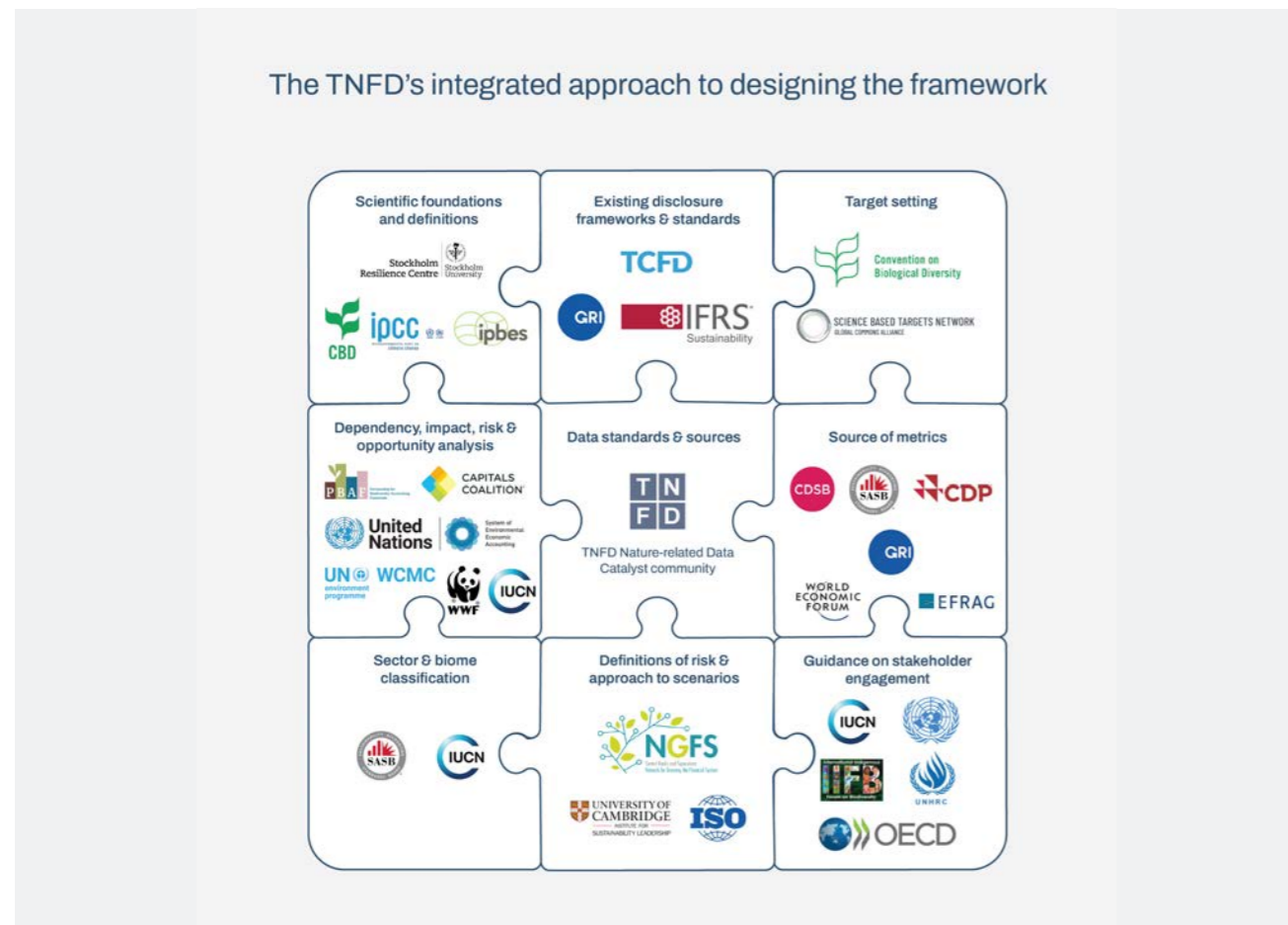
TNFD strongly emphasises the need for engagement with Indigenous Peoples and Local Communities and other stakeholders affected by an organisation's activities ([TNFD guidance on engagement with IPLCs and affected stakeholders v1](#))<sup>4</sup>. Engaging with IPLCs, and affected stakeholders to obtain their free, prior, and informed consent (FPIC) is crucial for quality NbS, as outlined in [IUCN Global Standard for NbS](#)<sup>1</sup> criteria 5 and 6. NbS projects must set up mechanisms to respect these rights and secure consent. TNFD stresses that IPLC engagement and collaboration is crucial to comprehensively assess and manage nature-related dependencies, impacts, risks and opportunities – and NbS projects are likely to depend on the continued support and engagement of IPLCs for both maintaining the project and refraining from activities that might jeopardise NbS benefits.

TNFD provides guidance on target disclosures and the indicators and metrics by which they can be assessed. The range of suggested metrics is broad, covering the material nature-related dependencies, impacts, risks and opportunities identified by the organisation as requiring specific management and target-setting. Moreover, the indicators themselves are high-level, so that NbS projects may need to consider using specific sub-indicators and metrics nesting within TNFD suggested metrics. NbS projects can then apply these metrics to measure progress against the target outcomes of planned NbS interventions. In choosing metrics and approaches to target-setting, TNFD recognises the importance of identifying and reporting on the state of nature in core disclosure requirements, but recognises that the appropriate metrics and methodologies are context-specific (see [TNFD LEAP guidance v1](#)<sup>3</sup>, Annex 2 pp. 185-221). NbS projects meeting IUCN NbS standard criterion 3, by establishing and reporting on baseline and ongoing biodiversity and ecosystem integrity, are well-equipped to report TNFD state-of-nature metrics, including changes in species extinction risk and ecosystem condition (see Annex 2 of [TNFD LEAP guidance v1](#)<sup>3</sup>). TNFD refers to a wide range of potential methodologies (see [TNFD Tools Catalogue](#)<sup>34</sup>) that align to other major frameworks and approaches, such as the Global Biodiversity Framework, UN SDGs and SBTN science-based targets for nature (see next section).

**The TNFD recommended metrics includes a set of “core metrics”, as well as “additional metrics” for reporting on dependencies and impacts, risks and opportunities, and responses.**

Core metrics should be reported by all organisations adopting TNFD. For an NbS project, core metrics can show how its outcomes address specific drivers of biodiversity loss and nature-related impacts. NbS projects can address these drivers through avoiding harmful practices and land-use change, reducing pollution and greenhouse gas emissions, or restoring degraded lands, soils and water. For example, an NbS project might include regenerative agriculture practices that reduce chemical inputs, water consumption and ecosystem conversion, while helping to restore soil and water health and increase carbon storage. Core metrics for commodity production allow NbS projects to demonstrate how, by replacing intensive modes of production, they may reduce financial stakeholders’ exposure to unsustainable sourcing of high-risk commodities. While nature-related risk metrics disclosure mainly targets investors impacting nature negatively, it is crucial for NbS projects to evaluate their own asset and operation risks, like climate change vulnerability, and address these through adaptive management. Finally, relating the NbS and its benefits to TNFD “response metrics” allows the project to demonstrate how it can address nature-related issues facing financial stakeholders. These include showing how the NbS project contributes towards the financial stakeholder’s overall reporting of its use of sustainability-linked finance, revenues from sustainable production, investment in nature and contribution to nature restoration.

**Importantly, LEAP is intended to be flexible in its application** (see [TNFD LEAP guidance v1](#)<sup>3</sup>, p7). The TNFD describes LEAP as an ‘approach’ and not a ‘process’ with ‘steps’ to be followed in a strict order. LEAP guidance below is set out in terms of stages – scoping, locating, evaluating, assessing and preparing to respond and report – but it is not necessary to use them strictly in sequential order, and NbS projects may find that some (sub-)stages are less relevant than others.



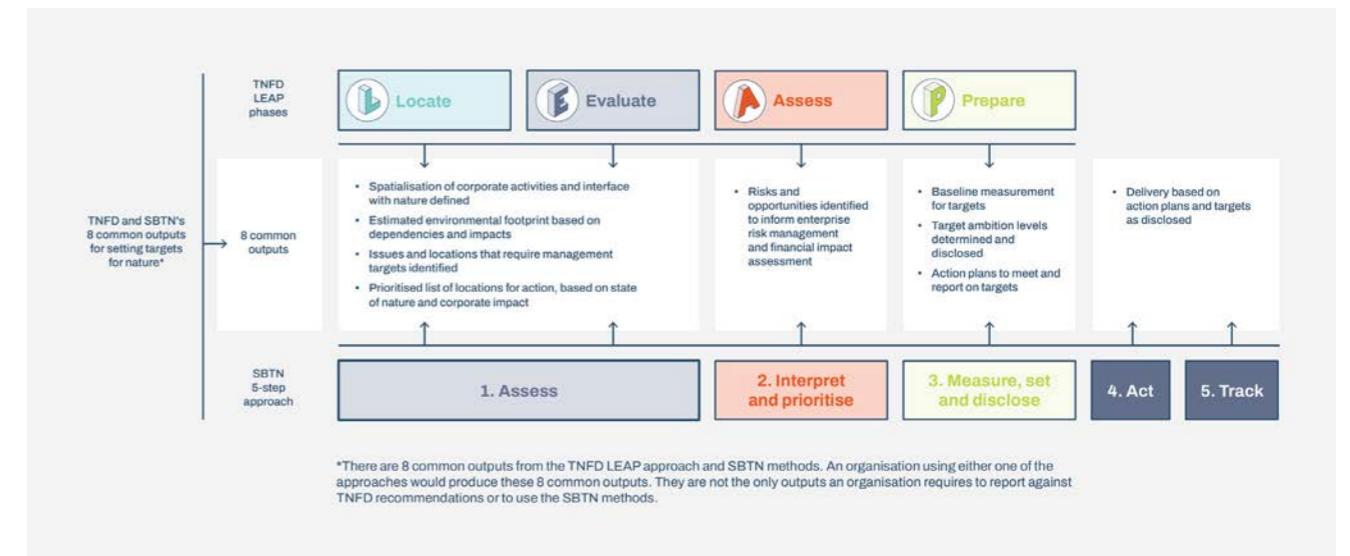
**Figure 3. How TNFD builds on existing frameworks, methods and tools**

Source: TNFD recommendations v1, figure 27

## 5.2 TNFD AND SCIENCE-BASED TARGETS FOR NATURE

**Like the TNFD, the SBTN is a framework seeking to foster action by corporates and financial institutions, to preserve and restore natural ecosystems.** SBTN has released technical methods, guidance tools, and other [resources for use in setting science-based nature targets](#)<sup>35</sup>. The SBTN provides a structured process to set targets, in contrast with the TNFD framework which provides an integrated framework for nature-related risk and opportunity management and disclosure. However, the TNFD harnesses and refers to the SBTN’s structured process to set targets based on identified issues. The target-setting process intends to demonstrate the actions a business entity commits to undertake to support a nature-positive future (the aim of SBTN), a key element of managing impacts on nature.

**The two frameworks are therefore complementary, with strong overlap.** The SBTN process comprises five steps, of which the first three (assess; interpret and prioritise; measure, set and disclose) align with the TNFD framework, as shown in Figure 4. These steps provide data and analytical outputs which support the application of the LEAP approach for nature-related risks and opportunity assessment and generate the data needed to set science-based targets for nature (see [TNFD-SBTN guidance for corporates on science-based targets for nature v1](#)<sup>36</sup>). The TNFD framework explicitly recommends the use of SBTN methods to set targets, and measure progress and performance against these. In turn, targets derived through SBTN interface with the TNFD’s LEAP approach through the Prepare phase, for reporting. Both frameworks also provide stakeholder engagement guidance. However, the TNFD framework also provides guidance on targets for nature-related dependencies, risks and opportunities, which are not currently covered in SBTN guidance.



**Figure 4. How TNFD and SBTN align on target setting.** See Figure 1 of the [Guidance for corporates on science-based targets for nature, v1](#) (TNFD, 2023)<sup>36</sup>.

## 6. BENEFITS TO NBS PROJECTS OF APPLYING TNFD AND THE LEAP APPROACH

**Projects that follow the IUCN Global Standard for Nature-based Solutions will have a head start in demonstrating the quality of the opportunities that they can offer investors.** The IUCN Global Standard is firmly embedded in the sustainable development principles that shape global agendas such as the UN SDGs and the Global Biodiversity Framework and that underpin reporting standards and frameworks, including TNFD and the IFRS Sustainability Disclosure Standards. Following the IUCN Global Standard process in the design, implementation and verification of NbS interventions makes it easier to apply the LEAP approach and generate TNFD disclosures, as shown in Appendix One (*Alignment of IUCN Global Standard for NbS and sustainable reporting*). Because the IUCN Global Standard process builds in social impacts as well as nature impacts, it also allows projects to demonstrate in their reporting how they align to the “S” of ESG – i.e. the socioeconomic issues included in corporate sustainability reporting, such as under GRI disclosures.

**In turn, an NbS project aligning with the TNFD reporting architecture can support intervention design processes.** While NbS should address nature-related issues by design, the dynamic and complex nature of ecosystems and ecological processes requires robust risk assessment and adaptive management processes. TNFD provides a reporting infrastructure to assess and disclose these:

- First, accounting for nature-related issues inevitably requires a focus on sustaining the ecological foundations of NbS. Here, the IUCN Standard criterion 3 intersects with the TNFD, calling for a focus on how the NbS addresses the drivers of loss of nature, and how the NbS delivers biodiversity net gain – these are covered in the core global impact and dependency metrics in TNFD (see Appendix One).
- Second, TNFD recommends disclosing dependencies and impacts on ecosystem services. The [TNFD LEAP guidance v1<sup>3</sup>](#) provides a broad list of ecosystem services as well as guidance on measuring ecosystem services. Identifying pertinent ecosystem services will first help NbS projects identify and measure their effect on the societal challenges they are targeting (for example, reducing coastal flooding risk to promote climate change adaptation). This in turn strengthens their potential to demonstrate how they can support financial stakeholders in managing their own impacts and dependencies (for example, reducing coastal flooding risk may protect key infrastructure/ assets). The NbS project should also identify the regulating and supporting ecosystem services it depends on itself, to bolster its resilience (for example, sustaining soil health and nutrient cycling is integral to agroecology as an NbS).
- Third, aligning with TNFD disclosures provides an avenue for integrating nature-related issues as a core part of risk management processes in NbS. The emphasis on risks in the IUCN Standard encourages NbS to establish risk identification and adaptive management processes (IUCN criterion 7), which in turn is a core part of TNFD disclosure. The TNFD therefore provides a process to identify and refine risks which an NbS project should account for, monitor and disclose.



**NbS projects can also benefit from referring to other reporting standards and frameworks for guidance on reporting social dimensions, such as GRI social-related Topic Standards** (GRI-400 onwards, see Annex A Table C-6 (GRI reporting standards relevant to NbS reporting on social impacts)). Like the TNFD's guidance on engagement with IPLCs and affected stakeholders, this includes a strong focus on stakeholder inclusion and participation; Indigenous People's free, prior informed consent (FPIC); recognition of trade-offs; and balancing community livelihoods and investor returns.

**For financial stakeholders, NbS projects provide opportunities to address nature-related dependencies, impacts, risks and opportunities, but should not be used to offset negative impacts of environmentally or socially harmful activities within the financial stakeholder's value chain or portfolio.** TNFD recommends that organisations follow the SBTN Action Framework for the mitigation hierarchy ("AR3T") (see [TNFD LEAP guidance v1](#)<sup>3</sup> p. 29). This emphasises that, in responding to nature-related risks, business actions that avoid or minimise negative impacts should be prioritised over restoration or the mitigation of damage. NbS projects can help potential financial stakeholders, like corporate supply chain investors, transition towards less environmentally or socially harmful business models. This improves their performance against TNFD or GRI metrics, such as by shifting from damaging sourcing practices to more sustainable production methods.



## 7. USING THE SUGGESTED GUIDANCE AND METRICS WORKBOOK

**This WWF Report and its annexes – Annex A (Suggested Guidance for NbS projects using TNFD) and Annex B (Metrics Workbook) are together intended as an internal assessment tool for NbS projects.** They can help NbS projects to assess or review their own nature-related dependencies, impacts, risks and opportunities as well as identify potential financial stakeholders for whom the NbS is an opportunity or response to their nature-related issues. It guides NbS projects in how to assess and evaluate their project design, governance and implementation, and to report on this in alignment with the [TNFD Recommendations](#)<sup>2</sup>. For social indicators, we refer also to the [GRI Standards](#)<sup>37</sup>, although other standards such as the Global Impact Investor Network's [IRIS+ impact reporting system](#)<sup>38</sup> can provide additional guidance. For the TNFD elements and LEAP stages most relevant to an NbS project, the Suggested Guidance and Metrics Workbook provide content foundational to the project's financial and sustainability reports, presentations, and investor information packs.

**The Suggested Guidance refers to the stages and components of the LEAP approach, suggesting how an NbS project might apply each.** The suggestions are expressed generally, since the importance of individual LEAP sub-stages will differ for each NbS project. The Metrics Workbook provides guidance on the potential selection and use of indicators and metrics by NbS projects, signposting alignment with the IUCN Global Standard where relevant. For the most pertinent indicators and metrics given in the LEAP guidance and also for [GRI Standards](#)<sup>34</sup>, the Workbook tabs set out tables which contain checklists to allow NbS projects to identify if the item is relevant and might be selected for inclusion in reports and presentations. The Workbook also shows which metrics are designated by TNFD as core metrics, and which are additional metrics.

**Appendix Two sets out a hypothetical example of how an NbS project can use the Suggested Guidance and Metrics Workbook to apply the LEAP approach and begin to prepare TNFD disclosures.** As illustration, Annex B (Metrics Workbook) is pre-populated with a selection of indicators that are relevant to the hypothetical example, and the final table in Appendix Two suggests how targets can be formulated for those selected indicators.

### HYPOTHETICAL EXAMPLE (SEE APPENDIX TWO):

#### Partnership for forest conservation and community wellbeing using nature-based solutions

An environmental NGO is working in partnership with community organisations in an area comprising both intact forest and deforested areas which are mainly used for grazing livestock. The intact forest is rich in biodiversity and home to several endangered species whose populations are threatened by forest loss and degradation. Intensified grazing and tree loss have negatively impacted the river in the area, through increased pollutants from agricultural runoff and increased flooding due to deforestation and soil degradation. This river is vital for freshwater supply to the local and downstream populations.

The communities represented in the partnership reflect the diversity of land use and management practices in the area – Indigenous forest dwellers reliant on intact standing forests as well as farming/ranching communities. These communities face a range of challenges from this deteriorating natural environment, including reduced livestock yields and incomes; increased human-wildlife conflict, and adverse health impacts from water pollution.

Mindful of its own limited remaining funding horizon, the partnership is looking to reframe its project design, governance and planned NbS interventions in ways that create enduring revenues to allow it to raise long-term private funding. To do so and to communicate these effectively to potential providers of long-term finance and support it applies the TNFD framework and LEAP approach.



## 8. GLOSSARY



**Adaptive Management:** A structured, iterative process of robust decision making in the face of uncertainty, with an aim to reduce uncertainty over time via system monitoring. In environmental management, it involves adjusting policies and practices as new knowledge becomes available, ensuring flexible and effective management of natural resources.



**Biodiversity:** The variety of life in all its forms and levels, including genetic, species, and ecosystem diversity. Biodiversity is critical for ecosystem health, resilience, and the provision of essential services to humans.



**Biodiversity Net Gain:** An approach to development and land-use change that leaves biodiversity in a better state than before. It involves measures to avoid, minimise, and compensate for biodiversity losses, ensuring positive outcomes for nature through restoration and habitat creation.



**Carbon Sequestration:** The process of capturing and storing atmospheric carbon dioxide in carbon sinks, such as forests, soil, and oceans, to mitigate climate change. It is a vital ecosystem service that helps reduce the global carbon footprint and combat global warming.



**Climate Resilience:** The ability of a system, community, or economy to absorb impacts and recover from the effects of climate change, including climate variability and extremes. Building climate resilience involves enhancing the capacity to manage climate risks and adapt to changing conditions.



**ESG (Environmental, Social, and Governance):** A set of criteria used to evaluate a company's operations and business model's environmental stewardship, social responsibility, and governance practices. ESG factors are increasingly important in investment decision-making, reflecting a company's sustainability and ethical impacts.



**Ecosystem Services:** The benefits that people obtain from ecosystems, including provisioning services like food and water; regulating services such as climate regulation and flood control; cultural services including recreational, spiritual, and educational benefits; and supporting services, such as nutrient cycling that maintain the conditions for life on Earth.



**Financial Stakeholders:** All entities directly or indirectly financing an NbS project, or directly or indirectly purchasing goods or services from it (i.e. any downstream value chain partner of the NbS project). See Key Terms section.



**Free, Prior and Informed Consent (FPIC):** A principle that ensures communities, especially Indigenous Peoples, have the right to give or withhold consent to projects that may affect their land, resources, and traditional rights. FPIC is crucial for ensuring that development projects are conducted ethically and sustainably.



**Impact Investment:** Investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return. These investments aim to address global challenges such as climate change, inequality, and poverty.



**Indigenous Peoples and Local Communities (IPLCs):** IPLCs are distinct groups with deep connections to their ancestral lands and natural resources. They possess unique cultures, traditions, and knowledge vital for environmental conservation and sustainable resource management. Recognised for their role in biodiversity protection, IPLCs advocate for sustainable development that respects their rights and traditional wisdom.



**IUCN Global Standard for Nbs:** Developed by the International Union for Conservation of Nature (IUCN), this standard provides a framework for designing, implementing, and verifying nature-based solutions. It ensures that these solutions effectively address societal challenges, such as climate change and biodiversity loss, while providing benefits for both people and nature.



**LEAP approach:** An integrated method intended to be for use by organisations regarding their own nature related issues. It comprises four assessment phases (Locate, Evaluate, Assess, Prepare). LEAP is recommended by the TNFD for evaluating and handling nature-related concerns, and suitable for various corporations and financial entities. This approach offers practical instructions on recognising, evaluating, handling, and disclosing dependencies, impacts, risks, and opportunities related to nature (TNFD recommendations v1, p. 69).



**Materiality:** For impact materiality “the TNFD has aligned its recommendations (and supporting additional guidance) with the language and approach of the GRI Sustainability Reporting Standards” (TNFD recommendations v1, p. 17). For clarification on what constitutes impact and financial materiality (referred to as ‘double materiality’), please refer to page 42 in the TNFD recommendations.



**Nature-based Solutions (Nbs):** “Actions to protect, conserve, restore, sustainably use and manage natural or modified terrestrial, freshwater, coastal and marine ecosystems, which address social, economic and environmental challenges effectively and adaptively, while simultaneously providing human well-being, ecosystem services and resilience and biodiversity benefits” (UNEA, 2022).



**Nbs project** – an Nbs intervention or set of Nbs interventions – whether at local level or landscape level – which are designed, implemented, and governed by a project organisation (whether an NGO, civil society organisation, corporation, government agency or partnership) with the intention of addressing social, economic and environmental challenges through a nature-based solution.



**Nature-related issues:** A term to collectively refer to nature-related dependencies, impacts, risks, and opportunities. For definitions of each, see Box 3 and page 33 in TNFD recommendations v1.



**Regenerative Agriculture:** A holistic land management practice that improves and restores soil health by promoting biodiversity, increasing resilience to climate change, and enhancing the ecosystem services provided by agricultural landscapes. It aims to capture carbon in soil and aboveground biomass, reversing current global trends of atmospheric accumulation.



**Sustainability Reporting Standards:** Guidelines and frameworks that organisations use to report on their environmental, social, and governance (ESG) performance and impacts. These standards, such as those developed by the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB), aim to provide transparency and accountability, helping stakeholders assess a company’s sustainability performance.



# APPENDIX ONE

## ALIGNMENT OF IUCN GLOBAL STANDARD FOR NBS WITH TNFD AND GRI

IUCN GLOBAL STANDARD (GS) CRITERIA	SUB-CRITERIA (SEE IUCN GLOBAL STANDARD FOR NBS) <sup>1</sup>	LEAP STAGES AND TNFD RECOMMENDED DISCLOSURES
1. NbS effectively address societal challenges	1.1 The most pressing societal challenges for rights holders and beneficiaries are prioritised	<p>Building IUCN GS into the NbS project's assessment and management of nature-related dependencies, impacts, risks and opportunities is evidence of good governance (governance related disclosure B). It demonstrates that NbS, where identified as opportunities, represent robust interventions that are designed to deliver maximum impact for people and nature. In turn, this can help shore up confidence that the NbS will address the nature-related issues of a financial stakeholder.</p> <p>Identifying the most pressing societal challenges for rights holders and beneficiaries entails identifying their needs and perspective. The importance of identifying the needs and perspectives of Indigenous Peoples and Local Communities (IPLCs) is emphasised in the guidance on IPLC engagement which states that an "organisation's strategy of nature-related issues should take sufficient account of the perspectives, priorities and plans of Indigenous Peoples, Local Communities and affected stakeholders..." (<a href="#">TNFD guidance on engagement with IPLCs and affected stakeholders v1<sup>4</sup></a>, p. 28).</p>
	1.2 The societal challenges addressed are clearly understood and documented	
	1.3 Human wellbeing outcomes arising from the NbS are identified, benchmarked and periodically assessed	

IUCN GLOBAL STANDARD (GS) CRITERIA	SUB-CRITERIA (SEE IUCN GLOBAL STANDARD FOR NBS) <sup>1</sup>	LEAP STAGES AND TNFD RECOMMENDED DISCLOSURES
2. Design of NbS is informed by scale	2.1 Design of NbS recognises and responds to the interactions between the economy, society and ecosystems	<p>By its very focus on nature-related issues for financial stakeholders, the TNFD recognises and responds to interactions between ecosystems, society, and corporate and financial institutions. The TNFD emphasises the importance of considering interactions between external factors, and dependencies and impact on ecosystems which shape a business's impact and dependency pathways (<a href="#">TNFD LEAP guidance v1<sup>3</sup></a>, p. 71 stage E2). The TNFD also cites ISSB's IFRS-S1, which states that "an entity's sustainability-related risks and opportunities arise out of the interactions between the entity and its stakeholders, society, the economy and the natural environment through the entity's value chain." This makes explicit that incorporating NbS in value chains entails focusing on these interactions, which in turn aligns with IUCN GS guidance.</p> <p>The TNFD's focus on the financial stakeholder's nature-related risks, defined as "potential threats posed to an organisation that arise from its and wider society's dependencies and impacts on nature" includes physical, transition or systemic risk. As such, the TNFD uses a broad understanding of risk, albeit through a nature lens. However, it emphasises the importance of integrated nature-related risk assessment with climate-related risk assessments, increasing the risk scope. The IUCN GS focuses on risks to and from the NbS within and beyond the intervention site, which include nature- and climate-related risks, but can also include socio-political risks. For an NbS to respond to a financial stakeholder's nature-related risks, it should be designed to address risks to and from the intervention itself.</p> <p>Reporting project design and risk identification processes in a TNFD-consistent format allows investors to view the NbS project as part of their overall strategy and approach to risk and opportunity management. See in particular TNFD Strategy Recommended Disclosures A-D, and Risk and Impact Recommended Disclosure A(i).</p>
	2.2 Design of NbS integrated with other complementary interventions and seeks synergies across sectors	
	2.3 Design of NbS incorporates risk identification and risk management beyond the intervention site	

IUCN GLOBAL STANDARD (GS) CRITERIA		SUB-CRITERIA (SEE IUCN GLOBAL STANDARD FOR NBS) <sup>1</sup>	LEAP STAGES AND TNFD RECOMMENDED DISCLOSURES
3. NbS result in net gain to biodiversity and ecosystem integrity	3.1	NbS actions directly respond to evidence-based assessment of the current state of the ecosystem and prevailing drivers of degradation and loss	As interventions designed to address drivers of ecosystem degradation and loss, and deliver nature-positive outcomes, NbS can be reported under TNFD Risk and Impact Recommended Disclosures B and C. The LEAP approach facilitates exploring how and where NbS may contribute to an entity's impacts on the state of nature and risks stemming from these, and to identify appropriate indicators to track this. In turn, an NbS strategy which continuously explores opportunities to enhance ecosystem integrity and connectivity responds to the need for financial stakeholders to identify and disclose further opportunities to deliver nature-positive returns.  The TNFD highlights that poorly designed climate change mitigation and adaptation measures can increase nature-related risks, such as where nature is adversely impacted by poorly planned tree planting to capture carbon dioxide emissions (TNFD LEAP guidance v1 <sup>3</sup> , p. 104)
	3.2	Clear and measurable biodiversity conservation outcomes are identified, benchmarked and periodically assessed	
	3.3	Monitoring includes periodic assessments for unintended adverse consequences on nature arising from the NbS	
	3.4	Opportunities to enhance ecosystem integrity and connectivity identified and incorporated into the NbS strategy	
4. NbS are economically viable	4.1	The direct and indirect benefits and costs associated with the NbS, who pays and who benefits, are identified and documented	The TNFD guidance on engagement with IPLCs and affected stakeholders v1 <sup>4</sup> notes how a financial stakeholder's activities may differentially affect marginalised groups, and highlights the need to reduce harm to these group and ensure they benefit the most from actions (p. 18). It further specifies the importance of gender-disaggregated data to inform decision-making (p. 19). When integrating NbS in its strategy, a financial stakeholder should therefore ensure it tracks the direct and indirect benefit costs associated with the NbS and how these may be socially disaggregated.  Demonstrating the cost-effectiveness of the NbS in relation to alternative interventions can help stakeholders prioritise opportunities in their TNFD disclosures.
	4.2	A cost-effectiveness study is provided to support the choice of NbS including the likely impact of any relevant regulations and subsidies	
	4.3	The effectiveness of an NbS design is justified against available alternative solutions, taking into account any associated externalities	
	4.4	NbS design considers a portfolio of resourcing options such as market-based, public sector, voluntary commitments and actions to support regulatory compliance	

IUCN GLOBAL STANDARD (GS) CRITERIA		SUB-CRITERIA (SEE IUCN GLOBAL STANDARD FOR NBS) <sup>1</sup>	LEAP STAGES AND TNFD RECOMMENDED DISCLOSURES
5. NbS are based on inclusive, transparent and empowering governance processes	5.1	A defined and fully agreed upon feedback and grievance resolution mechanism is available to all stakeholders before an NbS intervention can be initiated	The TNFD guidance on engagement with IPLCs and affected stakeholders v1 <sup>4</sup> emphasises the importance of implementing well-defined and functioning grievance mechanisms to ensure grievances can be communicated, identified, addressed and tracked. This is aligned with the international standards on responsible business practice which "set out an expectation that all businesses should have an effective operational-level grievance mechanism in place for individuals and communities who may be adversely affected by the organisation's activities..." (p. 26).  TNFD emphasises the importance of "meaningful and respectful engagement with IPLCs and affected stakeholders" (p. 5). It calls for collaboration with IPLCs which is "inclusive, respectful, and open" to "establish relationships of trust, based on transparency and mutual respect" (p. 7).  The TNFD guidance emphasises the need for mapping processes to distinguish sub-groups clearly, and the distinct ways in which they should be engaged (p. 29).  TNFD follows the UN guiding principles of stakeholder engagement, emphasising the need to establish a dialogue with stakeholders to "hear, understand and respond to their interests and concerns" (p.14). It further specifies the need to be "responsive to the perspectives, needs and interests of marginalised groups" (p. 31).  TNFD refers to the Global Biodiversity Framework (GBF), which states the need to include IPLCs' "full and effective participation in decision-making" (p. 15), aligned with GBF target 22.
	5.2	Participation is based on mutual respect and equality, regardless of gender, age or social status, and upholds the right of Indigenous Peoples to free, prior and informed consent (FPIC)	
	5.3	Stakeholders who are directly and indirectly affected by the NbS have been identified and involved in all processes of the NbS intervention	
	5.4	Decision-making processes document and respond to rights and interests of all participating and affected stakeholders	
	5.5	Where the scale of the NbS extends beyond jurisdictional boundaries, mechanisms are established to enable joint decision-making among the stakeholders in those jurisdictions affected by the NbS	

IUCN GLOBAL STANDARD (GS) CRITERIA		SUB-CRITERIA (SEE IUCN GLOBAL STANDARD FOR NBS) <sup>1</sup>	LEAP STAGES AND TNFD RECOMMENDED DISCLOSURES
6. NbS equitably balance trade-offs between achievement of their primary goal(s) and the continued provision of multiple benefits	6.1	The potential costs and benefits of associated trade-offs of the NbS intervention are explicitly acknowledged and inform safeguards and any appropriate corrective actions	TNFD emphasises the importance of an integrated approach to managing trade-offs ( <a href="#">TNFD guidance on engagement with IPLCs and affected stakeholders v1</a> <sup>4</sup> , p. 36), noting that trade-offs are sometimes unavoidable. These should be communicated transparently and negotiated. The IUCN GS goes further, highlighting the importance of establishing appropriate safeguards for these.  TNFD's guidance on engaging IPLCs highlights that for stage E3 it is crucial to ask how the organisation affects IPLCs' dependencies on nature and ability to access ecosystem services (p. 11).
	6.2	The rights, usage of and access to land and resources, along with the responsibilities of different stakeholders are acknowledged and respected	
	6.3	Established safeguards are periodically reviewed to ensure that mutually agreed trade-offs' limits are respected and do not destabilise the entire NbS	
7. NbS are managed adaptively, based on evidence	7.1	A NbS strategy is established and used as a basis for regular monitoring and evaluation of the intervention	TNFD embeds metrics for monitoring and evaluation of nature-related issues, which in turn can be applied to an NbS, to demonstrate how it responds to those nature-related issues.
	7.2	A monitoring and evaluation plan is developed and implemented throughout the intervention lifecycle	
	7.3	A framework for iterative learning that enables adaptive management is applied throughout the intervention lifecycle	

IUCN GLOBAL STANDARD (GS) CRITERIA		SUB-CRITERIA (SEE IUCN GLOBAL STANDARD FOR NBS) <sup>1</sup>	LEAP STAGES AND TNFD RECOMMENDED DISCLOSURES
8. NbS are sustainable and mainstreamed within an appropriate jurisdictional context	8.1	NbS design, implementation and lessons learnt are shared for triggering transformative change	IUCN criterion 8 focuses on mainstreaming nature-based solutions, including through knowledge-sharing. The TNFD aims to increase market capacity building to accelerate nature-positive action, including through peer learning. By engaging with the TNFD, market participants have an opportunity to share learning with other stakeholders on how to incorporate NbS in their strategy.  As the TNFD reporting framework is aligned with the GBF ( <a href="#">TNFD LEAP guidance v1</a> <sup>3</sup> , p. 258), making explicit how NbS outcomes align with TNFD impact metrics helps demonstrate alignment with the GBF. For an example, an NbS can help an organisation increase the proportion of land under effective management to address land-use change, aligning with GBF target 1 and TNFD impact driver metrics ( <a href="#">TNFD LEAP guidance v1</a> <sup>3</sup> , p.157).
	8.2	NbS inform and enhance facilitating policy and regulation frameworks to support the wider uptake and mainstreaming of NbS	
	8.3	Where relevant, NbS contribute to national and global targets for human wellbeing, climate change, biodiversity and human rights, including the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)	

# APPENDIX TWO - HYPOTHETICAL EXAMPLE: PARTNERSHIP FOR FOREST CONSERVATION AND COMMUNITY WELLBEING USING NATURE-BASED SOLUTIONS



In this hypothetical example we illustrate how an NbS project might use the Suggested Guidance to apply the LEAP approach and begin to prepare TNFD disclosures. A high-quality NbS project adhering to the IUCN Global Standard and adopting the LEAP approach would engage in scoping, locating, evaluating, and assessing its engagement with nature and society. This process leads to preparing and implementing responses, monitoring the project, and reporting outcomes to stakeholders.

To support the illustration, Annex B (Metrics Workbook) is pre-populated with indicators that may be relevant to the hypothetical example, and the table at the end of this annex shows how targets might be formulated for these selected indicators. Note that these example indicators are not intended to be an exhaustive list: a project is likely to need to select more metrics than shown, to cover the full range of its dependencies and impacts, governance and strategy, and the risks and opportunities that it addresses.

## INTRODUCTION - BACKGROUND TO THE HYPOTHETICAL PROJECT



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An environmental NGO is working in partnership with community organisations in an area comprising both intact forest and deforested areas, which are mainly used for grazing livestock. The intact forest is rich in biodiversity and home to several endangered species whose populations are threatened by forest loss and degradation. Intensified grazing and tree loss have negatively impacted the river in the area, through increased pollutants from agricultural runoff and greater flooding due to deforestation and soil degradation. This river is crucial for freshwater supply to local and downstream populations.

The communities represented in the partnership reflect the diversity of land use and management practices in the area – Indigenous forest dwellers reliant on intact standing forests as well as farming/ranching communities. These communities face a range of challenges from this deteriorating natural environment, including reduced livestock yields and incomes; increased human-wildlife conflict, and adverse health impacts from water pollution. The partnership has rights-based agreements with the communities, with governance arrangements that incorporate FPIC principles, and stakeholder consultation practices that aim to capture the diversity of views in the community. It also has in place environmental and social safeguards that apply to all its dealings with local community stakeholders.



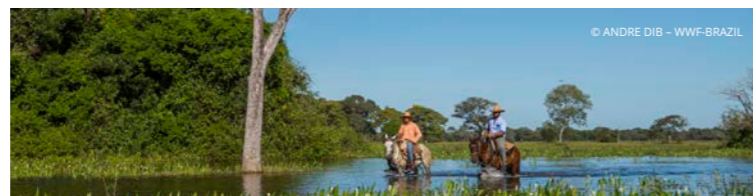
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The partnership is mainly funded by philanthropic grants which are committed for a further four years. The partnership is aware of the IUCN NbS Global Standard criterion of economic viability, and is anxious to avoid pitfalls identified in a previous IUCN NbS case study:

***“A feasibility study for [an NbS] proposal revealed that several hundred thousand farmers and a number of downstream towns would benefit financially [but] ... the NbS intervention did not consider the development of clear value chains and business models, which hampered securing long-term funding sources to maintain the NbS. Instead, the intervention relied on short-term, project-based grant funding.”<sup>1</sup>***

Mindful of its own timebound funding horizon, the partnership is looking to reframe its project design, governance and planned interventions to enable it to create sustainable revenue streams and raise long-term private funding, while delivering nature-based solutions to address the societal challenges faced in the area. To achieve this and to help frame its communications with potential providers of long-term finance and support (“potential financial stakeholders”), the partnership applies the TNFD recommendations and LEAP approach as follows:

- Although the partnership has not yet decided to formally adopt TNFD, it is aware of its growing significance. Members recognise that potential financial stakeholders may require information provided by the partnership to align with TNFD or related sustainability reporting standards. The partnership therefore plans to assess and prepare commentary (to varying degrees of detail) on each of the 14 TNFD Recommended Disclosures, including identifying indicators and metrics for assessing its performance and setting targets.
- To carry out the assessment and prepare commentary, the partnership chooses to apply the TNFD LEAP approach, noting that it is intended as a flexible tool, adaptable to the partnership’s circumstances and resources.
- To assist, it uses the Suggested Guidance and Metrics Workbook annexed to This Report. The narrative outlines key insights from the Suggested Guidance, illustrating how the partnership could use the Metrics Workbook to identify appropriate indicators and metrics for monitoring and reporting. This is based on assessing its dependencies, impacts, and the proposed project design and theory of change.



<sup>1</sup> IUCN case study on flood-based agriculture in the upper Mekong delta floodplain. Source: Meyer, K., and Hessenberger, D. (2022). Prototype database of international Nature-based Solutions case studies: supplementary report to the CCICED special policy study on value assessment of Nature-based Solutions. Gland, Switzerland: IUCN. Accessed 30/04/2024: <https://portals.iucn.org/library/sites/library/files/documents/2022-034-En.pdf>

## APPLYING THE LEAP APPROACH

### SCOPING

Following the LEAP approach, the partnership firsts scopes its assessment of nature-related risks and opportunities, impacts and dependencies. While it has a good subprior idea of the types of intervention it aims to implement following its stakeholder engagement policies, it consults with Indigenous Peoples, Local Communities (IPLCs) and other affected parties to confirm that these potential interventions reflect their perspectives, needs and values. Using the LEAP scoping approach allows the project to assess its ecosystem and social dependencies and impacts, focus on key target outcomes, and identify risks that may derail these objectives. The partnership also seeks to identify financial stakeholders who may benefit from these outcomes by creating opportunity or by mitigating risk in their business.

Prompted by the Suggested Guidance, the partnership uses IUCN and SEEA categories (set out in [TNFD LEAP guidance v1<sup>3</sup>](#) p. 13; see also [globalecosystems.org/explore/biomes](https://globalecosystems.org/explore/biomes)) to describe its area as:

- **Nature realm** straddling land and freshwater.
- Comprising sub-tropical forest, intensive land use and river and stream **biomes**.
- Having **environmental assets** including land, terrestrial and sub-terrestrial ecosystems, water resources and freshwater ecosystems.
- Providing **ecosystem services** including biomass provisioning and water supply, soil and sediment retention, flood irrigation, water flow regulation, water purification, and habitat maintenance.
- Upholding vital **cultural** values for IPLCs, as well as tourism and recreational services for visitors.



Using the IUCN and SEEA categories allows the partnership to identify at a high level some potential NbS interventions for assessment, including their associated revenue sources (both for the project and community), and potentially interested types of financial stakeholders:

TYPE OF INTERVENTION	POTENTIAL REVENUE TYPE	POTENTIAL FINANCIAL STAKEHOLDERS
<ul style="list-style-type: none"> <li>Forest conservation and restoration</li> </ul>	<ul style="list-style-type: none"> <li>Carbon (from avoided deforestation and carbon sequestration)</li> <li>Leisure/tourism visitor revenues</li> </ul>	<ul style="list-style-type: none"> <li>[Impact] investment funds</li> <li>Corporate investors</li> <li>Community and tourism sector enterprises</li> </ul>
<ul style="list-style-type: none"> <li>Sustainable forest management for forest non-timber products</li> </ul>	<ul style="list-style-type: none"> <li>Product sales of non-timber products in local demand (e.g. honey, nuts...) or national or international demand (e.g. rattan, natural rubber)</li> </ul>	<ul style="list-style-type: none"> <li>Local buyers</li> <li>Microfinance</li> </ul>
<ul style="list-style-type: none"> <li>Sustainable forest management for forest products – cash crop (e.g. coffee)</li> </ul>	<ul style="list-style-type: none"> <li>Commodity sales</li> <li>Limited timber sales</li> </ul>	<ul style="list-style-type: none"> <li>International buyers</li> <li>(Agri)banks</li> </ul>
<ul style="list-style-type: none"> <li>Regenerative agriculture on deforested land; silvopasture</li> </ul>	<ul style="list-style-type: none"> <li>Soil carbon credits (sequestration)</li> <li>Livestock sales (ideally certified)</li> <li>Agrocommodities</li> </ul>	<ul style="list-style-type: none"> <li>[Impact] investment funds</li> <li>Corporate investors</li> <li>(Agri)banks</li> </ul>
<ul style="list-style-type: none"> <li>Riverbank protection (planting, fencing); rewetting drained land</li> </ul>	<ul style="list-style-type: none"> <li>Payment by results mechanism (reduced pollutants, reduced downstream flow/catchment rainfall ratio)</li> <li>Fisheries</li> </ul>	<ul style="list-style-type: none"> <li>[Impact] investment funds</li> <li>Water utility</li> <li>Banks</li> </ul>



The partnership applies the IUCN NbS Global Standard as a framework for developing its approach to project governance, design, implementation and monitoring. It adapts its landscape management plan to include the intervention and financial stakeholder categorisation, aiming to develop an implementation structure that ensures: (a) inclusive governance with IPLC consultation and participation, (b) a solid investment platform for financial stakeholders, and (c) equitable management of trade-offs and equitable distribution of NbS intervention costs and benefits. The initial structure is outlined as in Diagram 1:

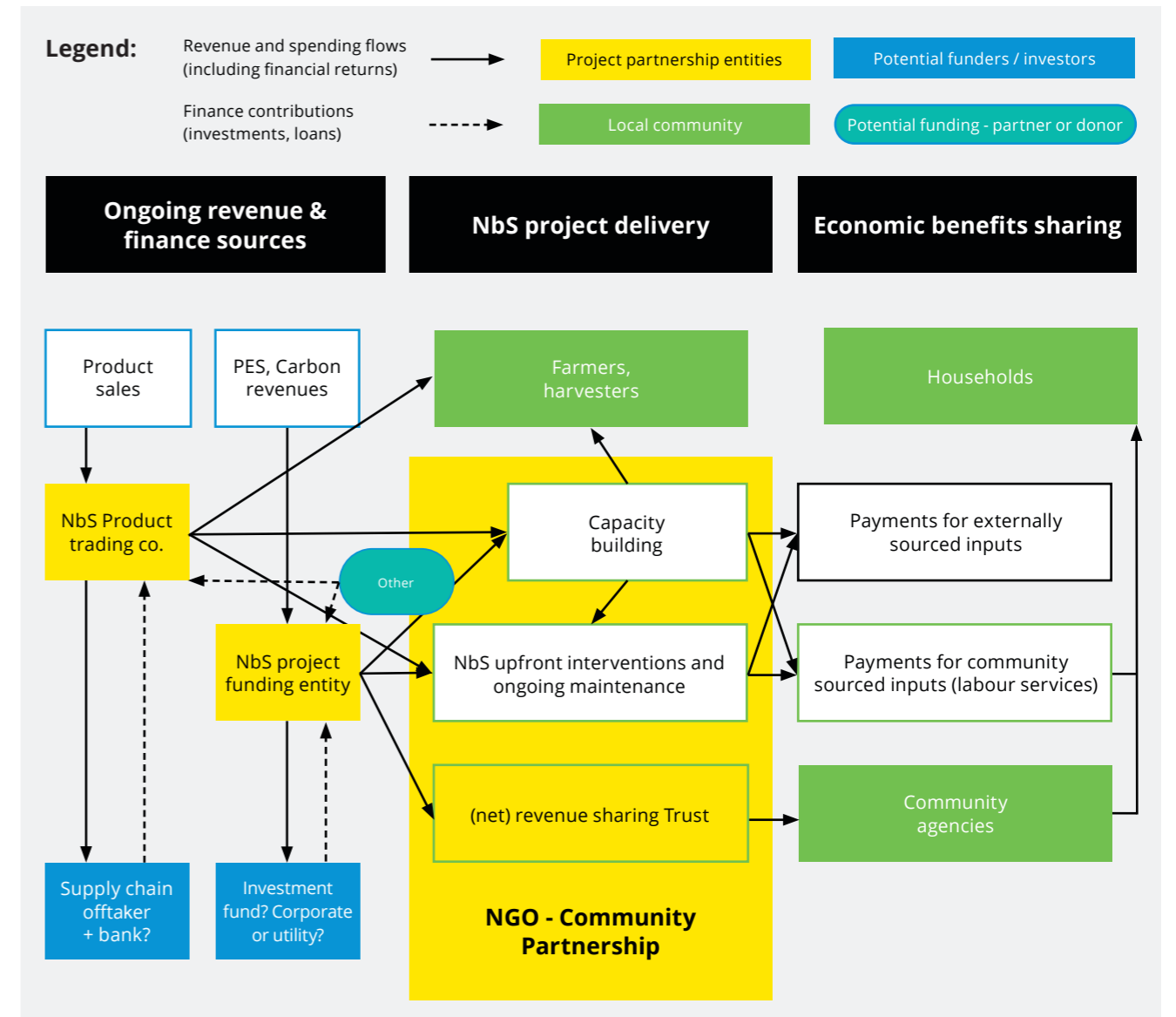


Diagram 1: Partnership's initial outline of a private- or blended-finance structure for NbS

**Insights gained from the Suggested Guidance on scoping:**

Going through the LEAP guiding questions in the Suggested Guidance helped frame the above outline project structure. Guiding questions on the role of IPLCs identified that for each type of intervention, knowledge and full engagement of IPLCs is essential throughout the life of the project, so that inclusive governance structures, equitable benefit-sharing, and grievance and safeguard mechanisms are key parts of the detailed project design.



## LOCATE

In the 'Locate' phase of LEAP, much of the information collated may be self-evident to the partnership itself, but setting out key facts allows financial stakeholders to identify how the project may align to their aims and investment criteria. Different types of investors will have differing appetites for the varied attributes of the project. For example:

- Funds interested in nature restoration will note the project's location in an area of high biodiversity importance at risk of decline in ecosystem integrity.
- Infrastructure investors and water utility/water management groups may be interested in interventions improving water quality.
- Supply chain investors will look at potential commodity product revenue types and volumes.

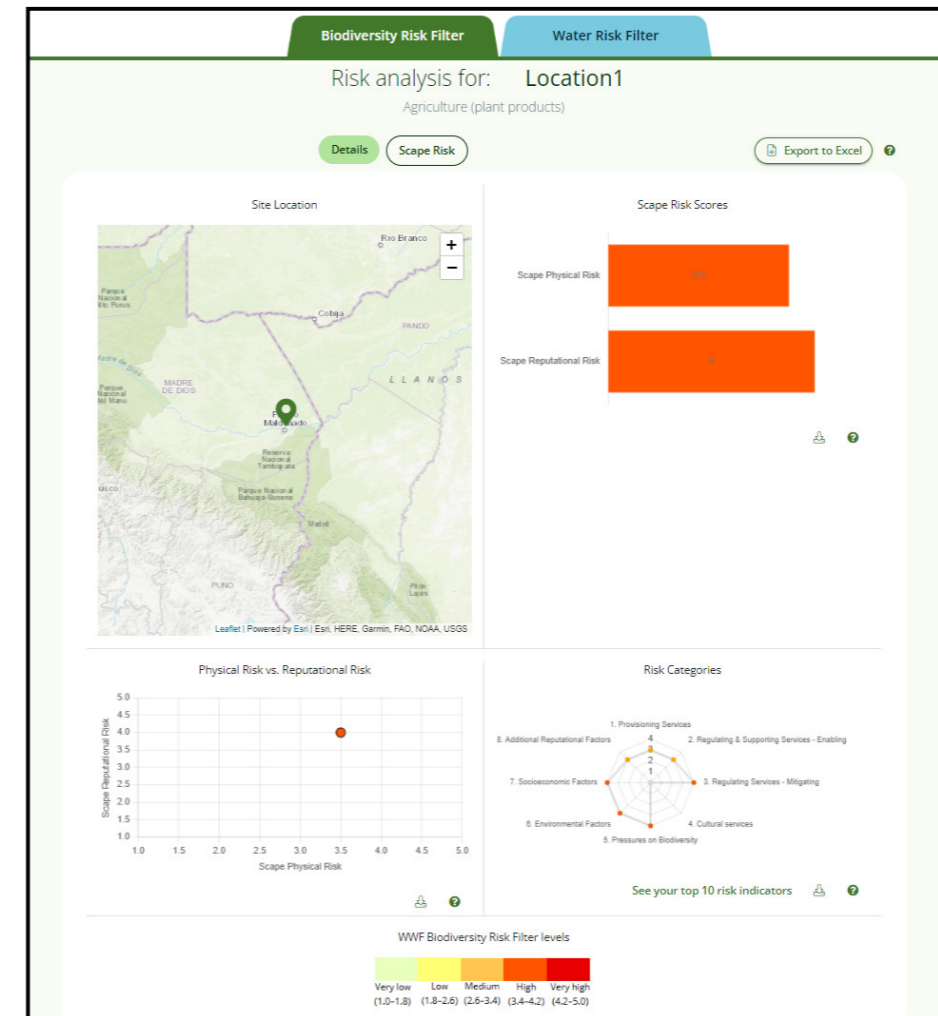
With its knowledge of the surrounding local or regional economy, the partnership can also target specific potential stakeholders with local operations that may benefit from the NbS interventions.

The partnership will also need to identify – ultimately at a granular level – the land ownership and rights, cultural sensitivities as to use of sites, and any disputed claims that may affect project implementation.

Prompted by the Suggested Guidance, the partnership decides to use heat-mapping tools to identify if the project area is a "sensitive location" as defined by the TNFD (see Annex 4 of [TNFD LEAP guidance v1](#)<sup>3</sup>). Under TNFD, if companies and financial institutions have (directly or indirectly) material dependencies and impacts in sensitive locations, they need to factor these into their TNFD disclosures and their responses to nature issues.

- The Partnership applies the 'single site' function of the [WWF Biodiversity Risk Filter](#)<sup>39</sup> and [Water Risk Filter](#)<sup>40</sup> (included in the TNFD tools catalogue<sup>34</sup>):
  - The area scores high (4.5/5) on both biodiversity physical risk and reputational risk, with indicators on for provisioning services, regulating and supporting services, cultural services (due to pressures on Indigenous communities and significant sites), pressures on biodiversity, and socioeconomic factors all shown as high risk.
  - The area scores medium-high (3.5/5) for water basin risk, being part of a river basin prone to flooding, low water quality and ecosystem degradation – a physical risk for financial stakeholders (and their investors, lenders and insurers) operating or sourcing from the area.
- Using the categories of potential financial stakeholders from the scoping phase, the partnership attempts to identify specific potential financial stakeholders:
  - Some potential financial stakeholders are self-evident – the water utility in the river basin for interventions that reduce its downstream water inflow treatment costs, which may be prepared to pay for improved water quality; and commercial banks with local/regional presence (for potential agri-lending, microfinance or ecotourism finance).
  - Product buyers/processors are typically local or national companies. The Partnership chooses to survey these to understand where they sit in global supply chains, potentially to gain access to the multinational buyers that may be supply chain investors.
  - The NGO partner identifies other potential sources of finance: these include the regional development bank and investment funds known to be interested in nature-related investment at the scale and in the region of the project.
- Applying the questions in the Suggested Guidance relating to IPLCs (taken from [TNFD guidance](#)

[on engagement with IPLCs and affected stakeholders v1](#))<sup>4</sup>, the partnership arranges follow-up stakeholder meetings and surveys with IPLC representatives in both extant forest and deforested locations. This yields rich learnings: certain areas are of paramount cultural importance and must be protected; both the forest and farming livelihoods are marginal, with representatives wanting training and capacity building in nature-sustainable techniques to improve income and livelihood opportunities. Communities in both the extant forest and deforested locations fear further forest and biodiversity loss and soil degradation, reducing incomes and increasing pressure on young people to migrate to cities.



### Insights gained from the Suggested Guidance on locating:

Heat mapping tools (like the WWF Water Risk Filter<sup>40</sup>, WWF Biodiversity Risk Filter<sup>39</sup>, or ENCORE<sup>41</sup>) are intended for global companies to identify their nature interfaces (how their sector-specific operations and assets depend on, and impact, nature). NbS projects can also use them to highlight to financial stakeholders operating in the same location how the project can address the issues they face. However, these tools are unlikely to be sufficiently granular for detailed design or baseline assessment purposes.

IPLC engagement is essential for capturing social, economic and ecological factors that need to be integrated into project design, helping ultimately to reduce operational and reputational risk.

## EVALUATE

The Partnership uses the ‘Evaluate’ stage to develop its theory of change by reference to the current state of nature and affected communities in its area, following the LEAP guidance stages E1 and E2. It identifies the macro external drivers that create pressure on the area’s ecology as (i) increased resource demand (food, timber), (ii) low income levels and lack of resources in local communities, and (iii) weak governance and regulatory controls on land use. These have created the twin pressures of land-use change (deforestation) and poor agricultural practices on cleared land, damaging ecosystem services and livelihoods (see [TNFD LEAP guidance v1](#)<sup>3</sup> Table 5 p. 70):

DRIVER OF NATURE LOSS	IMPACT ON THE STATE OF NATURE AND ECOSYSTEM SERVICES
Land-use change (deforestation)	<ul style="list-style-type: none"> <li>• Loss of habitat for flora and fauna</li> <li>• Loss of carbon stores</li> <li>• Loss of water retention causing greater downstream flood risk, increased sedimentation restricting downstream water supply (increasing supply costs)</li> <li>• Loss of cultural services and resource access for IPLCs</li> </ul>
Resource use (unsustainable agricultural practices)	<ul style="list-style-type: none"> <li>• Deteriorating soil quality reducing agricultural yields and increasing the pressure to deforest</li> <li>• Deteriorating water quality from agricultural run-off (chemicals, manure)</li> </ul>

In the evaluation stage E3 (measure) The Partnership uses the Metrics Workbook to select (from lists in [TNFD LEAP guidance v1](#)<sup>3</sup> Tables 22 and 24) over 20 potentially relevant indicators relating to its impact drivers and ecosystem services. For the more material of these, it will need to establish metrics to measure baseline levels and progress. However, for water-related issues it recognises that performance measurement will be difficult due to difficulties in separating its impact from upstream influences.

Following evaluation stage E4 (materiality) The Partnership concludes that its most important indicators are likely to relate to reducing deforestation, and improving soil quality and agricultural practice – since the latter will help sustain agricultural yields to reduce the incentive to further deforest. As well as direct output-based indicators, the partnership will also need to measure the intended outcomes of these outputs, such as impacts on livelihoods, state of nature (e.g. biodiversity, ecosystem connectivity), carbon storage and water flows.

### Insights gained from the Suggested Guidance on evaluating:

During the scoping stage, the partnership identified preferred interventions and potential revenue sources. However, the LEAP evaluation stage, particularly its IPLC-focused questions, prompted a focus on nature and community pressures and their interconnections, guiding the shaping of interventions to directly tackle these issues.

## ASSESS

In the “Assess” phase, The Partnership carries out deeper risk and opportunity analysis, to identify which risks and opportunities might be material to the project itself or to potential financial stakeholders. From this it identifies detailed risk management and mitigation strategies, and the key outcomes it aims to achieve through the intended interventions.

For The Partnership, the LEAP assessment helps formulate the ambition of the project – to address the state-of-nature challenges identified in the evaluate phase. It sees opportunities to:

- Halt deforestation within its boundaries
- Increase biodiversity on deforested land and protect endangered species
- Increase agricultural yields long term (addressing/managing opportunity costs in the short term, if yields initially decline during the transition from intensive to regenerative practices)
- Reduce carbon emissions through avoided deforestation
- Sequester carbon through regenerative agriculture techniques and replanting
- Improve water quality through progressively eliminating pollutants (run-off)
- Reduce downstream flood risk through increased soil water retention and strengthening of riverbanks
- Achieve certification for forest products to attain premium pricing
- Increase household incomes (and support/maintain incomes during any expected transition phase)
- Use community share of revenues to meet local needs and priorities, as defined by IPLCs with free, prior and informed consent, such as:
  - Training, education and capacity building on practices enabling maintenance of the NbS
  - Investment in community facilities and infrastructure including healthcare and wider training and education.



Regarding the above opportunities, The Partnership identifies that risks relate mainly to the quality of its implementation, and take-up by local communities. It identifies a need for capacity building and training for certain local community members. From its community engagement it reconfirms that a fair and equitable share of benefits with IPLCs is essential – if communities aren't engaged, it will undermine delivery and long-term maintenance of the project. The partnership also identifies potential climate risks, especially the risk of longer or more intense rainy seasons affecting farming and planting and increasing flood risk, and explicitly considers these in the design of the intervention.

The LEAP assessment is, however, only partly helpful in identifying risks and opportunities (see Metrics Workbook):

- [TNFD guidance on engagement with IPLCs and affected stakeholders v1](#)<sup>4</sup> emphasises the need to evaluate risks and opportunities not only from the organisational perspective but also from that of IPLCs and other affected stakeholders. However, the risk metrics suggested in [TNFD LEAP guidance v1](#)<sup>3</sup> mostly measure only the financial consequences of adverse nature events. An NbS project (or any business) must assess risks more widely and consider the risk that its interventions will fail or have adverse consequences for people, nature or climate: a comprehensive risk register approach is needed.
- For opportunities, the metrics suggested by LEAP guidance mostly measure the benefit for financial stakeholders and not the project itself. However, this allows the project to identify in a more granular way how it impacts upon potential financial stakeholders' operations or sourcing activities. For example, the project can offer:
  - Incentives to avoid deforestation and help improve operating margins through its forest crop approach and regenerative agriculture – relevant to buyers committed to deforestation- and conversion-free supply chains
  - Nature restoration – helping financial investors to quantify their capital allocation to nature-positive activities
  - Improved water quality and reduced flood risk – significant for a downstream water utility.
  - Opportunities for carbon sequestration or avoided carbon emissions.

#### Insights gained from the Suggested Guidance on assessing:

LEAP offers only a partial guide to metrics selection for assessing risks and opportunities. This must be supplemented by broader risk and opportunity assessment (including trade-offs) within the framework of high quality NbS project design and inclusive stakeholder engagement and governance, following IUCN Global Standard criteria.

## PREPARE TO RESPOND AND REPORT

Having carried out the evaluate and assess stages of LEAP, in the “Prepare” stage The Partnership is able to review the outline project structure developed at scoping stage and refine its detail, and consult with IPLCs and affected stakeholders on the emerging project structure. For the overarching partnership and for each element and sub-entity in the project structure (shown in Diagram 1), it can develop more specific legal structures, governance and risk management practices, including IPLC representation and input, and continuing reporting and engagement. It can also establish principles for equitable benefit sharing, balancing investor returns and community livelihoods; this would include fair trading arrangements for produce, and sharing of payments for ecosystem services and carbon revenues that balances financial stakeholders' target rates of return with community livelihood uplift.

The Partnership can also begin to expand its engagement with potential financial stakeholders:

- Carbon baseline measurements can be taken, as a starting point for forecasting verifiable carbon credits from avoided emissions or sequestration.
- For the downstream water utility, The Partnership can indicate its contribution to reducing pollutants and excess sedimentation, and to reducing peak flood levels. As this will reduce the utility's operating costs and improve performance levels, the utility will be able to afford to pay for water supply-related ecosystem services.
- The income streams from water-related ecosystem services, and from carbon credits, are attractive to nature-focused investment funds and other impact investment funds that can provide long-term finance. The Partnership can target funds that have adopted TNFD and that apply a place-based approach to investment due diligence (for example, the approach piloted by Climate Asset Management for the Phoenix investment group). Funds use such tools to locate and evaluate their portfolios, so using the LEAP approach in its project design will help The Partnership to refer to the same criteria when presenting to potential these funds.
- local processors and buyers, the NbS project can be a source of certified traceable produce to market to international buyers prepared to pay premium prices or commit to long-term purchase agreements. These revenues can fund the forest and regenerative agricultural produce components of the NbS project.
- Local banks can be approached to seek credit facilities for the produce trading entities in The Partnership.



Following detailed financial modelling of the revenue streams and costs identified for each NbS intervention, The Partnership can also engage with IPLCs and other affected stakeholders to outline potential revenue-sharing mechanisms and agree the uses and governance for this community income. The Partnership should also consider how best to communicate this and to obtain feedback from the communities.

The detailed design of the NbS interventions can be reviewed against the SBTN AR3T framework (Avoid or Reduce negative impacts, Regenerate and Restore nature and ecosystem functions, and contribute to Transformative actions for wider systems change – see [TNFD LEAP guidance v1](#)<sup>3</sup> p. 141). As part of this, the design of the financial structure must be tested for robustness, to ensure stable funding of the project over its lifecycle and lasting nature-positive impact and social benefits.

In the prepare stage, after refining its project design, the partnership can use the Metrics Workbook to incorporate response indicators tailored to its detailed design and governance structures. Note however, that many LEAP-suggested response indicators are more applicable to financial stakeholders than directly to projects.

For the indicators it selects, the partnership will need to set science-based targets following [TNFD-SBTN guidance for corporates on science-based targets for nature v1](#)<sup>36</sup>. It can select specific methods and tools for monitoring progress against these targets from the [TNFD Tools Catalogue](#)<sup>34</sup>.

**The table shown on the following pages shows samples of the TNFD metrics selected by The Partnership, related sub-indicators, and how it has formulated targets based on these metrics. It also shows how these core TNFD metrics link to Global Biodiversity Framework targets.**

#### Insights gained from the Suggested Guidance on preparing to respond and report:

- By following the Suggested Guidance, The Partnership can develop content for reports and presentations on how the project addresses nature-, societal- and climate-related issues. This material can be used not only in preparing TNFD-compliant reports but also other reporting formats such as information packs for potential financial stakeholders. For TNFD recommended disclosures, section C of the Suggested Guidance indicates the most relevant parts of the LEAP approach for each disclosure, guiding projects to the specific commentary prepared on that LEAP stage, using section B of the Guidance.
- Once the prepare stage is complete, an NbS project is likely to have selected many indicators, especially if it is carrying out a range of interventions with differing dependencies, impacts and stakeholders. It can consider splitting these into main indicators and sub-indicators. Some indicators will be relevant only for some stakeholders and not others.
- The LEAP guiding questions for reporting to IPLCs prompt The Partnership to develop specific formats and media for reporting to IPLCs and affected stakeholders, consistent with its governance structure.

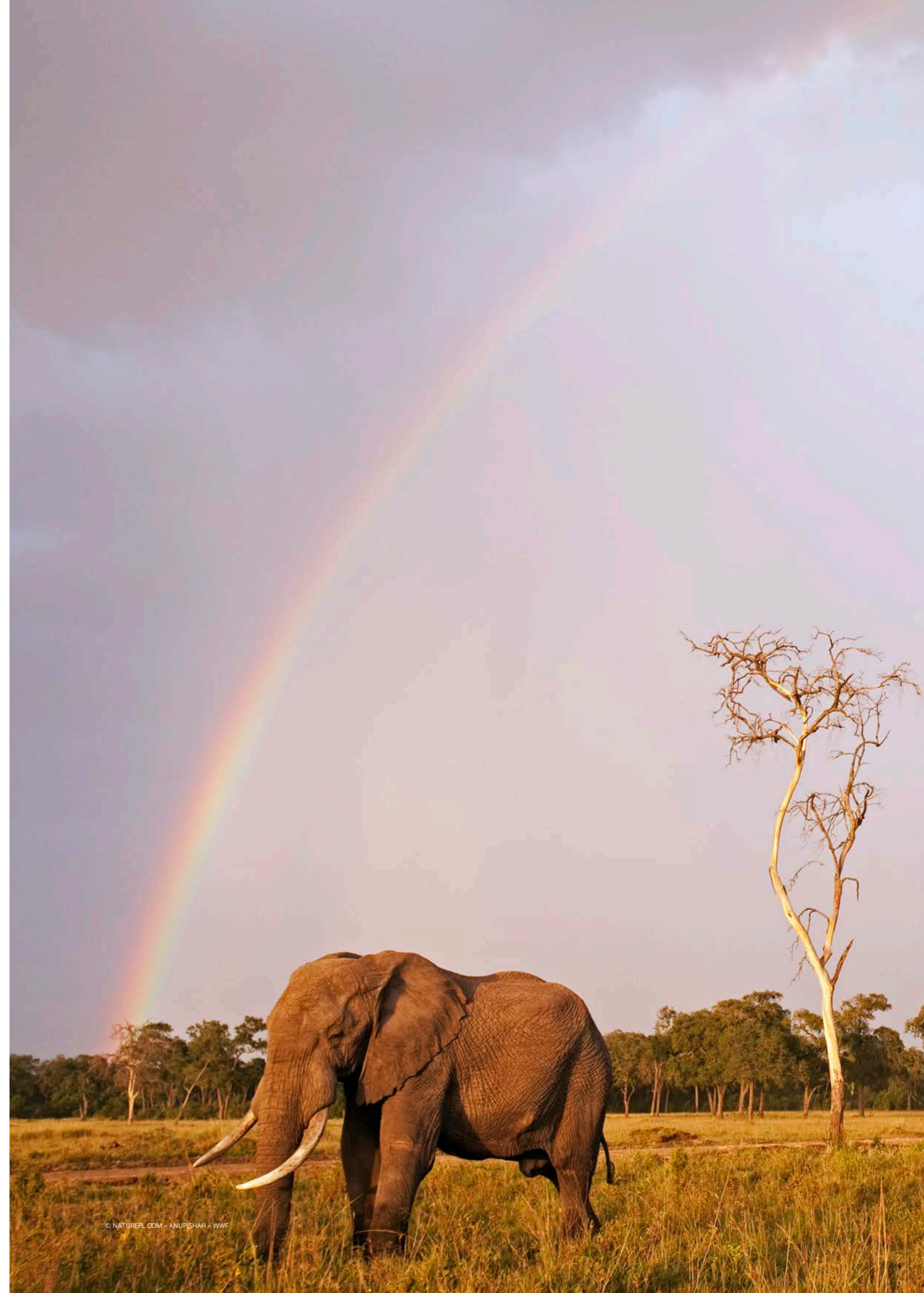


TABLE - EXAMPLES OF METRICS SELECTED BY THE PARTNERSHIP

Note: The purpose of this table is solely to illustrate the formulation of targets based on measured indicators. These examples are not intended to be an exhaustive list: a project is likely to need to select both different metrics and more metrics than those shown here, to cover the full range of its dependencies and impacts, governance and strategy, and the risks and opportunities that it addresses.

NUMBER / DRIVER	CATEGORY	TNFD METRIC	METRIC SELECTED OR ADAPTED BY PROJECT TO APPLY	SUB-INDICATORS AND METHODS	TARGET
B1.0 Land/ freshwater/ ocean-use change	Spatial footprint	Total spatial footprint (km <sup>2</sup> ): <ul style="list-style-type: none"> <li>Total surface area controlled/managed by the organisation, where the organisation has control (km<sup>2</sup>)</li> </ul> Of which: <ul style="list-style-type: none"> <li>Total disturbed area (km<sup>2</sup>)</li> <li>Total rehabilitated/restored area (km<sup>2</sup>)</li> </ul>	Total surface area controlled/managed by the organisation [ ]ha, of which:	Assessed using GIS mapping software such as QGIS or ArcGIS	
			<ul style="list-style-type: none"> <li>Intact subtropical rainforest [ ]% ([ ]ha) as of 2024</li> <li>Forest under restoration since 2024: [ ]ha ([ ]% of total area under control)</li> <li>Area under sustainable forest management practices meeting <a href="#">PEFC Sustainable Forest Management standard ST 1003</a>: [ ]% ([ ]ha) of total forest area</li> </ul>	<ul style="list-style-type: none"> <li>Operational indicators for engagement, monitoring and enforcement of zero deforestation</li> <li>Restoration sub-indicators and targets to reflect science based best practice covering planting rates, survival rates and growth rates</li> <li>Link to socioeconomic indicators acting as drivers of deforestation or unsustainable practices (see below)</li> </ul>	<ul style="list-style-type: none"> <li>Zero deforestation other than in area permitted for sustainable logging</li> <li>Area permitted for sustainable logging in current year not to exceed [0.5%] of total area under control</li> <li>New restoration incepted in current year to be not less than [x times] the area sustainably logged in year</li> <li>Intact area plus restored forest area to increase to [120%] of 2024 intact forest area by [2040]</li> </ul>
			<ul style="list-style-type: none"> <li>Area under intensive land use [ ]% ([ ]ha) of which agriculture [ ]% ([ ]ha), other use (e.g. urban areas) [ ]% ([ ]ha)</li> <li>Area under sustainable (regenerative) agricultural practices meeting specified accredited standards [ ]% ([ ]ha) of total agricultural land</li> </ul>	<ul style="list-style-type: none"> <li>Sub-indicators and choice of standards to apply will be specific to type of produce, biome and jurisdiction, and will include (among others) soil quality monitoring and avoidance/ reduction in use of harmful pesticides or agrochemicals, and farm management practices. – e.g. <a href="#">Rainforest Alliance sustainable agriculture standard</a></li> </ul>	<ul style="list-style-type: none"> <li>Area under sustainable (regenerative) agricultural practices meeting relevant named accredited standards to increase from 2024 baseline percentage to [&gt;80%] of agriculture area by 2030</li> </ul>
B3.1 Resource use/ replenishment	Quantity of high-risk natural commodities sourced from land/ ocean/ freshwater	<ul style="list-style-type: none"> <li>Quantity of high-risk natural commodities (tonnes) sourced from land/ocean/ freshwater, split into types, including proportion of total natural commodities</li> <li>Quantity of high-risk natural commodities (tonnes) sourced under a sustainable management plan or certification programme, including proportion of total high-risk natural commodities</li> </ul>	Quantity of high-risk natural commodities (from the <a href="#">SBTN High Impact Commodity List</a> (HICL)) sourced under a sustainable management plan or certification programme, including estimated proportion of total high-risk natural commodities produced in area (specify which certification programme or method)	From HICL, commodities potentially relevant to the partnership and to be measured include: <ul style="list-style-type: none"> <li>Avocado</li> <li>Cassava</li> <li>Cattle – beef, dairy, leather</li> <li>Coffee (bean)</li> <li>Soybean</li> <li>Timber/roundwood</li> </ul>	For each relevant crop, proportion of output from the area that is under a sustainable management plan or certification programme to increase from 2024 level to [>80%] by 2030 and [>90%] by 2035.
A1.0 Land/ freshwater/ ocean-use change	Land-use intensity	<ul style="list-style-type: none"> <li>Land-use intensity (tonnes or litres of output/km<sup>2</sup>)</li> <li>This will vary by sector context; for example, crop yield (tonnes/km<sup>2</sup>) for the agriculture sector</li> </ul>	<ul style="list-style-type: none"> <li>(e.g.) Animal units (standardised weight for species) per hectare per year</li> <li>tonnes / hectare / year</li> </ul>		<ul style="list-style-type: none"> <li>Change in yield from baseline to follow a profile, expected to show a long-term improvement but short-term reduction during introduction of sustainable methods</li> </ul>

NUMBER / DRIVER	CATEGORY	TNFD METRIC	METRIC SELECTED OR ADAPTED BY PROJECT TO APPLY	SUB-INDICATORS AND METHODS	TARGET
A23.2	Changes to nature (dependency and impact): mitigation hierarchy steps	Restoration of negatively affected species and ecosystems (investment and extent (km <sup>2</sup> )) by ecosystem/biome type and split into: <ul style="list-style-type: none"> <li>• Required by regulation</li> <li>• Required by certifier</li> <li>• Voluntary</li> </ul>	Annual investment and expenditure on restoration activities (\$) and area (ha) where applied		Profile based on implementation plan and financial forecasts of the project
A23.3	Changes to nature (dependency and impact): mitigation hierarchy steps	Extent (km <sup>2</sup> ), duration (years) and monitoring frequency (count/year) of ecosystem restoration and/or species restoration projects	Planned duration of restoration project (elapsed and remaining years); frequency of monitoring.	<ul style="list-style-type: none"> <li>• Soil quality measurement</li> <li>• Water quality measurement</li> <li>• Mean species abundance (MSA)% 5-yearly measurement</li> </ul>	<ul style="list-style-type: none"> <li>• Improving soils and water quality: to reach [threshold] by [target year]</li> <li>• Implementation plan for the NbS project to include science-based best practice for monitoring</li> <li>• MSA% to increase from 2024 baseline of X% to Y% by 2035 and Z% by 2045</li> </ul>
C7.3, A21.0	General	Amount of capital expenditure, financing or investment deployed towards nature-related opportunities, by type of opportunity, with reference to a government or regulator green investment taxonomy or third-party industry or NGO taxonomy, where relevant	Not a performance target but a forecast of funding requirement for NbS implementation and management included in financial plans, categorised by use and taxonomy		Targets to reflect the financial forecast for the NbS project.
C7.4	Products and services	Increase and proportion of revenue from products and services producing demonstrable positive impacts on nature with a description of impacts	Value of product/services sold or marketed by the NbS project from sustainable or certified production (as per above metrics)		
GRI Disclosure 201-1 (Direct economic value generated and distributed)		<ul style="list-style-type: none"> <li>i. Direct economic value generated: revenues</li> <li>ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments</li> </ul>	<ul style="list-style-type: none"> <li>• Local wages and salaries paid (\$) and rates as multiple of statutory minimum wage</li> <li>• \$ paid for local services</li> <li>• \$ share of revenues for community</li> </ul>	• [ideally this would be disaggregated by social group/gender]	Targets to reflect the financial forecast and planning for the NbS project

NUMBER / DRIVER	CATEGORY	TNFD METRIC	METRIC SELECTED OR ADAPTED BY PROJECT TO APPLY	SUB-INDICATORS AND METHODS	TARGET
A20.0	Engagement	Proportion of sites that have active engagement with local stakeholders on nature-related issues	NbS projects can include in statements on governance	From GRI Disclosure 413-1 (Operations with local community engagement, impact assessments, and development programs): <ol style="list-style-type: none"> <li>i. Social impact assessments, including gender impact assessments, based on participatory processes</li> <li>ii. Environmental impact assessments and ongoing monitoring</li> <li>iii. Public disclosure of results of environmental and social impact assessments</li> <li>iv. Local community development programmes based on local communities' needs</li> <li>v. Stakeholder engagement plans based on stakeholder mapping</li> <li>vi. Broad-based local community consultation committees and processes that include vulnerable groups</li> <li>vii. Works councils, health and safety committees and other worker representation bodies to deal with impacts</li> <li>viii. Formal local community grievance processes</li> </ol>	Full adoption by partnership of these practices
GRI Disclosure 203-2 Significant indirect economic impacts		Examples of significant identified indirect economic impacts of the organisation, including positive and negative impacts	<ul style="list-style-type: none"> <li>• Number of local [households/ people including dependants] supported by NbS project wages and payments for goods and services</li> <li>• Affected household income as % of benchmark [e.g. national average]</li> <li>• Number of people benefiting from training or capacity building provided or funded by the NbS project (by category of training/ target audience)</li> </ul>	Describe training to evidence substantial training and outcomes	<ul style="list-style-type: none"> <li>• Population supported to reach [ ] by [2030] (X% of households in area)</li> <li>• Average household income of supported or trained beneficiaries to reach X% of average national income by [ ]</li> </ul>

NUMBER / DRIVER	CATEGORY	TNFD METRIC	METRIC SELECTED OR ADAPTED BY PROJECT TO APPLY	SUB-INDICATORS AND METHODS	TARGET
GRI Disclosures - various		Various GRI topic standards relate to reporting of adverse or negative impacts. Where such topics are prevalent in the area, an NbS may need to explicitly address these in project design and implementation, and report on the impacts of its intervention (see Annex B).	See: GRI 205: Anti-corruption 2016 GRI 403: Occupational Health and Safety GRI 404: Training and Education GRI 405: Diversity and Equal Opportunity GRI 406: Non-discrimination GRI 407: Freedom of Association and Collective Bargaining GRI 408: Child Labor GRI 409: Forced or Compulsory Labor GRI 410: Security Practices GRI 411: Rights of Indigenous Peoples GRI 413: Local Communities		



# ANNEX A – SUGGESTED GUIDANCE FOR NBS PROJECTS USING TNFD

This Suggested Guidance is an annex to the WWF report Attracting investment in Nature-based Solutions: how NbS projects can apply the TNFD reporting framework (May 2024) (“the Report”). Users of the Suggested Guidance should refer to the main Report for further background and guidance, and also to the Metrics Workbook for NbS Projects Using the TNFD LEAP process (“the Metrics Workbook”), which is to be used in conjunction with the Suggested Guidance.

The *Metrics Workbook* is a separate spreadsheet document and is available in a downloadable and editable format from the WWF-UK webpage for use by NbS project teams who are interested in applying the TNFD framework and LEAP approach.

The Suggested Guidance in this Annex is also available for download in an editable format from the above webpage, to complement the Workbook - project teams are encouraged to annotate the columns marked “NbS project-specific comments/notes”. Both the Metrics Workbook and Suggested Guidance may be updated from time-to-time by WWF-UK at its own discretion according as there are updates in guidance or as feedback is obtained from users.

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## KEY TERMS USED

As in the main Report, in the Suggested Guidance and Metrics Workbook:

**Nature-based solutions (“NbS”)** are defined as “actions to protect, conserve, restore, sustainably use and manage natural or modified terrestrial, freshwater, coastal and marine ecosystems, which address social, economic and environmental challenges effectively and adaptively, while simultaneously providing human well-being, ecosystem services and resilience and biodiversity benefits” (UNEA, 2022).

**“NbS project”** means an NbS intervention or set of NbS interventions – whether at local level or landscape level – which are designed, implemented and governed by a project organisation (whether an NGO, civil society organisation, corporation, government agency or partnership) with the intention of addressing social, economic and environmental challenges through a nature-based solution.

**“Financial stakeholders”** means all entities directly or indirectly financing an NbS project, or directly or indirectly purchasing goods or services from it – i.e. any downstream value chain partner of the NbS project. This is deliberately intended to be a broad interpretation:

- It includes not only investors seeking a direct financial return, but also those providing grant finance or other form of non-returnable capital, whether for ESG reporting purposes, risk mitigation, brand enhancement, philanthropy or other motive.
- An entity may be either or both a financial investor and a value chain partner, e.g. where a corporation both invests in (provides debt or equity or gives commitments supporting such investment) and as part of a nature- or climate-positive strategy supports NbS projects within its supply chain to address nature-related dependencies and impacts.
- In some places, we distinguish between actual (current) and potential financial stakeholders. In principle, an organisation’s disclosures under the TNFD and its use of the LEAP approach refer to its own nature dependencies, impacts, risks and opportunities, irrespective of the financial stakeholders. However, given the nascent state of the NbS finance market, the report and annexes give more attention to potential than actual financial stakeholders, by showing where NbS projects may use TNFD and the LEAP approach to identify, engage and align reporting with potential financial stakeholders.
- Where necessary the text distinguishes between types of financial stakeholders or their roles in the NbS project: financial institutions and corporate entities, and their various roles as financial investors, lenders, and value or supply chain partners.

## A - INTRODUCTION

### A.1. PURPOSE OF THE SUGGESTED GUIDANCE AND THE METRICS WORKBOOK

**This Suggested Guidance and its associated [Metrics Workbook](#) are tools for NbS projects to prepare their disclosures on sustainability topics: social, nature and climate.** It is targeted at NbS project teams preparing reports or presentations to actual or potential financial stakeholders. The result is intended to help the NbS project produce content for reporting and presentations to provide financial stakeholders with relevant and comparable information with which to evaluate the NbS project and, if required, factor into their own reporting under the principal sustainable reporting standards.

**It guides NbS projects in how to prepare and present information in alignment with the Taskforce on Nature-related Financial Disclosures (TNFD) Recommendations ([TNFD Recommendations](#)<sup>2</sup>).** However, especially for social indicators we refer to the Global Reporting Initiative [GRI Standards](#)<sup>37</sup>, although other standards such as the Global Impact Investor Network’s [IRIS+ impact reporting system](#)<sup>38</sup> can provide additional guidance, including on indicators and metrics to use.

The Suggested Guidance and Metrics Workbook refer to the stages and components as set out in the [TNFD LEAP guidance v1](#)<sup>3</sup> and suggests how an NbS project might respond to each. The [Metrics Workbook](#) provides outline guidance on the potential selection and use of indicators/metrics by NbS projects. For the most pertinent indicators and metrics given in the [TNFD LEAP guidance v1](#)<sup>3</sup> and for [GRI Standards](#)<sup>37</sup>, the Workbook tabs include checklists to allow NbS projects to identify if the item is relevant to that project and might be selected for inclusion in reports and presentations.

### A.2. WHY THE NEED FOR THE SUGGESTED GUIDANCE AND METRICS WORKBOOK?

**TNFD is intended to be used by organisations of all types and sizes (see [Executive summary of the TNFD Recommendations](#)<sup>2</sup>, p. 3) – but its initial recommendations and associated guidance are largely framed around the issues that large and/or multinational companies or financial institutions have to address.** These arise from the environmental footprint, dependencies and impact of their operations. Via their local or immediate landscape or catchment area impact, NbS projects can affect or influence financial stakeholders who either operate in, source from or finance businesses in that locality or landscape. Some of those financial stakeholders might potentially invest in or source from the NbS project – in which case they are obliged to consider the impacts of the NbS project on their own organisational impacts.

When engaging with these potential financial stakeholders, it is in the NbS project’s interest to align its reporting with how they evaluate and disclose their own society- and nature-related dependencies, impacts, risk, opportunities and performance against targets. Since [TNFD Recommendations](#)<sup>2</sup> and the LEAP approach are designed to be consistent with the main sustainability reporting standards and frameworks (see section 3 of the main report and [TNFD LEAP guidance v1](#)<sup>3</sup> p. 5), following TNFD Recommendations and LEAP guidance helps align NbS reporting with the reporting requirements of potential financial stakeholders.

### A.3. HOW TO USE THE SUGGESTED GUIDANCE AND METRICS WORKBOOK

The TNFD Recommendations and LEAP Guidance are substantial documents – over 430 pages, not counting supplementary guidance on engagement with Indigenous Peoples and Local Communities (IPLCs), sectors and biomes, and other technical guidance. The Suggested Guidance seeks to flag to NbS projects the 14 individual TNFD Recommended Disclosures and for the LEAP approach, the individual stages in Scoping, and the LEAP stages L1-L4, E1-E4, A1-A4, and P1-P4.

For each of the Recommended Disclosures and LEAP stages, the Suggested Guidance provides:

- guidance on how NbS projects might interpret and apply them – this guidance is framed generically, i.e. applicable to a broad range of NbS that follow high quality NbS principles. Teams may find that for their particular project, they may need to adapt the guidance to their specific project circumstances – for example when considering biome- or sector-specific indicators.
- space for the NbS project team to include its response to that item – these can be internal notes or comments, links to other material, or text drafted for inclusion in presentations or reports.

An illustration of the layout of the Suggested Guidance Table and a sample extract from the Metrics Workbook are given below (Figures A1 and A2)

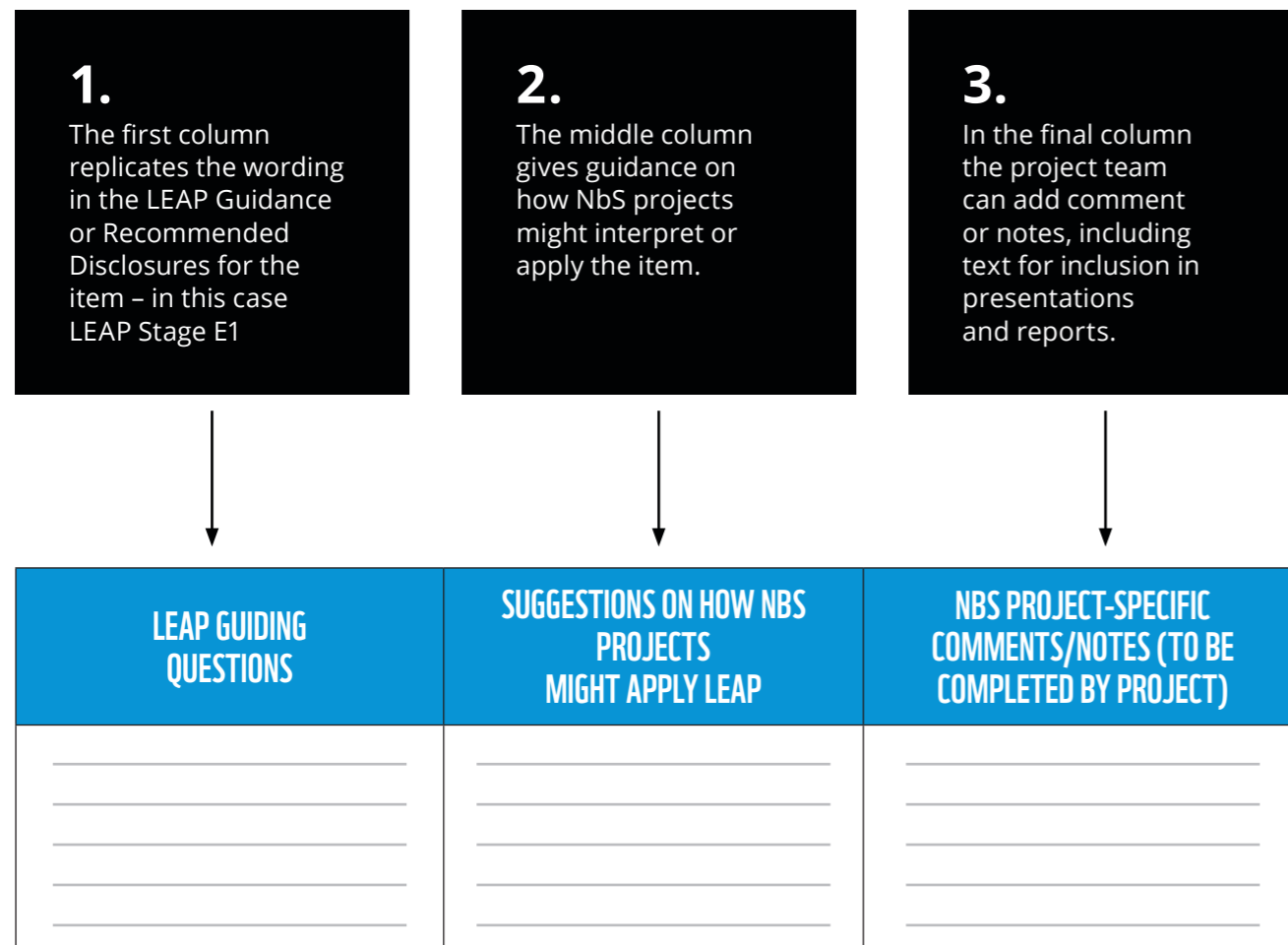


Figure A1: Illustration of layout of the Suggested Guidance Tables



The Metrics workbook sets out all the TNFD core and additional disclosure metrics included in Annex 2 of the TNFD Recommendations, and the assessment and response metrics included in Annex 2 of the LEAP guidance. These are set out in set out in filterable tables to allow projects to select which indicators and metrics might be relevant for their project, and to flag those which it assesses to be material for reporting purposes as illustrated in Figure A1:

Table 26: TNFD global risk and opportunity assessment metrics					NOTE: the selections and comments below are illustrative only, based on the hypothetical NbS project described in Appendix Two of the Report						
General Comment											
<p>Although physical and transition risks are most relevant in relation to nature- and climate-negative operations, an NbS project can account for risks to its own assets and operations, such as from climate change or other stressors, and in turn how those may impact annual revenue potential. Relating the NbS project's impact and benefits to the nature-related risks to financial stakeholders' reported revenue can help bolster the business case for investment in the NbS. This can occur in a number of ways, such as by reducing exposure of assets to the impacts of climate change, reducing dependency on ecosystem services impacted by climate change, and increasing the resilience of production. For example, where an NbS delivers benefits reducing physical risks, this may reduce the exposure of investor assets and operations to climate impacts, and in turn reducing potential risks to allocated capital and revenue generation. For example, healthy mangrove stands provide significant reduction in exposure to coastal impacts, thereby protecting infrastructure and economic activities inland, adjacent to mangrove stands. NbS can reduce physical risks to investors by increasing resilience of operations.</p> <p>For an NbS itself, by definition, assets and operations have substantial dependencies on ecosystem services and may impact nature, both positively and negatively. Disclosing how the NbS project implements effective monitoring, evaluation and learning and adaptive management to sustain the ecological foundation on which the NbS relies is important to make a business case.</p>											
From LEAP Guide Table 26: TNFD global risk and opportunity assessment metrics (do not change)					Guidance for NbS projects		For NbS project to complete				
Risks only											
Metric No.	Category	Metric	Disclosure inclusion	Specific suggestions on how NbS projects might apply LEAP	Relevant to project?	Material to project?	Relevant to potential financial stakeholders	Include in Report or Presentation?	Which Report or Presentation?	Rationale/ narrative to include	
C7.0	Transition - general	Value of assets, liabilities, revenue and expenses that are assessed as vulnerable to nature-related transition risks (total and proportion of total)	Core	Transition risks arise due to business activities and objectives not being aligned with policies and attitudes to nature - as such they are unlikely to apply to NbS projects directly, but they are relevant for financial stakeholders.	Very	Very	Very	Yes-material		Measured as per C7.1 below, i.e. the financial value of the NbS investment. Transition risk is relevant to NBS projects if its interventions or revenue sources are systemically linked to wider markets, such as carbon markets or tourism for example.	
C7.1	Physical	Value of assets, liabilities, revenue and expenses that are assessed as vulnerable to nature-related physical risks (total and proportion of total)	Core	As per the general comment above, an NbS project can make explicit the extent to which it can reduce the proportion and value of assets exposed to nature-related physical risks. With respect to risks to its own functioning, the NbS should disclose how its adaptive management processes respond to these risks to minimize negative impact on value creation potential.	Very	Very	Very	Yes-material		Although NbS is aiming to mitigate physical risks, the project remains subject to the drivers and pressures it is seeking to address and thus retains exposed to physical risk.	

Figure A2: sample extract from the Metrics Workbook

The Metrics Workbook is organised in worksheets with filterable tables of the TNFD indicators and metrics. The extract above is from the worksheet corresponding to LEAP Guide table of risk metrics, with columns enabling NbS projects to prioritise specific metrics and to develop commentary or narrative for inclusion in their own reporting.

## A.4. INTRODUCTION TO TNFD AND THE LEAP APPROACH

The Suggested Guidance and Metrics Workbook aim to support NBS projects to apply the [TNFD Recommendations](#)<sup>2</sup> and the LEAP (Locate, Evaluate, Assess, Prepare) approach to nature-related risks and opportunities using the [TNFD LEAP guidance v1](#)<sup>3</sup>. As the LEAP guidance (p. 6) states, “LEAP is essentially an internal due diligence assessment process; it is optional and not required to make the disclosures recommended by the TNFD. If your organisation already has an equivalent due diligence process for nature-related issues, it can continue to use that to inform its TNFD-aligned disclosure statements and use LEAP as a checklist to ensure that the process adequately addresses nature-related issues, in line with the TNFD’s recommended disclosures.”

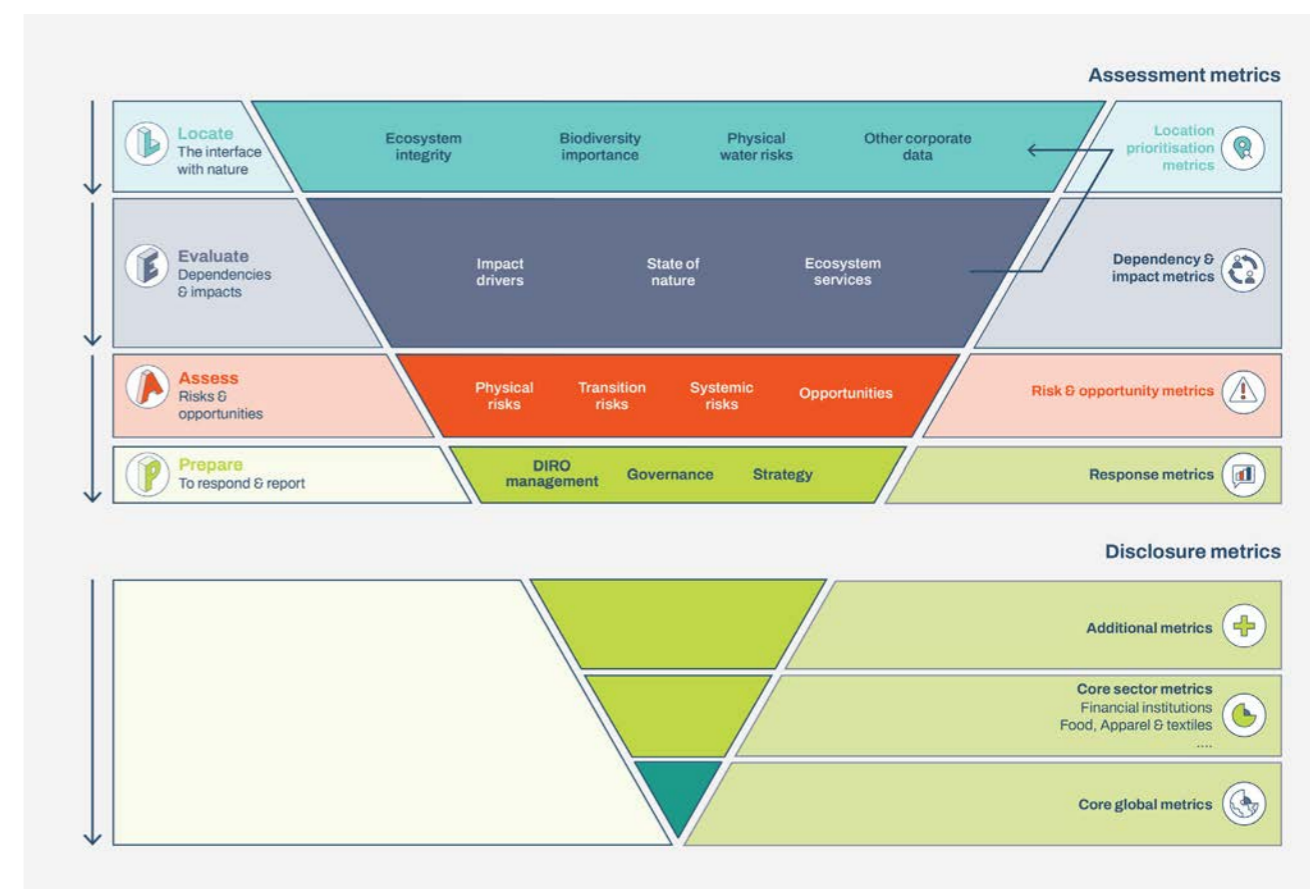
**High-quality NBS projects may already have in place many of the policies, practices, and monitoring and evaluation processes that allow them to readily complete the stages of the LEAP approach and make TNFD-compliant disclosures.** In their case, following the LEAP approach acts as an internal due diligence check. For some NBS projects that are earlier in their project design and development, or for some smaller project teams, following the LEAP approach provides a structure to ensure that they both follow best practice NBS standards and can communicate this to financial stakeholders.

**TNFD strongly emphasises and encourages engagement with Indigenous Peoples and Local Communities (IPLCs), and other stakeholders affected by an organisation’s activities.** Table 1 of the [TNFD guidance on engagement with IPLCs and affected stakeholders v1](#)<sup>4</sup> (pp. 10-13) suggests questions to strengthen this engagement throughout the LEAP approach, which we include in sections B1-B5 below for NBS projects to consider. Engagement with IPLCs and affected stakeholders, and obtaining their free, prior and informed consent, is integral to high-quality NBS ([IUCN Global Standard for NBS](#)<sup>1</sup> criteria 5 and 6). NBS projects need to have in place mechanisms and channels to ensure these rights are respected and consents are obtained.

**Not everything that is identified, assessed and evaluated through the LEAP approach is recommended for disclosure.** The TNFD framework is built on the recognition that dependencies and impacts on nature are location-specific and present risks and opportunities to organisations. The LEAP approach provides a structured approach for companies and financial institutions, large and small, to identify and assess their nature-related issues. Consequently, reporting organisations such as NBS projects need to be select what they report based on relevance to stakeholders and on materiality grounds.

From the above starting point, TNFD distinguishes between “framework users” and “report preparers and users”. It sees framework users as companies and financial institutions of all sizes and across all sectors interacting with nature and participating in global business supply chains and financial systems – this would include NBS projects. Report preparers are companies and financial institutions required to disclose information (under TNFD or mandatory standards) to regulators and other stakeholders, including capital providers. LEAP is therefore a framework by which NBS projects seeking to engage with financial stakeholders can align their project reporting to what financial stakeholders require, both for their investment and supply chain procurement decision-making and for their ongoing reporting obligations.

**Importantly, LEAP is intended to be flexible in its application** (see [TNFD LEAP guidance v1](#)<sup>3</sup>, p. 7). The TNFD describes LEAP as an ‘approach’ with assessment ‘stages’ not as a ‘process’ with ‘steps’ that must be followed in a strict order. While LEAP guidance below is laid out across 16 stages from L1 to P4, it is not necessary to use them strictly in sequential order, and NBS projects may find that some stages are less relevant than others. For an overview of how these stages relate to metrics proposed by TNFD, see figure A3.



**Figure A3:**

This figure (see TNFD recommendations v1, Figure 24) represents the TNFD metrics architecture – different categories of metrics recommended for TNFD disclosures and how these relate to TNFD LEAP approach stages.

## A.5. TNFD GUIDANCE MATERIAL

The full list of TNFD recommendations, guidance, and other publications, and its resource database and tools catalogues are on the main TNFD website [tnfd.global](https://tnfd.global). The following are the TNFD materials referred to in the Suggested Guidance and Metrics Workbook:

**Table A.5: Links to TNFD guidance**

TNFD PUBLICATION AND TNFD WEBPAGE LINK	LINK USED IN THE SUGGESTED GUIDANCE
TNFD. (September 2023). Recommendations of the Taskforce on Nature-related Financial Disclosures <a href="https://tnfd.global/wp-content/uploads/2023/08/Recommendations_of_the_Taskforce_on_Nature-related_Financial_Disclosures_September_2023.pdf?v=1695118661">https://tnfd.global/wp-content/uploads/2023/08/Recommendations_of_the_Taskforce_on_Nature-related_Financial_Disclosures_September_2023.pdf?v=1695118661</a>	<a href="#">TNFD Recommendations</a>
TNFD. (September 2023). Executive summary of the recommendations of the TNFD <a href="https://tnfd.global/wp-content/uploads/2023/09/Executive_summary_of_the_TNFD_recommendations.pdf?v=1695117009">https://tnfd.global/wp-content/uploads/2023/09/Executive_summary_of_the_TNFD_recommendations.pdf?v=1695117009</a>	<a href="#">Executive summary of the TNFD Recommendations</a>
TNFD. (September 2023). Guidance on the identification and assessment of nature-related issues: The LEAP approach Version 1.0 <a href="https://tnfd.global/wp-content/uploads/2023/08/Guidance_on_the_identification_and_assessment_of_nature-related-issues_The_TNFD_LEAP_approach_v1.pdf?v=1695138163">https://tnfd.global/wp-content/uploads/2023/08/Guidance_on_the_identification_and_assessment_of_nature-related-issues_The_TNFD_LEAP_approach_v1.pdf?v=1695138163</a>	<a href="#">TNFD LEAP guidance v1</a>
TNFD. (September 2023). Guidance on engagement with Indigenous peoples, Local Communities and affected stakeholders Version 1.0 <a href="https://tnfd.global/wp-content/uploads/2023/08/Guidance_on_engagement_with_Indigenous_Peoples_Local_Communities_and_affected_stakeholders_v1.pdf?v=1695138220">https://tnfd.global/wp-content/uploads/2023/08/Guidance_on_engagement_with_Indigenous_Peoples_Local_Communities_and_affected_stakeholders_v1.pdf?v=1695138220</a>	<a href="#">TNFD Guidance on engagement with Indigenous Peoples, Local Communities and affected stakeholders v1</a>
TNFD and the Science-Based Targets Network (SBTN). (September 2023). Guidance for corporates on science-based targets for nature Version 1.0 <a href="https://tnfd.global/wp-content/uploads/2023/09/Guidance_for_corporates_on_science_based_targets_for_nature_v1.pdf?v=1695138398">https://tnfd.global/wp-content/uploads/2023/09/Guidance_for_corporates_on_science_based_targets_for_nature_v1.pdf?v=1695138398</a>	<a href="#">TNFD-SBTN Guidance for corporates on science based targets for nature v1</a>
TNFD. (September 2023). Sector guidance: Additional guidance for financial institutions Version 1.0 <a href="https://tnfd.global/wp-content/uploads/2023/08/Guidance_for_Financial_Institutions_v1.pdf?v=1695215983">https://tnfd.global/wp-content/uploads/2023/08/Guidance_for_Financial_Institutions_v1.pdf?v=1695215983</a>	<a href="#">TNFD Guidance for financial institutions v1</a>
TNFD. (December 2023). Draft sector guidance – Forestry and paper <a href="https://tnfd.global/wp-content/uploads/2023/12/Draft_Sector-Guidance_Forestry-Management_Dec_2023.pdf?v=1701945331">https://tnfd.global/wp-content/uploads/2023/12/Draft_Sector-Guidance_Forestry-Management_Dec_2023.pdf?v=1701945331</a>	

TNFD PUBLICATION AND TNFD WEBPAGE LINK	LINK USED IN THE SUGGESTED GUIDANCE
TNFD. (December 2023). Draft sector guidance – Food and agriculture <a href="https://tnfd.global/publication/draft-sector-guidance-food-and-agriculture/#publication-content">https://tnfd.global/publication/draft-sector-guidance-food-and-agriculture/#publication-content</a>	
TNFD. (December 2023). Draft sector guidance – Aquaculture <a href="https://tnfd.global/wp-content/uploads/2023/12/Draft_Sector-Guidance_Aquaculture_Dec_2023.pdf?v=1701945328">https://tnfd.global/wp-content/uploads/2023/12/Draft_Sector-Guidance_Aquaculture_Dec_2023.pdf?v=1701945328</a>	
TNFD. (September 2023). Guidance on biomes Version 1.0 <a href="https://tnfd.global/wp-content/uploads/2023/09/Guidance_on_biomes_v1.pdf?v=1695138252">https://tnfd.global/wp-content/uploads/2023/09/Guidance_on_biomes_v1.pdf?v=1695138252</a>	<a href="#">TNFD Guidance on biomes v1</a>
TNFD. (September 2023). Discussion paper on proposed sector disclosure metrics: Draft for market consultation <a href="https://tnfd.global/publication/discussion-paper-on-sector-metrics/#publication-content">https://tnfd.global/publication/discussion-paper-on-sector-metrics/#publication-content</a>	<a href="#">TNFD discussion paper on sector metrics (Sept 2023)</a>
TNFD. (webpage). Tools Catalogue <a href="https://tnfd.global/guidance/tools-catalogue">https://tnfd.global/guidance/tools-catalogue</a>	<a href="#">TNFD Tools Catalogue</a>

# B - INDICATIVE GUIDANCE FOR NBS PROJECTS ON THE LEAP APPROACH

This section presents in tabular form the LEAP stages set out in the [TNFD Recommendations](#)<sup>2</sup> – shown in Figure A4 on the following page – and suggests how NbS projects might respond to the sub-headers and questions for each part of the LEAP approach.

For each stage of the LEAP approach, the [TNFD LEAP guidance v1](#)<sup>3</sup> sets out:

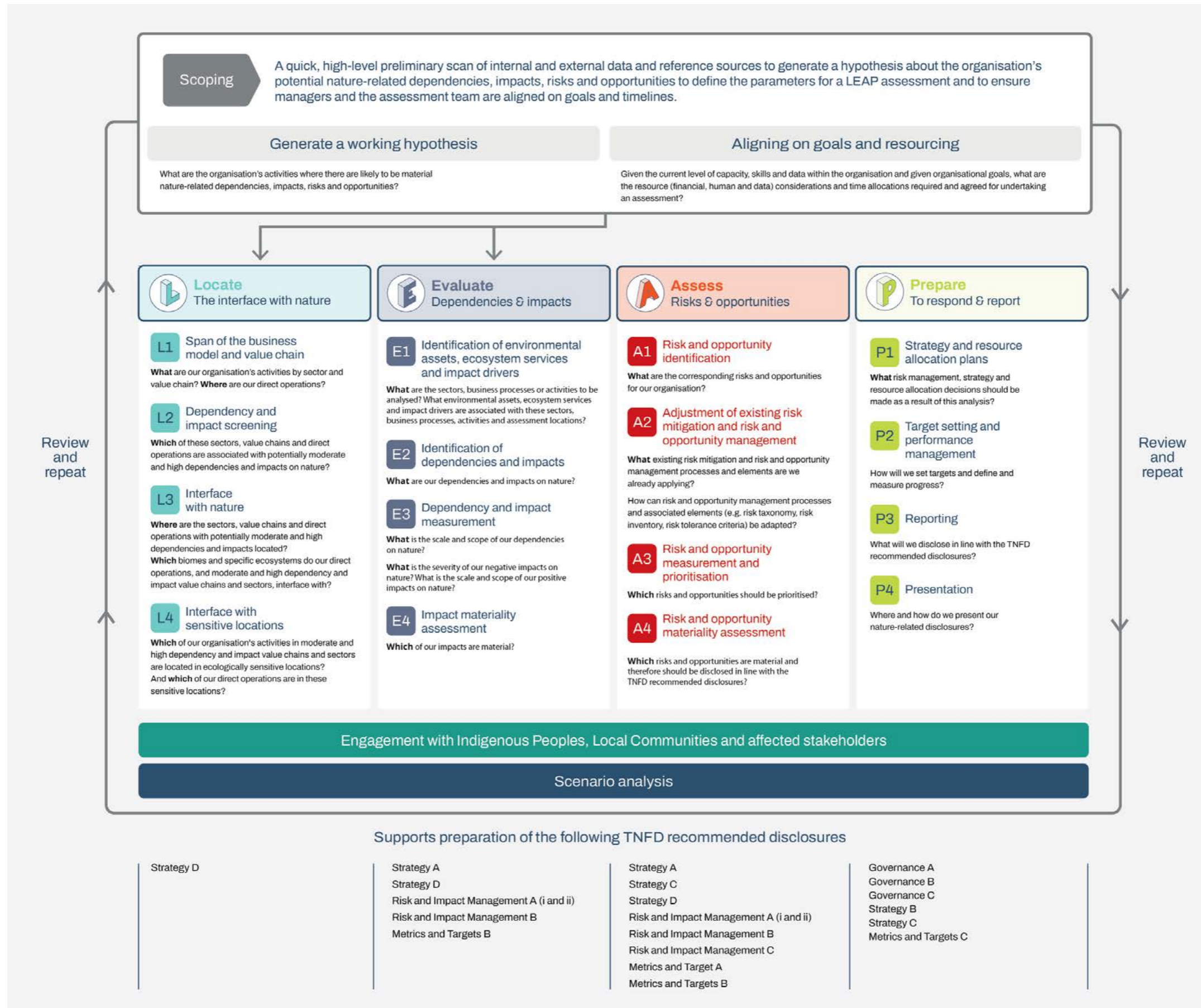
- The purpose of the stage
- Desired outputs
- Guiding questions
- Detailed discussion of the related issues and practices
- Links to sources for additional guidance and tools.

Sections B1-B5 below summarise the purpose and desired outputs of each stage. For each of the guiding questions, Tables B1-B5 provide suggestions on how NbS projects might apply LEAP, and allow space for NbS projects to include specific comments on that item. We include in sections B1-B5 below the “Questions for engagement with Indigenous Peoples, Local Communities (IPLCs) and affected stakeholders throughout the LEAP approach” set out in Table 1 of the [TNFD guidance on engagement with IPLCs and affected stakeholders v1](#)<sup>4</sup> (pp. 10-13) for NbS projects to consider.

Recognising that NbS must address societal issues as part of providing nature-positive outcomes, Section B6 below identifies GRI reporting standards relevant to NbS reporting on socio-economic factors, which can supplement reporting using the TNFD approach.

The [Metrics Workbook](#) provides outline guidance on the potential selection and use of indicators/metrics by NbS projects. For the most pertinent indicators and metrics given in the LEAP guidance and for GRI Disclosure Standards, the workbook tabs set out checklists to allow NbS projects to identify if the item is relevant to that project and might be selected for inclusion in reports and presentations.





**Figure A4: The LEAP approach: identification and assessment of nature-related issues**

Source: [TNFD Recommendations](#) Fig. 28, p. 72 and [TNFD LEAP guidance v1](#)<sup>3</sup> Fig. 1, p. 4.



## B1. SCOPING THE LEAP ASSESSMENT

**Objective**  
To align senior management and a designated LEAP assessment team on the parameters of the assessment, including the aspects of the business model and value chain to be assessed and the resources to be provided to undertake the assessment.

**Desired outputs (TNFD LEAP guidance v1<sup>3</sup> p. 38)**

- Strong internal support and budget to proceed with a LEAP assessment based on an agreed terms of reference and commensurate budget and resources.
- To focus the LEAP assessment, the terms of reference should include a short statement outlining the working hypothesis about the expected sectors and activities, value chains and geographies, as well as character, of the organisation’s potentially material nature-related dependencies, impacts, risks and opportunities.
- It should set out where the LEAP assessment team proposes to focus more detailed evaluation and assessment through the four phases of LEAP, with the ultimate objective of assessing (and reporting where relevant) those nature-related issues that are material to the organisation.

**Additional sources**  
LEAP guidance section 3.5 (p. 40) provides links to sources which can support scoping assessments.



**Table B1: Guiding questions for scoping**

LEAP GUIDING QUESTIONS	SUGGESTIONS ON HOW NBS PROJECTS MIGHT APPLY LEAP	NBS PROJECT-SPECIFIC COMMENTS/ NOTES (TO BE COMPLETED BY PROJECT)
<p>1. Generate a working hypothesis: What are the organisation’s business processes and activities where there are likely to be material nature-related dependencies, impacts, risks and opportunities?</p>	<p>The scoping stage aims to help the disclosing entity/ organisation refine where there are likely material nature-related issues in its value chains, to focus the scope of analysis in LEAP. NbS projects can harness the scoping stage to focus on their own pertinent/ material nature-related issues, as well as to explore how their own assets and activities interface/ respond to nature-related issues material to potential financial stakeholders. This will allow corporates, financial investors or lenders to judge if and how the NbS project may align with their objectives. The project should also identify if it can be considered as a “sensitive location” under TNFD (see the locate section B2 below). Further detail of location, scale and identification of material nature-related issues should be detailed in the locate stage below.</p> <p>Where an NbS project, as part of its intended outcomes, is seeking to address risks or opportunities of a specific target financial stakeholder, it can use that entity’s published financial and sustainability reports to identify its material issues, and then match its own reporting and metrics on those issues to demonstrate the benefits it offers.</p>	

LEAP GUIDING QUESTIONS	SUGGESTIONS ON HOW NBS PROJECTS MIGHT APPLY LEAP	NBS PROJECT-SPECIFIC COMMENTS/ NOTES (TO BE COMPLETED BY PROJECT)
Supporting questions:		
<p>1.1. Does the organisation (and the assessment team) have a foundational understanding of nature-related dependencies, impacts, risks and opportunities?</p> <p>1.2. How do views, knowledge and input from IPLCs, affected and other stakeholders inform thinking on potentially material nature-related dependencies, impacts, risks, and opportunities associated with the organisation's activities (direct operations and value chain)?</p>	<p>Nature-related issues: dependencies, impacts, risks and opportunities are defined in section 2 of the LEAP guidance. To frame its understanding of nature-related and societal dependencies, impacts, risks and opportunities, an NbS project can describe how it is applying <a href="#">IUCN Global Standard for NbS criteria</a>, to ensure that ecological and social considerations are addressed, as well as how stakeholders participate and their perspectives and priorities are taken into account. The approach can be summarised in a self-assessment evaluating the NbS project against the IUCN criteria and indicators for high-quality NbS, which NbS projects may wish to make available to potential financial stakeholders. How the organisation is applying <a href="#">TNFD guidance on engagement with IPLCs and affected stakeholders v1</a><sup>4</sup> can also be indicated in the self-assessment.</p> <p>In framing what societal challenge it addresses, an NbS project should respond to and address the needs and priorities of stakeholders and rights-holders in the landscapes in which it is implemented (IUCN criterion 1). Following that, aligning with the interests of financial stakeholders will be vital for the implementation of the project. Establishing the equitable distribution of benefits between community and financial stakeholders is essential – not only for fairness, but also for the resilience of the NbS project, by giving the community a strong interest in supporting the project with positive and complementary activities. Combined with robust stakeholder assessments, cost-effectiveness and cost-benefit analyses can help identify how benefits disaggregate between stakeholder groups, including beneficiaries in the landscapes and investors (see IUCN criterion 4).</p>	

LEAP GUIDING QUESTIONS	SUGGESTIONS ON HOW NBS PROJECTS MIGHT APPLY LEAP	NBS PROJECT-SPECIFIC COMMENTS/ NOTES (TO BE COMPLETED BY PROJECT)
<p>1.3. What activities and/or assets are in the organisation's upstream and downstream value chains?</p> <p>1.4. In which sectors, value chains and/or geographies does the organisation have a presence?</p>	<p>An NbS project might consider questions 1.2 and 1.3 broadly, to identify what economic activities and which businesses rely on the landscape within which the NbS project is situated; to where/to whom its outputs might be supplied; and how its interventions impact other activities in its landscape. This serves to identify potential financial stakeholders such as corporates active in the landscape, potential buyers of produce from the NbS project, and financial institutions which have significant exposures in that landscape or the sector the NbS project might supply.</p> <p>By identifying types of potential financial stakeholders, and how their activities overlap with the landscapes in which the NbS operates, the project can explicitly associate its impact and benefits with the nature-related issues of a potential investor. It can use that entity's published financial and sustainability reports to identify its material issues, and then match its own reporting and metrics on those issues to demonstrate the benefits it offers. These financial stakeholders may then be engaged as potential project implementation partners, project beneficiaries (e.g. product offtakers or long-term purchasers) or financial investors.</p>	
<p>1.5. How much revenue, expenditure or earnings is associated with each of these activities and assets? By sector, value chain and/or geography</p>	<p>For a place-based NbS project embedded in a landscape and within a specific sector these measures of financial exposure will be evident from its financial records and forecasts.</p>	

LEAP GUIDING QUESTIONS	SUGGESTIONS ON HOW NBS PROJECTS MIGHT APPLY LEAP	NBS PROJECT-SPECIFIC COMMENTS/ NOTES (TO BE COMPLETED BY PROJECT)
2. Align on goals and resourcing: Given the current level of capacity, skills and data within the organisation and given organisational goals, what are the resource (financial, human and data) considerations and time allocations required and agreed for undertaking an assessment?		
Supporting questions:		
2.1. What are the organisation's goals and expected outcomes from a LEAP assessment?	See 1.1 above: these should arise from the NbS project's theory of change.	
2.2. What is the organisation's approach to materiality? Who are the key stakeholders for TNFD-aligned corporate reporting and what information will be material to them?	<p>This will be case specific. NbS projects will need to measure and collect a wide range of information to assess their own performance across the full range of nature, people and climate issues which their interventions are intended address. Not all of these measures will be relevant to particular financial stakeholders, but NbS projects should take care not to focus exclusively on the measures relevant to stakeholders to the exclusion of other measures.</p> <p>In any event NbS projects must also respond to and address the needs and priorities of stakeholders and rights-holders (<a href="#">IUCN Global Standard for NbS</a> criterion 1). Establishing and reporting on the equitable distribution of benefits between community and financial stakeholders is essential – not only for fairness, but also for the resilience of the NbS project, by giving the community a strong interest in supporting the project with positive and complementary activities. Further, TNFD guidance on IPLC engagement specifies that presentation of disclosures should be available, easily accessible, culturally appropriate and easily interpreted by IPLCs and affected stakeholders (<a href="#">TNFD guidance on engagement with IPLCs and affected stakeholders v1<sup>4</sup></a>, p. 13).</p>	

LEAP GUIDING QUESTIONS	SUGGESTIONS ON HOW NBS PROJECTS MIGHT APPLY LEAP	NBS PROJECT-SPECIFIC COMMENTS/ NOTES (TO BE COMPLETED BY PROJECT)
2.3. What level of assessment is feasible or appropriate at this time given the complexity of the organisation's value chain? Should it be by product, process, input, business unit or site?	Considering the granularity of the assessment is important where an NbS comprises more than one action or intervention within or across landscapes. For example, where an NbS comprises a landscape approach involving multiple interventions (e.g. protection, restoration and sustainable management of the farming matrix), the analysis could be disaggregated across these, or conducted at a higher scale to understand impacts across the landscape. This is particularly important where ecosystem services are generated by ecological processes operating at the landscape scale (for example, water flows). Judging which scale is appropriate requires considering investor needs and priorities, as well as the information needed to guide adaptive management of the intervention itself.	
2.4. What are the baselines and time periods for the analysis?	<p>Social and environmental baseline assessments are essential for long-term measurement and evaluation of NbS project impacts. Project design will include planning of assessments and their frequency over the project life. For applying the LEAP approach, baseline assessments will be needed to establish the potential benefits of the projects, set levels for performance metrics and support adaptive management.</p> <p>After identifying potential financial stakeholders, NbS projects could benefit from understanding those entities' baselines and time periods, to explore alignment with their own monitoring, evaluation and learning plan/processes and in turn the potential to respond to the potential financial stakeholders' nature-related issues, goals and targets.</p>	
2.5. What are the current limitations and/or constraints of the assessment? For example, skills, data, financial resources.	This will be case specific; this should be assessed by balancing the reasonable needs of financial stakeholders for reliable and accurate information, and the time and cost required to carry out the assessment relative to the project's size and resources.	
2.6. Where is it appropriate to place the boundaries around an analysis? What are the relevant business activities, sectors, geographies, and biomes?	The NbS project should consider if and to what extent it needs to consider its dependencies and impacts beyond its immediate location. <a href="#">IUCN Global Standard for NbS</a> criterion 2 specifies the importance of accounting for scale, and the social and ecological interactions (including with financial stakeholders) that have material implications for the effectiveness of the NbS.	

## B2. LOCATING THE ORGANISATION’S INTERFACE WITH NATURE

### Objective

- To identify an organisation’s potentially material sources of nature-related dependencies, impacts, risks and opportunities. This is designed to help focus more detailed due diligence through the evaluate and assess stages of LEAP.

### Desired outputs (TNFD LEAP guidance v1<sup>3</sup> p. 38)

- Solid understanding of moderate and high nature-related dependencies and impacts filtered by sector, value chain (upstream and downstream) and geography.
- A list and/or map of ecologically sensitive locations that the organisation operates in, and a broader set of assessment locations to take into the evaluate phase of LEAP.
- Understanding of the proportion of the business model, value chains and/or capital portfolio assessed for its interface with nature.



Table B2: Guiding questions for locating

LEAP GUIDING QUESTIONS	SUGGESTIONS ON HOW NBS PROJECTS MIGHT APPLY LEAP	NBS PROJECT-SPECIFIC COMMENTS/ NOTES (TO BE COMPLETED BY PROJECT)
<p>L1. Span of the business model and value chain – What are our organisation’s activities by sector, value chain and geography? Where are our direct operations?</p> <p><i>Supporting questions:</i></p> <p>1.1. Sector: For corporates: In which sectors do our business model and value chain partners operate? For financial institutions: in which sectors do we allocate capital or provide products and services?</p> <p>1.2. Value chains: In which upstream and downstream value chains do we participate?</p> <p>1.3. Geography: Where are the geographic locations of our direct operations?</p>	<p>NbS projects, being place-based, can readily specify their locational characteristics to identify sensitive and material locations. This allows identifying locations that are sensitive and material to the NbS and its operations directly, as well as how those locations may interface with the sensitive and material locations of potential investors.</p> <p>To help financial stakeholders identify their alignment with the NbS project’s sphere of activities and influence, the NbS project should detail its location and scale: specify its land/seascape, and use guidance on applying the IUCN Global Standard and UN SEEA categories (see <a href="#">TNFD LEAP guidance v1<sup>3</sup> p. 13</a>) to specify its biome category(s), the environmental assets it controls or influences, and the ecosystem services it provides (provisioning, regulating and maintenance, cultural).</p> <p>Also, overlap between the NbS location and areas designated as significant by national or international bodies (e.g. Ramsar wetlands, UNESCO World Heritage sites, national nature reserves, protected areas) should be made explicit.</p> <p>The NbS project can identify the economic sectors and value chains into which its activities or its products fall, and from that identify potential financial stakeholders, whether corporates or financial institutions with investment appetite in those sectors.</p> <p>For example, NbS providing water treatment or replenishment services can address/mitigate impacts of value chain operations for a corporate, such as along a commodity supply chain. Where the NbS delivers products, such as sustainably produced commodities, it will be important to identify the sectors of relevance, and in turn potential investors. Tools which may assist in the process of mapping from the desired positive impact of NbS projects to potentially benefiting economic activities include, for example, the UNEP/WCMC <a href="#">ENCORE tool</a> (Exploring Natural Capital Opportunities, Risks and Exposures) and the WWF <a href="#">Biodiversity Risk Filter</a>.</p>	

LEAP GUIDING QUESTIONS	SUGGESTIONS ON HOW NBS PROJECTS MIGHT APPLY LEAP	NBS PROJECT-SPECIFIC COMMENTS/ NOTES (TO BE COMPLETED BY PROJECT)
<p>L2. Dependency and impact screening – Are any of these sectors, value chains and direct operations associated with potentially moderate and high dependencies and impacts on nature?</p> <p>L3. Interface with nature – Where are the sectors, value chains and direct operations with potentially moderate and high dependencies and impacts located? Which biomes and specific ecosystems do our direct operations, and moderate and high dependency and impact value chains and sectors, interface with?</p>	<p>The location of the NbS and its boundaries, and how this may include priority areas such as high-integrity ecosystems, should be made explicit. The project can do this by referring to the status of its location as shown in mapping tools such as the WWF <a href="#">Biodiversity</a> and <a href="#">Water</a> Risk Filters or other relevant tools suggested by TNFD – see <a href="#">TNFD LEAP guidance v1</a><sup>3</sup> p. 40 and the <a href="#">TNFD tools catalogue</a>.</p> <p>In addition to identifying and understanding their own dependencies on nature, NbS projects should identify which potential financial stakeholders are directly or indirectly (through value chains) dependent on the NbS project’s area of influence. Particularly for larger, landscape-level NbS interventions, this can be determined through scoping assessments combining geospatial and remotely sensed data to assess the state of natural capital and biodiversity. GIS layers of known priority areas from ecosystem/habitat perspective, such as designated protected areas, can be overlaid with the intervention’s boundaries as well.</p>	
<p>L4. Interface with sensitive locations – For our organisation’s activities in moderate and high dependency and impact value chains and sectors, which of these are in ecologically sensitive locations? And which of our direct operations are in these sensitive locations?</p>	<p>In particular, the NbS project should identify if it is within or overlaps with “sensitive locations” as defined by TNFD, being any:</p> <ul style="list-style-type: none"> <li>• Areas important for biodiversity, including species</li> <li>• Areas of high ecosystem integrity</li> <li>• Areas of rapid decline in ecosystem integrity</li> <li>• Areas of high physical water risks</li> <li>• Areas of importance for ecosystem service provision, including benefits to IPLCs and other stakeholders.</li> </ul>	

LEAP GUIDING QUESTIONS	SUGGESTIONS ON HOW NBS PROJECTS MIGHT APPLY LEAP	NBS PROJECT-SPECIFIC COMMENTS/ NOTES (TO BE COMPLETED BY PROJECT)
<i>Questions for engagement with IPLCs and affected stakeholders</i>		
L1. Span of the business model and value chain	Are there IPLCs and affected stakeholders in the geographic locations of our direct operations? Where are they located?	
L2. Dependency and impact screening	Are IPLCs and affected stakeholders typically involved in or impacted by the activities of these sectors and value chains?	
L3: Interface with nature	<p>Are there IPLCs and affected stakeholders in these locations?</p> <p>At which locations are our organisation and its value chains interfacing with Indigenous Peoples’ lands, territories, and sacred sites?</p> <p>What knowledge, including traditional knowledge, do IPLCs and other stakeholders have of these ecosystems?</p> <p>What is the perspective of IPLCs and other stakeholders on the value and importance of these ecosystems?</p>	
L4: Interface with sensitive locations	<p>Are there any IPLCs and stakeholders who are also interfacing with nature in these sensitive locations?</p> <p>What are IPLCs and affected stakeholders’ perspectives on our sensitive location Questions for engagement identification?</p>	

### B3. EVALUATING NATURE-RELATED DEPENDENCIES AND IMPACTS

**Objective**

- To develop an understanding of the organisation’s potentially material dependencies and impacts on nature.

**Desired outputs (TNFD LEAP guidance v1<sup>3</sup> p. 38)**

- A list of relevant environmental assets and ecosystem services.
- A list of the organisation’s dependencies and impacts on nature.
- Analysis of potentially material dependencies and impacts on nature.
- A list of material dependencies and impacts (for disclosure using an impact materiality approach such as GRI and incorporated into the ESRS in Europe).

**Additional sources**

Resources to support the evaluate phase: see LEAP guidance p. 98 and LEAP guidance Annex 1 (TNFD suggested assessment metrics) and further tools in the [TNFD tools catalogue](#).



Table B3: Guiding questions for evaluation

LEAP GUIDING QUESTIONS	SUGGESTIONS ON HOW NBS PROJECTS MIGHT APPLY LEAP	NBS PROJECT-SPECIFIC COMMENTS/ NOTES (TO BE COMPLETED BY PROJECT)
<p><b>E1: Identification of environmental assets, ecosystem services and impact drivers</b></p> <ul style="list-style-type: none"> <li>What are the business processes and activities to be analysed?</li> <li>What environmental assets, ecosystem services and impact drivers are associated with these business processes, activities, and assessment locations?</li> </ul> <p>TNFD suggests the following non-exhaustive list of impact drivers along with other more specific sources (see <a href="#">TNFD LEAP guidance v1<sup>3</sup></a> Table 5, pp. 69-70):</p> <p>Driver of nature change (Impact drivers)</p> <ul style="list-style-type: none"> <li>Land/freshwater/ocean-use change</li> <li>Climate change (Greenhouse gas emissions)</li> <li>Resource use/replenishment (Water use, Other resource use)</li> <li>Pollution/pollution removal (Non-GHG air pollution, water pollution, soil pollution, waste disturbances)</li> <li>Invasive species and other (Biological alteration)</li> <li>LEAP guidance Figure 6 (p. 13) includes the IUCN and UN SEEA categories of environmental assets and ecosystem services.</li> </ul> <p>LEAP guidance Figure 6 (p. 13) includes the IUCN and UN SEEA categories of environmental assets and ecosystem services.</p>	<p>For an NbS project, understanding of its dependencies and impacts (as well as risks and opportunities) will come from its theory of change – i.e. what outcomes are intended from the planned interventions, what are its dependencies and the associated risks that might derail its intended outcomes.</p> <p>Following <a href="#">IUCN Global Standard for NbS</a> criteria, the NbS project design should respond to an evidence-based assessment of ecosystem state and drivers of degradation and loss affecting its area of influence, and disclose how its intervention design addresses these. This should in turn inform its theory of change. The NbS intervention should be designed with scale in mind, responding to the interactions with economy, society and ecosystems (IUCN criterion 2).</p> <p>When specifying the environmental assets it depends on and will impact, and the ecosystem services it aims to improve, an NbS project should also specify which societal benefits it is providing and the communities it impacts. For example, improvements in provisioning services and in soil and sediment retention will help improve food security and support social and economic development; improvement to water supplies or to flood mitigation addresses water security and disaster risk.</p>	

LEAP GUIDING QUESTIONS	SUGGESTIONS ON HOW NBS PROJECTS MIGHT APPLY LEAP	NBS PROJECT-SPECIFIC COMMENTS/ NOTES (TO BE COMPLETED BY PROJECT)
<p><b>E2: Identification of dependencies and impacts</b></p> <p>What are our dependencies and impacts on nature?</p> <ul style="list-style-type: none"> <li>• Qualitatively describe the external factors affecting the state of nature in the [NbS project's] area of influence (<a href="#">TNFD LEAP guidance v1<sup>3</sup></a> section 5.5.3 p. 73)</li> <li>• Describe how the identified external factors and [NbS project's] impact drivers could lead to changes in the state of nature (LEAP guidance section 5.5.4 p. 74)</li> <li>• Describe how the changes in the state of nature identified could lead to changes in ecosystem service provision (LEAP guidance section 5.5.5 p. 76)</li> </ul> <p><i>Supporting questions:</i></p> <p>External factors: What are the external factors affecting our business processes and activities, and each assessment location?</p> <p>Ecosystem service provision: What ecosystem services do our business processes and activities depend on? What ecosystem services do we and others depend on in our assessment locations?</p> <p>Changes to the state of nature: What changes to the state of nature are our impact drivers and the external factors in our assessment locations and area of influence contributing to? What might this mean for nature's capacity to provide ecosystem services in the future?</p> <p>Identification of dependencies and impacts: What are our identified dependencies and impacts associated with each assessment location?</p> <p>Dependency and impact pathways: How do these changes fit together to form dependency and impact pathways, including consideration of interactions between them?</p>	<p>As suggested in LEAP guidance section 5.5.6 (Prioritising dependencies and impacts; p. 77) E2 should conclude with the NbS project having a list of dependencies and impacts ranked on a high/medium/low qualitative scale. This requires the NbS project evaluating how the impact drivers and external factors might affect the environmental assets and ecosystem services that the project itself and its stakeholders depend on. Then, in stage E3, dependencies and impacts assessed as high and medium can be measured quantitatively, where possible.</p> <p>For an NbS project, addressing these questions helps to focus the analysis carried out in evaluation stage E1 above, to evaluate how its intended interventions will affect its area of influence, the communities within it, and wider stakeholders including potential financial stakeholders.</p> <p>Where an NbS project delivers goods or ecosystem service flows to bolster the sustainability of a value chain, financial stakeholders can analyse these relative to the size and scale of their own nature-related dependencies and impacts. However, as mentioned, it is also crucial for the NbS to identify its own nature-related dependencies. The NbS should refine analyses to identify size and scale of these.</p>	

LEAP GUIDING QUESTIONS	SUGGESTIONS ON HOW NBS PROJECTS MIGHT APPLY LEAP	NBS PROJECT-SPECIFIC COMMENTS/ NOTES (TO BE COMPLETED BY PROJECT)
<p><b>E3: Dependency and impact measurement</b></p> <ul style="list-style-type: none"> <li>• Dependency measurement – What is the scale and scope of our dependencies on nature?</li> <li>• Impact measurement – What is the severity of our negative impacts on nature? What is the scale and scope of our positive impacts on nature</li> </ul>	<p>NbS projects, when designing their monitoring and evaluation frameworks, need to develop indicators and metrics not only for management to measure performance, but also for other potential stakeholders to assess the relevance and materiality of the NbS project in relation to their own objectives.</p> <p><a href="#">TNFD LEAP guidance v1<sup>3</sup></a> p. 80 sets out criteria for ensuring that indicators and metrics developed or selected by projects are material and useful to stakeholders; that they cover the nature realms affected by the project; quantify impacts (absolute, rate of change and intensity ratios from a baseline or reference point); are based on recognised scientific methods.</p> <p>TNFD suggests (in <a href="#">TNFD LEAP guidance v1<sup>3</sup></a> Annex 1 (pp. 158-165)) a non-exhaustive list of over 30 indicators and associated metrics to measure the scale and scope of an organisation's dependencies and impacts on nature. Consistent with <a href="#">IUCN Global Standard for NbS</a> criterion 3, these indicators allow NbS projects to assess their performance against their objectives for biodiversity net gain and ecosystem integrity, as well as the structure and function of ecosystems. However, consistent with IUCN criterion 1, high-quality NbS projects also need to assess how they are addressing societal challenges, especially for rights-holders and beneficiaries in the project location (area of influence). Likewise, applying inclusive governance in the project as recommended in the <a href="#">TNFD guidance on engagement with IPLCs and affected stakeholders v1<sup>4</sup></a>, and in line with IUCN criteria 5 and 6, helps to ensure that NbS project design and monitoring reflect the interests of all stakeholders, including IPLCs. For these societal impacts, other reporting standards such as GRI may provide more guidance – see Table B6 below.</p>	

LEAP GUIDING QUESTIONS	SUGGESTIONS ON HOW NBS PROJECTS MIGHT APPLY LEAP	NBS PROJECT-SPECIFIC COMMENTS/ NOTES (TO BE COMPLETED BY PROJECT)
<p><b>E4: Impact materiality assessment</b></p> <ul style="list-style-type: none"> <li>Which of our impacts are material?</li> </ul>	<p>Following the selection in E3 of relevant dependencies and impacts to measure, in E4 the NbS project prioritises which of these are material for reporting purposes. For impacts, TNFD suggests applying the GRI approach as illustrated in the TNFD LEAP guidance Figure 21: GRI approach to determine impact materiality (p. 94).</p> <p>NbS projects should recognise that (especially) financial stakeholders will expect that project indicators and metrics align to their own material indicators, such that project performance can be compared to other interventions being monitored and reported by the financial stakeholder. As a result, the indicators and metrics judged to be material by an NbS project may well be quite broad: covering elements specific to measuring its own performance as well as providing data for use by financial stakeholders in evaluating and reporting on their range of nature impacts and dependencies.</p> <p>Examples of potential dependency and impact indicators and metrics for disclosure are reviewed in the <a href="#">Metrics Workbook</a>.</p>	

LEAP GUIDING QUESTIONS	SUGGESTIONS ON HOW NBS PROJECTS MIGHT APPLY LEAP	NBS PROJECT-SPECIFIC COMMENTS/ NOTES (TO BE COMPLETED BY PROJECT)
<i>Questions for engagement with IPLCs and affected stakeholders</i>		
E1: Identification of environmental assets, ecosystem services and impact drivers	Are there any IPLCs and stakeholders whose human rights and livelihoods, depend on these environmental assets and ecosystem services?	
E2: Identification of dependencies and impacts	<p>What environmental assets and ecosystem functions and services do IPLCs and affected stakeholders depend on or impact?</p> <p>What rights do they have over these environmental assets and ecosystem services?</p>	
E3: Dependency and impact measurement	<p>Which IPLCs and stakeholders value and depend on nature and what is their dependency?</p> <p>How do the organisation's activities affect their dependencies on nature and ability to access ecosystem services?</p>	
E4: Determination of impact materiality	<p>Which IPLCs and stakeholders may be impacted by our impact on nature?</p> <p>What are the actual and potential impacts on the rights and livelihoods of IPLCs and affected stakeholders?</p> <p>What are their perspectives on how they will be impacted in the immediate, short, medium and long term?</p>	



**B4. ASSESSING NATURE-RELATED RISKS AND OPPORTUNITIES**

**Objective**

- To understand which nature-related risks and opportunities are material and should be disclosed by the organisation. This is done through the identification, measurement and prioritisation of nature-related risks and opportunities originating from the dependencies and impacts on nature identified in the Locate and Evaluate phases.

**Desired outputs (TNFD LEAP guidance v1<sup>3</sup> p. 100)**

- Longlist of relevant nature-related risks and opportunities, which can be plotted into any existing risk matrix in use by the organisation.
- Shortlist of material nature-related risks and opportunities, and a list of priority locations.
- An outline of the process followed to adapt existing risk processes and associated elements to integrate nature-related risks and opportunities.



**Table B4: Guiding questions for assessing**

LEAP GUIDING QUESTIONS	SUGGESTIONS ON HOW NBS PROJECTS MIGHT APPLY LEAP	NBS PROJECT-SPECIFIC COMMENTS/NOTES (TO BE COMPLETED BY PROJECT)
<p><b>A1: Risk and opportunity identification – What are the corresponding risks and opportunities for our organisation?</b></p>	<p>The evaluate stage of LEAP focused on the dependencies and impacts of the organisation on nature. The assess stage focuses on the risks and opportunities that arise for the organisation and which originate from its impacts and dependencies on nature. NbS projects, like any other organisation, will need to identify the nature-related risks and opportunities which may affect their performance and achievement of intended outcomes: for example, although an NbS project may be designed to improve climate resilience, it may still be exposed to damage from extreme weather events.</p> <p>Opportunities can include the benefits the project can provide to potential financial stakeholders, to the extent that the intended outcomes align to the financial stakeholders’ objectives.</p> <p>As well as considering their own risk and opportunities, NbS projects can therefore explore how their interventions may provide opportunities for target financial stakeholders to better manage their risks, giving them an incentive to invest in the NbS project. For example, agroecological production methods which increase crop resilience (e.g. coffee, cacao, rubber) can offer buyers greater stability of supply as well as certified sustainable sourcing. NbS projects can assess how their own risks and opportunities affect financial stakeholders and should consider the TNFD categorisation of risk into physical risks, transition risks and systemic risks (see <a href="#">TNFD LEAP guidance v1<sup>3</sup></a> pp. 102-111). Tables 13 and 14 of the LEAP guidance (pp. 125-130) set out examples of nature-related risks and opportunities, as well as their potential financial impacts – this can aid NbS projects in their selection of financial stakeholders affected by their interventions.</p>	

LEAP GUIDING QUESTIONS	SUGGESTIONS ON HOW NBS PROJECTS MIGHT APPLY LEAP	NBS PROJECT-SPECIFIC COMMENTS/ NOTES (TO BE COMPLETED BY PROJECT)
<p><b>A2: Adjustment of existing risk mitigation and risk and opportunity management – What existing risk mitigation and risk and opportunity management processes and elements are we already applying? How can risk and opportunity management processes and associated elements (e.g. risk taxonomy, risk inventory, risk tolerance criteria) be adapted?</b></p>	<p>As part of its design and implementation, an NbS project needs to develop sound organisational project risk management processes, for example creation and maintenance of a risk register that is regularly reviewed and updated at both board and management levels and informs its monitoring and operating regimes. Consistent with <a href="#">IUCN Global Standard for NbS</a> criterion 2, risks beyond the immediate project location and risks to other stakeholders need also to be considered. Risks should be assessed by probability of occurrence and severity of impact, for example probabilistically or by high/medium/low heatmap.</p> <p>Where an NbS is strategically designed to deliver risk mitigation or opportunity management for a particular financial stakeholder, the NbS should continue exploring how to adaptively manage its design and operations to maximise delivery of these and minimise potential trade-offs or unintended consequences.</p>	
<p><b>A3: Risk and opportunity measurement and prioritisation – Which risks and opportunities should be prioritised?</b></p>	<p>After identifying risk mitigation or opportunity management potential for a particular financial stakeholder, NbS projects should aim to evaluate this. It will be important to evaluate any ecosystem service trade-offs which may arise, through tools such as InVEST from the <a href="#">Natural Capital Project</a>.</p>	

LEAP GUIDING QUESTIONS	SUGGESTIONS ON HOW NBS PROJECTS MIGHT APPLY LEAP	NBS PROJECT-SPECIFIC COMMENTS/ NOTES (TO BE COMPLETED BY PROJECT)
<p><b>A4: Risk and opportunity materiality assessment – Which risks and opportunities are material and therefore should be disclosed in line with the TNFD recommended disclosures</b></p>	<p>Like LEAP evaluate stage E4 for selecting material dependencies and impacts to disclose, the most significant risks and opportunities with higher probability of occurrence and higher severity (or scale and scope) of impact will be most material. NbS projects should recognise that (especially) financial stakeholders will expect that the project indicators and metrics align to their own material indicators, so that project risks and opportunities can be compared to other nature risks and opportunities they face. Similar to E4, the risk and opportunities indicators and metrics judged to be material by an NbS project may well be quite broad: covering elements specific to measuring its own performance as well as providing data for use by financial stakeholders in evaluating and reporting on their range of nature impacts and dependencies.</p> <p>Examples of potential risk and opportunity indicators and metrics (from <a href="#">TNFD LEAP guidance v1<sup>3</sup></a>) for disclosure are included in the Metrics Workbook.</p>	
<p><i>Questions for engagement with IPLCs and affected stakeholders</i></p>		
<p>A1: Risk and opportunity identification</p>	<p>What are the insights into the risks and opportunities for our organisation based on our engagement with IPLCs and affected stakeholders?</p>	
<p>A2: Adjustment of existing risk mitigation and risk and opportunity management</p>	<p>How do these mitigation and management processes consider related impacts on, relationships and engagement with IPLCs and affected stakeholders?</p> <p>What are the perspectives of IPLCs and affected stakeholders on the organisation’s existing and adapted risk mitigation and risk and opportunity management processes?</p>	
<p>A3: Risk and opportunity measurement and prioritisation</p>	<p>What are the perspectives of IPLCs and affected stakeholders on the risks and opportunities that the organisation should prioritise?</p>	
<p>A4: Risk and opportunity measurement and prioritisation</p>	<p>How are the perspectives of IPLCs and affected stakeholders considered when determining the materiality of risks and opportunities to the organisation?</p>	

## B5. PREPARING TO RESPOND AND REPORT

### Objective

- To decide how the organisation should respond to the material nature-related issues identified in the LEAP approach, including what to disclose and how to disclose the material issues identified.

### Desired outputs

- Agreement on how the organisation will respond to the nature-related issues identified in the LEAP approach, including through setting effective goals and targets.
- A discussion within the organisation of its governance and risk management processes in light of its nature-related assessment.
- The setting of nature-related targets and goals by the organisation in light of its nature-related assessment.
- The production and publication of a set of TNFD-aligned disclosures.

### Additional sources

Resources to support the prepare phase include (see [TNFD LEAP guidance v1](#)<sup>3</sup> p. 156):

- TNFD Recommendations
- SBTN guidance on setting science-based targets for nature
- Guidance on disclosure presentation by relevant standards bodies (e.g. GRI)
- ISSB's IFRS-S1 General Requirements for Disclosure of Sustainability-related Financial Information.



Table B5: Guiding questions for preparing

LEAP GUIDING QUESTIONS	SUGGESTIONS ON HOW NBS PROJECTS MIGHT APPLY LEAP	NBS PROJECT-SPECIFIC COMMENTS/ NOTES (TO BE COMPLETED BY PROJECT)
<p><b>P1: Strategy and resource allocation plans – What risk management, strategy and resource allocation decisions should be made as a result of this analysis?</b></p>	<p>High-quality NbS projects are designed to respond to stresses on nature and human wellbeing and, based on inclusive project design and implementation, to manage trade-offs and risks and avoid poor outcomes which may cause reputational damage for financial stakeholders.</p> <p>By carrying out the scope, locate, evaluate and assess stages above, the NbS project will have identified how its expected outcomes can address the nature-related challenges facing potential financial stakeholders operating in or exposed to the NbS project's sector, biome and geographic location. From this, the NbS project can decide which potential financial stakeholders to target. Then, when approaching them, the NbS project will need to demonstrate that it has available and is allocating sufficient resources and capabilities to achieve its intended outcomes and address potential risks and unintended consequences, including on the ecological and social foundations of the NbS intervention.</p> <p>NbS projects can frame their offering to potential financial stakeholders using the SBTN Action Framework for the mitigation hierarchy ("AR3T"), by explaining how the NbS project:</p> <ul style="list-style-type: none"> <li><b>Avoids:</b> prevents or eliminates negative impacts</li> <li><b>Reduces:</b> minimises negative impacts that cannot be fully eliminated</li> <li><b>Regenerates:</b> increases the biophysical function and/or ecological productivity of its ecosystem or its stages</li> <li><b>Restores:</b> initiates or accelerates the recovery of an ecosystem, with a focus on permanence of changes in state</li> <li><b>Transforms:</b> contributes to systemic change by being an exemplar and evidencing potential of scalability or replicability.</li> </ul>	

LEAP GUIDING QUESTIONS	SUGGESTIONS ON HOW NBS PROJECTS MIGHT APPLY LEAP	NBS PROJECT-SPECIFIC COMMENTS/ NOTES (TO BE COMPLETED BY PROJECT)
<p><b>P2: Target setting and performance management – How will we set targets and define and measure progress?</b></p>	<p>For NbS projects, the approach to target-setting and in turn aligning indicators and metrics to TNFD should be framed by the project theory of change, project design, and monitoring and evaluation framework – ideally following the <a href="#">IUCN Global Standard for NbS</a>. Consistent with IUCN criterion 5 and with the <a href="#">TNFD guidance on engagement with IPLCs and affected stakeholders v1<sup>4</sup></a>, applying inclusive governance principles, the NbS project will need to design targets in consultation with affected stakeholder groups (including IPLCs) and ensure that these stakeholders have capacity to provide their free, prior and informed consent. This ongoing engagement and consent are essential, since these directly affected stakeholders need to be active participants in ensuring positive outcomes for the project and managing potential trade-offs.</p> <p><a href="#">TNFD LEAP guidance v1<sup>3</sup></a> p. 146 encourages use of science-based targets – measurable, actionable and time-bound objectives based on best available science – so as to be consistent with the joint TNFD and SBTN <a href="#">guidance for corporates on science-based targets for nature</a>. In essence, these targets are expressed in terms of the feasible expected change in values of metrics identified in the evaluate and assess stages of LEAP (see LEAP guidance Table 19 pp. 144-145 for an illustration). They can also be aligned to wider transition plans and global goals, such as those of the Global Biodiversity Framework and the Sustainable Development Goals.</p>	

LEAP GUIDING QUESTIONS	SUGGESTIONS ON HOW NBS PROJECTS MIGHT APPLY LEAP	NBS PROJECT-SPECIFIC COMMENTS/ NOTES (TO BE COMPLETED BY PROJECT)
<p><b>P3: Reporting on nature-related matters – What will we disclose in line with the TNFD recommended disclosures?</b></p>	<p>Review of the <a href="#">TNFD LEAP guidance v1<sup>3</sup></a> Annex 1 suggests a large number of TNFD-recommended metrics may be relevant for NbS projects – these are set out in the Metrics Workbook. TNFD recommended disclosure metrics are split between “core metrics” to be followed by all organisations, and suggested “additional metrics” whose relevance will vary depending on the organisation. As well as core and additional metrics the LEAP guidance also sets out assessment metrics which are illustrative metrics that may assist organisations during their assessments.<a href="#">[add page reference]</a>.</p> <p>However, the relevance of specific metrics, and their use by financial stakeholders, depends on the nature of the financial stakeholder and its relationship to the NbS project:</p> <ul style="list-style-type: none"> <li>• For NbS projects integrated in companies’ operations or supply chain, delivering services or providing materials and goods, the NbS project directly impacts numerous potential TNFD-recommended metrics. For such metrics, the quantitative impact of the NbS project on the particular metrics can be accounted by the stakeholder as it aggregates impact across its operations. Note that for stakeholder metrics, the addition of the NbS project metric is beneficial only to the extent that the stakeholder’s sourcing from the NbS project replaces less nature-positive sourcing, i.e. is part of a nature-positive transition strategy.</li> <li>• For financial investors lending or taking equity in the NbS project, the quantitative impact of the NbS project on the particular metric can be added to the investor’s total financed impact (which may be physical units or the financed value). Again, the addition of the NbS project metric is beneficial only to the extent that the investment in the NbS project represents a diversification away from less nature-positive investment elsewhere.</li> </ul>	

LEAP GUIDING QUESTIONS	SUGGESTIONS ON HOW NBS PROJECTS MIGHT APPLY LEAP	NBS PROJECT-SPECIFIC COMMENTS/NOTES (TO BE COMPLETED BY PROJECT)
<p><b>CONTINUED</b></p> <p><b>P3: Reporting on nature-related matters – What will we disclose in line with the TNFD recommended disclosures?</b></p>	<p><b>Under TNFD, reporting investment in Nbs projects cannot be used to offset climate- and nature-negative impacts in a stakeholder’s product value chain, unless the Nbs project is supplying into that value chain.</b> For example, the carbon storage benefits of a financial stakeholder’s investment in an Nbs project cannot be used to offset (deduct from) a company’s own (scope 1 or 2) or value chain (scope 3) greenhouse gas emissions. Similarly, investing in an Nbs project which does not actually supply products into the stakeholder’s value chain may produce a nature-positive impact, but this impact must be separately reported as a response metric and not used to offset nature-negative supply chain impacts. Any claims made by financial stakeholders should be based on recognised science-based standards such as the SBTi for climate, and SBTN for nature.</p> <p>TNFD’s response metrics enable Nbs projects to report their benefits, to positively add to metrics relevant to financial stakeholders with strong nature-positive strategies – please refer to the <a href="#">Metrics Workbook</a>. The metrics listed are not exhaustive, however, and the correct metrics to report will depend on the organisation’s materiality assessment. Note that TNFD lists of assessment metrics continue to be developed (see <a href="#">TNFD discussion paper on sector metrics</a>), and/or are set out in further guidance, for example on specific biomes (see <a href="#">TNFD guidance on biomes_v1</a>).</p>	

LEAP GUIDING QUESTIONS	SUGGESTIONS ON HOW NBS PROJECTS MIGHT APPLY LEAP	NBS PROJECT-SPECIFIC COMMENTS/NOTES (TO BE COMPLETED BY PROJECT)
<p><b>CONTINUED</b></p> <p><b>Reporting – environmental and social topics other than nature</b></p>	<p>Although the focus of TNFD is on nature-related topics, it provides dedicated guidance to support stakeholder engagement and inclusive governance (<a href="#">TNFD guidance on engagement with IPLCs and affected stakeholders v1<sup>4</sup></a>). For impacts on greenhouse gas emissions, TNFD guidance also refers to TCFD.</p> <p>Yet social benefits – benefits to people – are central to the design, implementation and effectiveness of Nbs. Impacts on people in the Nbs project’s sphere of influence have material implications for the resilience of the intervention itself. High-quality Nbs projects, following the <a href="#">IUCN Global Standard</a>, are likely to generate impacts for people and communities, some of which are captured by recommended metrics under other sustainability standards, notably the Global Reporting Initiative (GRI). Scoping of potential impacts, including through stakeholder engagement, is essential to identify meaningful indicators to monitor the intervention’s impact.</p> <p>Table B6 below identifies GRI reporting standards relevant to Nbs reporting on social impacts.</p>	
<p><b>P4: Presentation – Where and how do we present our nature-related disclosures?</b></p>	<p>Ultimately, the content of nature-related disclosures should be as outlined in the TNFD Recommendations (see section C below). If included in the organisation’s financial statements or sustainability reports, the presentation of disclosure statements should be consistent with the ISSB’s IFRS S1 (General Requirements). For an Nbs project, the outputs of the LEAP approach can be included in other documents such as investor information packs.</p>	

LEAP GUIDING QUESTIONS	SUGGESTIONS ON HOW NBS PROJECTS MIGHT APPLY LEAP	NBS PROJECT-SPECIFIC COMMENTS/NOTES (TO BE COMPLETED BY PROJECT)
<i>Questions for engagement with IPLCs and affected stakeholders</i>		
P1: Strategy and resource allocation plans	Does the resource allocation reflect identified needs for meaningful and ongoing engagement as part of mitigation and management strategies	
P2: Target setting and performance management	Are the targets defined, and is progress measured with input from IPLCs and affected stakeholders	
P3: Reporting	What are the expectations in terms of disclosure of IPLCs and affected stakeholders	
P4: Presentation	Are nature-related disclosures presented in a way that the results are available, easily accessible, culturally appropriate, and easily interpreted by IPLCs and affected stakeholders?	

## B6. GRI REPORTING STANDARDS RELEVANT TO NBS REPORTING ON SOCIAL IMPACTS

### Background to GRI

GRI Sustainability Reporting Standards (GRI Standards) enable an organisation to report information about its most significant impacts on the economy, environment and people, including impacts on their human rights, and how it manages these impacts. **Nbs projects should note that GRI standards may cover social impacts more comprehensively than TNFD, so may be useful to refer to.**

### Universal Standards: GRI 1, GRI 2 and GRI 3

GRI 1: Foundation 2021 specifies the requirements that the organisation must comply with to report in accordance with the GRI Standards. GRI 2: General Disclosures 2021 contains disclosures that the organisation uses to provide information about its reporting practices and other organisational details, such as its activities, governance and policies. GRI 3: Material Topics 2021 provides guidance on how to determine material topics and contains disclosures that the organisation uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

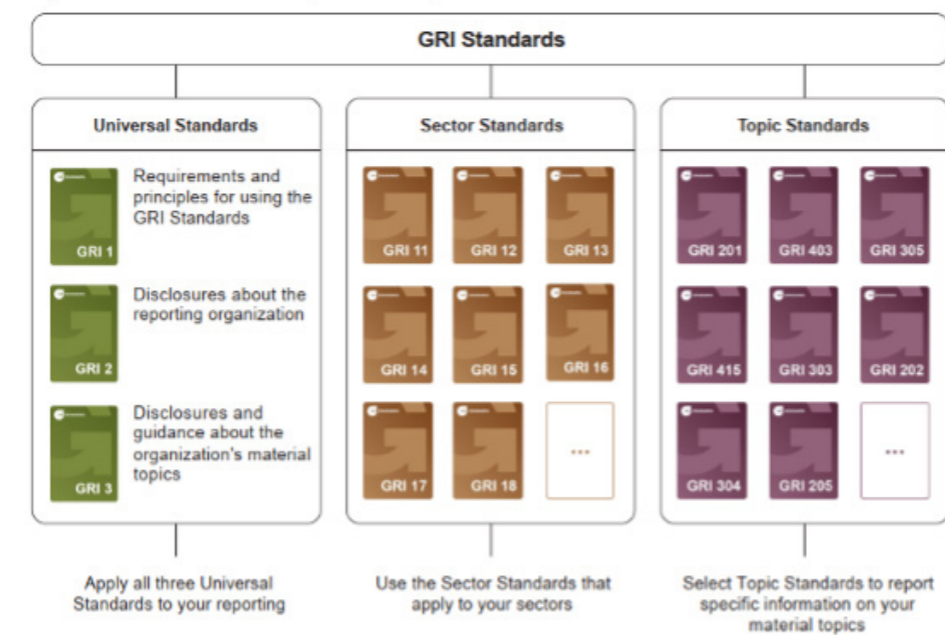
### Sector Standards

The Sector Standards provide information for organisations about the likely material topics faced in their sector.

### Topic Standards

The Topic Standards contain disclosures that the organisation uses to report information about its impacts in relation to particular topics. **The organisation uses the Topic Standards according to the list of material topics it has determined using GRI 3.** (i.e. material to the corporate or investor).

Figure 1. GRI Standards: Universal, Sector and Topic Standards



GRI Standards are structured as a system of interrelated standards organized into three series: Universal Standards, Sector Standards, and Topic Standards (see Figure 1).

Source: Consolidated Set of the GRI Standards (GRI 2023) [www.globalreporting.org/standards](http://www.globalreporting.org/standards)

The Metrics Workbook GRI tab highlights GRI Topic Standards which may be relevant to Nbs, especially on people-based criteria, and when targeting particular financial stakeholders. Where the Nbs project activities sit within a sector covered by a GRI Sector Standard (e.g. GRI13 - Agriculture Aquaculture and Fishing Sectors) Nbs projects can consider if certain GRI standards are applicable to it – but without duplicating matters covered by TNFD

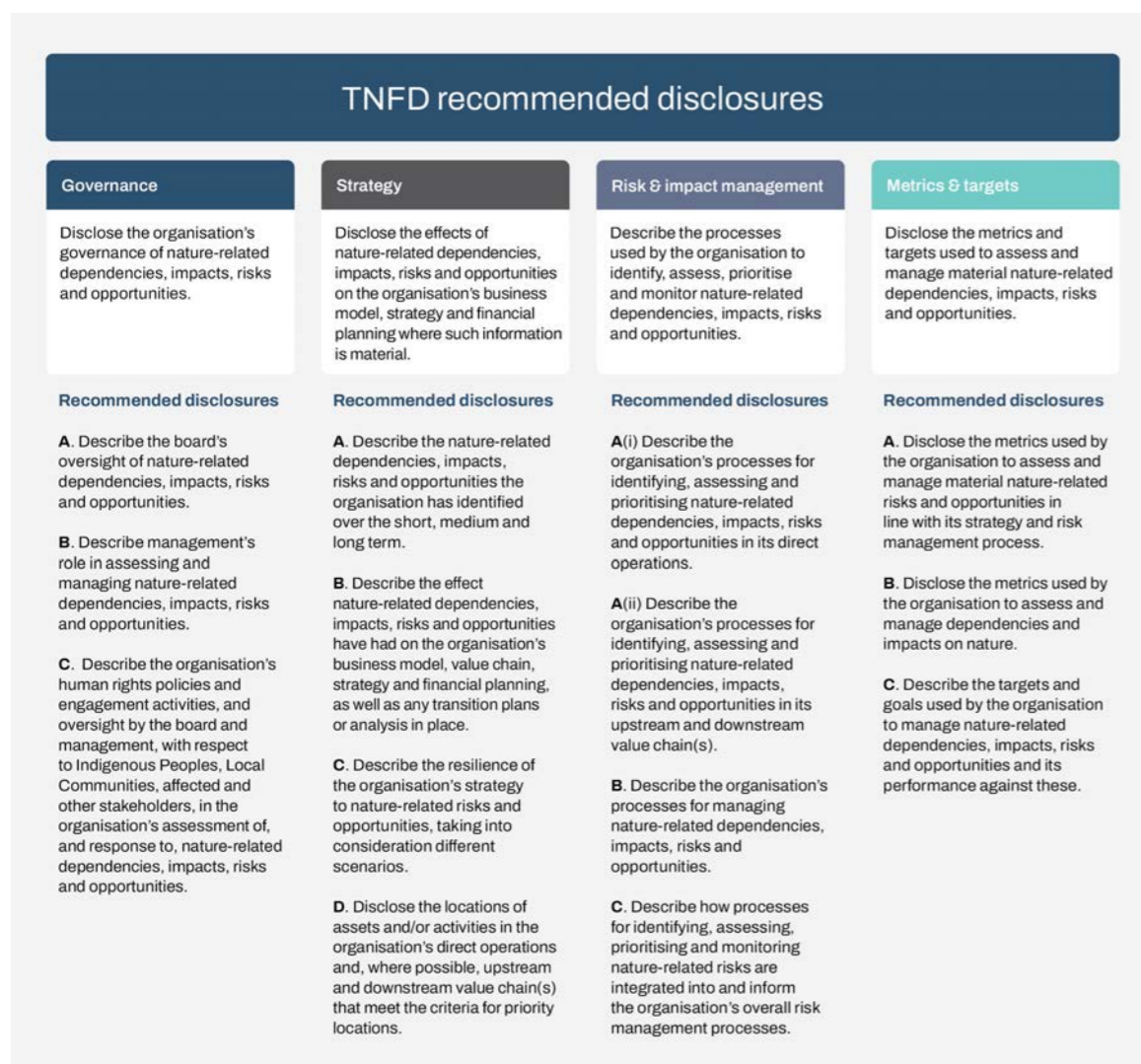
# C - INDICATIVE GUIDANCE FOR NBS PROJECTS ON TNFD DISCLOSURE RECOMMENDATIONS

This section presents in tabular form the recommended disclosures of the TNFD shown in Figure A5 below.

**Note: if following the LEAP approach, NbS projects will find it clearer and more practical to review and use Section B first, before using this Section C to prepare the actual disclosures.** This is because the suggestions in this Section C for preparing nature-related disclosures under TNFD become relevant once the NbS project has carried out its assessment of its nature related dependencies, impacts, risks and opportunities in Section B.

TABLE C: INDICATIVE GUIDANCE FOR NBS PROJECTS ON TNFD RECOMMENDED DISCLOSURES

GOVERNANCE RECOMMENDED DISCLOSURES Disclose the organisation's governance around nature-related dependencies, impacts, risks and opportunities.		NBS PROJECT-SPECIFIC COMMENTS/NOTES (TO BE COMPLETED BY PROJECT)
TNFD Recommendation	Suggestions on how NbS projects might prepare disclosure	
A. Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.	NbS projects can describe their internal governance processes, policies and methods in ways which enable potential financial stakeholders to understand the overall project, how it meets its objectives, and the reliability of its reporting. This will enable the potential financial stakeholder to assess for its own purposes the nature-related dependencies, impacts, risks and opportunities. Internal governance processes for NbS projects can refer to any externally recognised or validated standards or methods applied, e.g. the <a href="#">IUCN Global Standard for NbS</a> , and the LEAP approach itself for disclosure, and recognised monitoring and evaluation and data collection processes, and environmental and social safeguarding approaches – see <a href="#">TNFD Tools Catalogue</a>	
B. Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	NbS projects can describe their management processes, policies and methods in ways which enable potential financial stakeholders to determine the NbS project's management competency, e.g. having appropriate qualified staff and/or use of independent advice and verification where relevant. Robust management processes are critical for addressing impacts, dependencies, risks and opportunities, in turn allowing potential financial stakeholders to assess their own nature-related dependencies, impacts, risks and opportunities. This is important as the impact and dependencies of NbS projects will be considered as the financial stakeholders' supply chain risks, should they decide to invest in the projects.	



**Figure A5** (source: [TNFD Recommendations](#)<sup>2</sup> Figure 1, p. 9) and suggests how NbS projects might respond to each. Please also refer to the section-by-section guidance in the TNFD Recommendations. [https://tnfd.global/wp-content/uploads/2023/08/Recommendations\\_of\\_the\\_Taskforce\\_on\\_Nature-related\\_Financial\\_Disclosures\\_September\\_2023.pdf?v=1695118661](https://tnfd.global/wp-content/uploads/2023/08/Recommendations_of_the_Taskforce_on_Nature-related_Financial_Disclosures_September_2023.pdf?v=1695118661)

GOVERNANCE RECOMMENDED DISCLOSURES SUGGESTIONS ON HOW NBS PROJECTS MIGHT APPLY LEAP Disclose the organisation's governance around nature-related dependencies, impacts, risks and opportunities.		NBS PROJECT-SPECIFIC COMMENTS/NOTES (TO BE COMPLETED BY PROJECT)
TNFD Recommendation	Suggestions on how NbS projects might prepare disclosure	
C. Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities (IPLCs), affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.	<p>Stakeholder engagement is crucial for the design and implementation of an effective NbS that delivers for people, nature and climate. In turn, an accurate assessment of nature-related issues, and how to respond to these, requires well-targeted and context-appropriate stakeholder engagement. The stakeholder engagement processes and methods by which their insights are captured (e.g. key informant interviews) should be detailed.</p> <p>TNFD strongly emphasises and encourages engagement with IPLCs, and other stakeholders affected by an organisation's activities. Table 1 of the TNFD guidance on engagement with IPLCs and affected stakeholders v14 (pp. 10-13) suggests questions for engagement with IPLCs and affected stakeholders throughout the LEAP approach. Engagement with IPLCs and affected stakeholders, and obtaining their free, prior and informed consent, is integral to high-quality NbS (IUCN Global Standard for NbS), and NbS projects need to have in place mechanisms and channels to ensure these rights are respected and consents are obtained.</p>	

STRATEGY RECOMMENDED DISCLOSURES Disclose the actual and potential impacts of nature-related dependencies, impacts, risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.		NBS PROJECT-SPECIFIC COMMENTS/NOTES (TO BE COMPLETED BY PROJECT)
TNFD Recommendation	Suggestions on how NbS projects might prepare disclosure	
A. Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium, and long term.	<p>Through intervention planning and design, as well as the establishment of monitoring, evaluation and learning frameworks and processes, the NbS project should benefit from harnessing the LEAP approach to identify nature-related issues over the short, medium and long term (although use of LEAP is not required for disclosure). Note that this refers to the NbS project's dependencies on nature (e.g. a wetland restoration will depend on continued freshwater flows) and impacts on nature (e.g. creation of new wetland habitat), and the associated risks and opportunities for the NbS project itself.</p> <p>NbS projects, as highlighted in the <a href="#">IUCN Global Standard for NbS</a>, can also explicitly outline how actual or potential impacts contribute to societal goals (IUCN criterion 1) and biodiversity (criterion 3). NbS design should also incorporate risk identification and risk management, including beyond the intervention site (IUCN criterion 2), and potential unintended adverse consequences on nature arising from the NbS (IUCN criterion 3). Through robust intervention design scoping and theory of change design, an NbS project should in turn understand how climate change and other stressors shape its impact and dependencies, and in turn risks and opportunities.</p>	
B. Describe the effect nature-related risks and opportunities have had and may have on the organisation's businesses, strategy, and financial planning, as well as any transition plans or analysis in place.	<p>Having evaluated and assessed dependencies, impacts, risks and opportunities, NbS projects should explain how this has informed their business strategy and planning. In addition, stakeholder identification should include actual or potential financial stakeholders. The NbS project can consider if its intended outcomes can reduce or mitigate risk or create opportunities for these financial stakeholders.</p>	



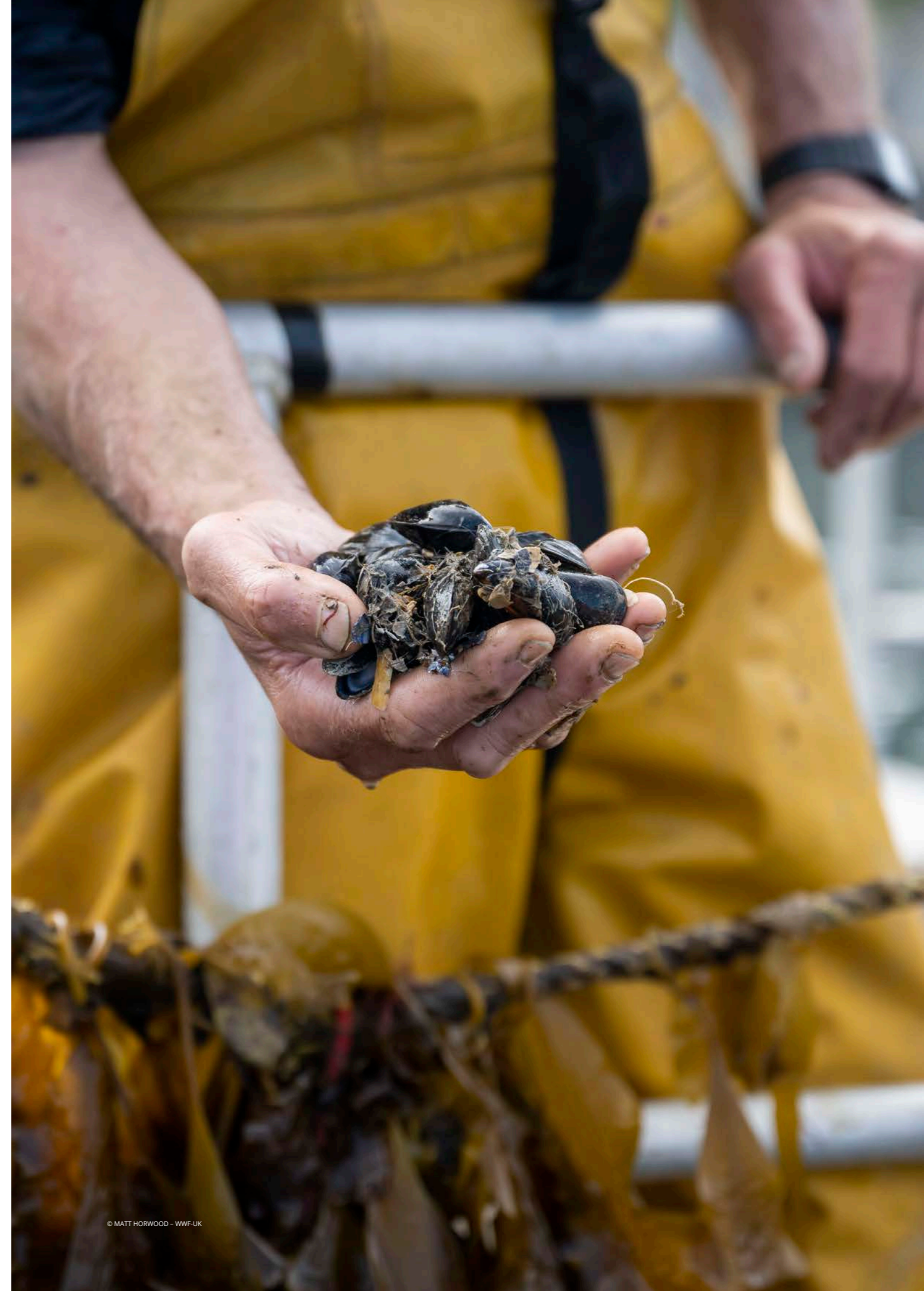
STRATEGY RECOMMENDED DISCLOSURES Disclose the actual and potential impacts of nature-related dependencies, impacts, risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.		NBS PROJECT-SPECIFIC COMMENTS/NOTES (TO BE COMPLETED BY PROJECT)
TNFD Recommendation	Suggestions on how NbS projects might prepare disclosure	
C. Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.	Ultimately, resilience is gained through iterative refinement of risks and opportunities under different scenarios for future planning. The NbS project should undertake scenario analyses to identify and describe potential future scenarios. In turn, NbS projects should describe here how their business strategy would have to be adjusted further considering these scenarios. This complements the disclosure of risk and opportunity management through adaptive management (Risk recommended disclosure C below).	
D. Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	<p>See <a href="#">TNFD LEAP guidance v1<sup>3</sup></a> locate stage and section B2 above on the locate stage of LEAP. NbS projects need to be precise as to the locations of their assets and activities and area of influence and be aware that dependencies and impacts may vary across these locations. For example, in the case of regenerative cattle ranching or agroforestry, where in the landscape the farms are situated matters for exposure to potential deforestation or water stress.</p> <p>The NbS project can also explore how its locations and areas of influence overlap with financial stakeholders' assets and/or activities, and how these may overlap with priority areas from the financial stakeholder's perspective (i.e. material and sensitive locations; see Fig. 21 in TNFD Recommendations p. 54 and LEAP Locate stage L4 guidance in section B2 above). This will help pinpoint how the NbS may address financial stakeholder dependencies and impacts, in turn delivering risk mitigation and/or opportunities.</p> <p>Where the NbS itself represents an enterprise, it is crucial to identify and disclose its own assets and activities that are in priority areas.</p>	

RISK AND IMPACT MANAGEMENT RECOMMENDED DISCLOSURES Disclose how the organisation identifies, assesses and manages nature-related dependencies, impacts, risks and opportunities.		NBS PROJECT-SPECIFIC COMMENTS/NOTES (TO BE COMPLETED BY PROJECT)
TNFD Recommendation	Suggestions on how NbS projects might prepare disclosure	
<p>A(i) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.</p> <p>A(ii) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).</p>	<p>See Section B above, especially sections B3 and B4 on the evaluate and assess stages of LEAP.</p> <p>Questions for NbS projects to consider include: what data, tools and mechanisms might the NBS rely on for identifying its own dependencies, impacts, risks and opportunities? Where the NbS project design includes outcomes that address financial stakeholder dependencies and risks (such as restoring or strengthening ecosystem services), how is it identifying what these might be?</p> <p>For example, mechanisms may include key informant interviews with stakeholder representatives with in-depth knowledge of supply chains; key informant interviews with stakeholders in the NbS enterprise operations; monitoring processes to collect data on nature-related dependencies, such as assessments of natural capital and how this delivers crucial ecosystem services to the NbS and other stakeholders, including actual or potential financial stakeholders.</p>	
B. Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities and actions.	The first step to managing the project's own nature-related dependencies, impacts, risks and opportunities is to identify them. The NbS project should then disclose how this information feeds into adaptive management. The <a href="#">IUCN Global Standard for NbS</a> provides guidance on ensuring that robust adaptive management processes are in place to address potential risks. This requires mechanisms linking monitoring and evaluation learning to business management/operations, as well as including these learnings in the NbS project's reporting to financial stakeholders applying TNFD.	

RISK AND IMPACT MANAGEMENT RECOMMENDED DISCLOSURES Disclose how the organisation identifies, assesses and manages nature-related dependencies, impacts, risks and opportunities.		NBS PROJECT-SPECIFIC COMMENTS/NOTES (TO BE COMPLETED BY PROJECT)
TNFD Recommendation	Suggestions on how NbS projects might prepare disclosure	
C. Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.	See Section B above, especially sections B4 and B5 on the assess and prepare stages of LEAP. If using the LEAP approach, NbS projects can describe how following LEAP has informed their risk management processes.	

METRICS AND TARGETS – RECOMMENDED DISCLOSURES Disclose the metrics and targets used to assess and manage relevant nature-related dependencies, impacts, risks and opportunities where such information is material.		NBS PROJECT-SPECIFIC COMMENTS/NOTES (TO BE COMPLETED BY PROJECT)
TNFD Recommendation	Suggestions on how NbS projects might prepare disclosure	
A. Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	<p>See Section B5 on the prepare stage of LEAP and also the <a href="#">Metrics Workbook</a>.</p> <p>The NbS project, through a robust monitoring and evaluation framework, should identify suitable metrics for assessing impacts and dependencies. Building on this assessment, the NbS should disclose metrics for assessing nature-related risks and opportunities where these may arise (see section A1 in LEAP approach set out in Table B4 above). Robust adaptive management processes, including setting and monitoring of targets, can then address those risks and opportunities.</p> <p>To ensure alignment with financial stakeholder needs (i.e. alignment with risks and opportunities for the financial stakeholders), it will be necessary to explore how indicators and metrics, such as for impact on biodiversity or carbon storage, align with the financial stakeholder's own nature-related dependencies and impacts. In turn, this makes explicit how the NbS itself presents an opportunity for the financial stakeholder. For example, in an insetting context where the NbS project is integrated as a supply chain action to address a company's nature-related dependencies and impacts, the corporate can disclose the value of capital allocated to the NbS as an opportunity (see the additional metrics A7.1 and A21.0 in the <a href="#">Metrics Workbook</a>).</p>	

<b>METRICS AND TARGETS – RECOMMENDED DISCLOSURES</b> Disclose the metrics and targets used to assess and manage relevant nature-related dependencies, impacts, risks and opportunities where such information is material.		<b>NBS PROJECT-SPECIFIC COMMENTS/NOTES (TO BE COMPLETED BY PROJECT)</b>
<b>TNFD Recommendation</b>	<b>Suggestions on how Nbs projects might prepare disclosure</b>	
B. Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.	<p>See Section B above, especially sections B3 and B4 on the evaluate and assess stages of LEAP.</p> <p>Through a robust monitoring and evaluation process, the NbS should identify and disclose the metrics supporting adaptive management, and how in turn these feed into strategic decision-making. This is crucial to bolster the intervention and address potential unintended impacts on the NbS and the nature it depends on.</p> <p>NbS projects should seek clarity on metrics financial stakeholders use to assess and manage their own dependencies and impacts on nature. This will allow better delineation of NbS strategies which address these, enabling the NbS to respond to an investor’s potential impacts and dependencies.</p>	
C. Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	<p>An NbS project should establish its own targets and goals, aligned with the impact it wishes to achieve and demonstrate on people, nature and climate. It should transparently disclose these and progress towards achieving those targets and goals, including associated metrics.</p> <p>In turn, how this aligns and contributes to financial stakeholders’ own targets and goals should be made explicit. Increasing alignment between targets, goals and metrics chosen by the financial stakeholder and the metrics used by the NbS to track its own impact will help pinpoint how the NbS can deliver for the financial stakeholder.</p>	



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