



# Embracing Nature-related Reporting

January 2025

## Contents

- 3 What is nature-related reporting?
- 4 Who should adopt it?
- 5 TNFD vs TCFD
- 5 Framework structure
- 6 What is the LEAP approach?
- 7 Alignment with existing and emerging regulations
- 8 Is this mandatory?
- 9 First steps for getting started
- 10 How can JBS&G help

## Contact

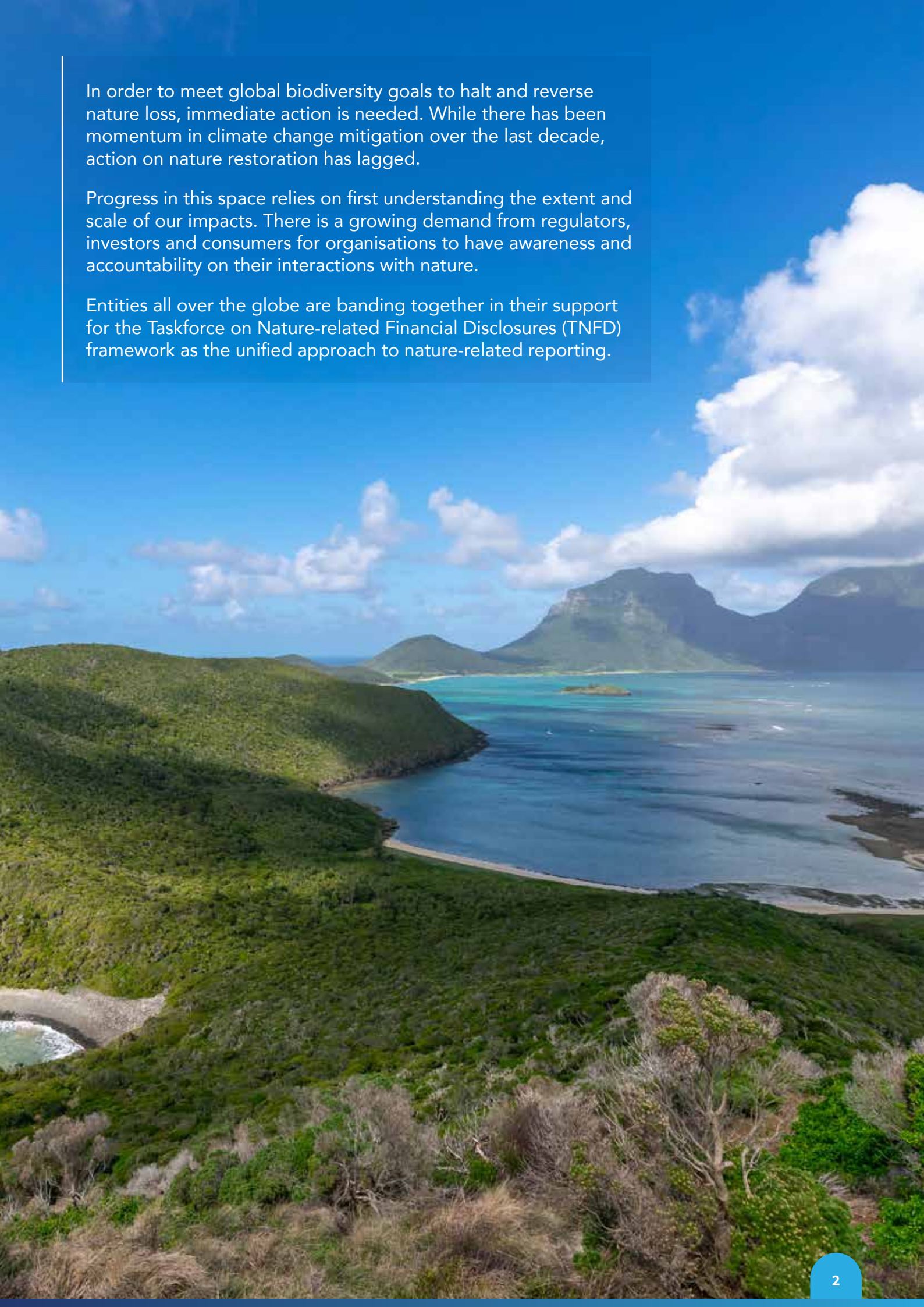
[sustainability@jbsg.com.au](mailto:sustainability@jbsg.com.au)  
+61 8 8431 7113

[jbsg.com.au/services/esg](https://jbsg.com.au/services/esg)

In order to meet global biodiversity goals to halt and reverse nature loss, immediate action is needed. While there has been momentum in climate change mitigation over the last decade, action on nature restoration has lagged.

Progress in this space relies on first understanding the extent and scale of our impacts. There is a growing demand from regulators, investors and consumers for organisations to have awareness and accountability on their interactions with nature.

Entities all over the globe are banding together in their support for the Taskforce on Nature-related Financial Disclosures (TNFD) framework as the unified approach to nature-related reporting.







## What is nature-related reporting?

Today's economy relies on 'nature' in many different ways. Natural ecosystems provide essential services and resources that support all industries and overall economic stability. In this context, the term 'nature' refers to the natural world, and specifically the diversity of the living organisms (including people) and their interactions among themselves and their environment<sup>1</sup>.

In September 2023, the TNFD released a comprehensive framework as a global initiative to help organisations to assess, publicly disclose and act on their nature-related dependencies, impacts, risks, and opportunities. In a similar mechanism to carbon accounting/reporting, 'nature' is made visible and can be accounted for in business investment and decision making.

The TNFD defines 'nature-related risks' as "potential threats (effects of uncertainty) posed to an organisation that arise from its and wider society's dependencies and impacts on nature<sup>2</sup>".

Like climate risk, nature-related risks are categorised into various risk types including physical and transition risks, however within TNFD reporting, organisations are also recommended to consider systemic risks. Examples of how these risks may be material to your business include:

### Physical risk



Water scarcity causing reduced freshwater availability can impact manufacturing processes that rely on water, leading to operational disruptions and increased costs for the manufacturer and potential delays to their supply chain.

### Transition risk



In an attempt to protect natural capital, new policy and regulations may be introduced regarding sustainable and regenerative farming practices. This could require significant changes in operations, potentially increase upfront costs, and temporarily affect yields within the agricultural sector.

### Systemic risk



Large-scale environmental degradation, such as deforestation or biodiversity loss, can cause market instability and negatively affect asset valuations across various sectors. This can result in significant financial losses for financial institutions that have investments in these assets.

The TNFD framework aims to shift businesses and their financial management to not only identify potential areas of vulnerability, but prioritise managing these risks and push towards nature-positive<sup>3</sup> solutions, aligning with global biodiversity goals.

<sup>1</sup> Taskforce on Nature-related Financial Disclosures (TNFD). (2024). Glossary of Terms (Version 2.0). Retrieved from [https://tnfd.global/wp-content/uploads/2023/09/TNFD-Glossary-of-terms\\_V2.0\\_June\\_2024.pdf](https://tnfd.global/wp-content/uploads/2023/09/TNFD-Glossary-of-terms_V2.0_June_2024.pdf)

<sup>2</sup> Taskforce on Nature-related Financial Disclosures (TNFD). (2024). Recommendations of the Taskforce on Nature-related Financial Disclosures. Retrieved from <https://tnfd.global/publication/recommendations-of-the-taskforce-on-nature-related-financial-disclosures/>

<sup>3</sup> Nature positive is a global societal goal defined as 'halt and reverse nature loss by 2030 on a 2020 baseline, and achieve full recovery by 2050'. Adapted from the Nature Positive Institute (2023) The-Definition-of-Nature-Positive.pdf



## Who should adopt it?

Currently voluntary, the TNFD framework has been designed for a wide range of organisations and sectors but particularly those who directly interact with nature or have reporting obligations to investors and/or customers.

Key groups who should consider adopting TNFD reporting include:

- **Corporate entities:** Companies in all sectors, but especially those in industries like agriculture, forestry, fisheries, mining and energy, where operations directly interact with and rely on the natural environment.
- **Financial institutions:** Banks, insurance companies, and other financial entities that invest in projects with nature-related risks and opportunities.
- **Publicly listed companies:** Organisations with public reporting obligations to investors and other stakeholders.
- **Asset owners and managers:** Entities managing large portfolios, such as superannuation funds, who are looking to assess and disclose nature-related risks in their investments.
- **Large manufacturers/warehousing:** Organisations with large-scale operations who may have nature-related risks relating to resource scarcity or supply chain disruptions.
- **Government and regulatory bodies:** These entities can adopt TNFD recommendations to set an example and encourage wider implementation while regulations in this space are still emerging. This also applies to companies that manage large numbers of government assets that are required to meet government commitments and requirements.



There are many benefits to adopting TNFD reporting. It is a structured approach to managing nature-related risks, provides increased preparedness for regulatory requirements, and increases your organisation's appeal to environmentally conscious investors.

Due to still being in early phases of implementation, the reputational advantages of committing to TNFD reporting are magnified. It can position your organisation as an early leader in this space and give an edge on competitors. Other benefits include promoting brand alignment with environmental goals and leadership, investor confidence through transparency, improved risk management, and company alignment with global sustainability goals.





## TNFD vs TCFD

While the Taskforce on Climate-related Financial Disclosures (TCFD) and TNFD are both frameworks designed to improve transparency and guide organisations in managing environmental risks, they focus on different aspects of environmental impact. TCFD focuses on climate data, such as greenhouse gas emissions and climate change projections. TNFD uses a broader lens of nature impacts across areas such as biodiversity, ecosystems, water resources, and land. The latter can be more complex to assess due to their diversity.

### Framework structure

The TNFD recommendations correlate with the four pillars outlined in the TCFD framework. The TNFD uses all 11 TCFD recommended disclosures but applies to nature-related issues. It has also added additional recommended disclosures where there is specific value in doing so.

Consistent with TCFD, the TNFD recommendations sit under four pillars of disclosure:



#### **Governance**

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



#### **Strategy**

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



#### **Risk and impact management**

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



#### **Metrics and targets**

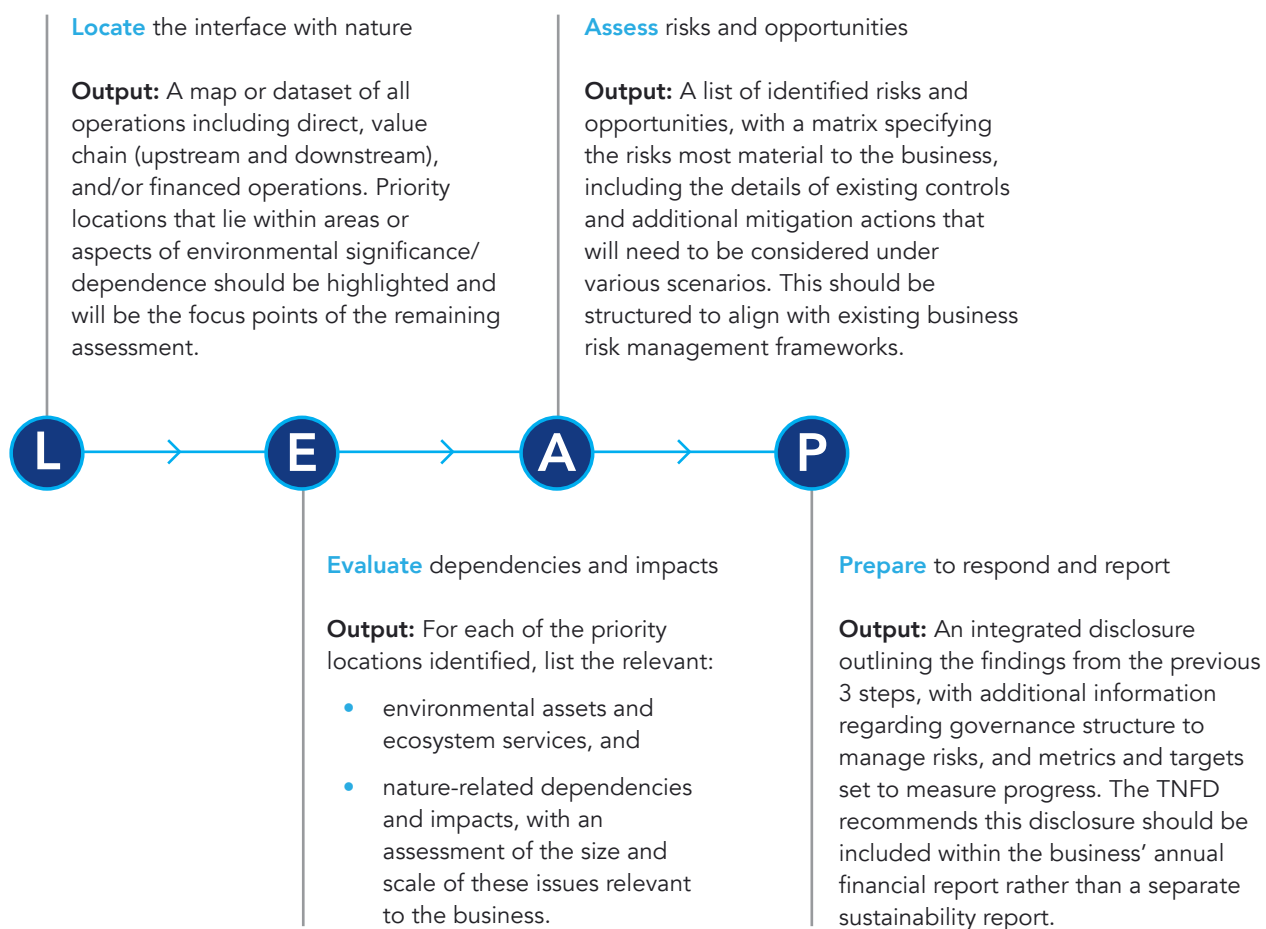
Disclose the metrics and targets used to assess and manage material nature-related dependencies, impacts, risks and opportunities.

Within these pillars, the TNFD framework outlines 14 recommended disclosures at a more granular level. For a full list of these recommended disclosures, refer to [this page](#) on the TNFD website.



## What is the LEAP approach?

The TNFD framework provides a suggested methodology to assist businesses in carrying out their identification and assessment of nature-related risks. It is purposely structured to be relevant and beneficial for organisations of all sizes and across all sectors and geographies. It is intended to be an iterative process involving engagement with relevant stakeholders, including First Nations peoples and local communities, as well as scenario analysis. The process is summarised with the following four steps:







## Alignment with existing and emerging regulations

The TNFD has prioritised leveraging existing assessment methodologies and tools rather than developing completely new ones. The framework is designed to align closely with both current and emerging regulations and standards, with the aim to streamline corporate sustainability reporting. The framework has strong alignment with the following:



**Global standards:** The TNFD recommendations are consistent with global sustainability standards, including those issued by the International Sustainability Standards Board (ISSB), with overlapping areas of disclosure as IFRS S2. Consistencies are also seen with the Global Reporting Initiative (GRI). The GRI 101 Biodiversity Standard was updated in 2024 to incorporate TNFD recommendations. The aim of these alignments is to provide a single global baseline for companies to report on their sustainability-related risks and opportunities.



**EPBC Act:** The *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act) is Australia's primary, national environmental legislation. Projects and developments, when occurring in areas of environmental significance, are required to adhere to the legal framework and implement necessary controls (such as undertaking additional assessments and developing management strategies) to avoid, mitigate, or offset impacts. This risk management process intersects with the first half of TNFD reporting, but the TNFD framework encourages businesses to go further through using a lens of resilience and working out areas of dependency and vulnerability in the event of environmental degradation. Work undertaken to comply with the EPBC Act can be leveraged in steps 1 and 2 of the LEAP approach.



**European regulations:** The TNFD framework aligns with the European Sustainability Reporting Standards (ESRS) and was developed side by side with emerging regulations such as the EU Corporate Sustainability Reporting Directive (CSRD). CSRD requires in-scope entities to report on their impacts and dependencies relevant to sustainability, including reporting on biodiversity and ecosystems. These reporting requirements extend to the entity's value chain meaning the CSRD reporting requirements can be relevant to some Australian organisations.



**Biodiversity frameworks:** The TNFD recommendations support the objectives of the Kunming-Montreal Global Biodiversity Framework (GBF), which came out of the 2022 United Nations Biodiversity Conference, aiming to reverse nature loss by shifting towards nature-positive outcomes. Following the release of the GBF, Australia updated its 'Strategy for Nature 2024-2030' (Australia's National Biodiversity Strategy and Action Plan) where it sets six national targets and three enablers of change. One enabler of change is to 'Mainstream nature into government and business decision-making, including in financing, policies, regulations and planning processes'. TNFD reporting provides a direct step towards implementing this enabler nation-wide.



**Cross-reference tables:** The TNFD supports the use of cross-reference tables to help organisations avoid unnecessary reporting by mapping TNFD recommendations to other reporting standards. The TNFD has recently released two interoperability and correspondence mapping publications to support alignment of reporting between TNFD and GRI, and TNFD and ESRS.



## Is this mandatory?

While TNFD reporting is not mandatory yet, it will likely follow a similar trajectory to TCFD in which it will start to be enforced by regulators over time. This means the earlier organisations begin to prepare for this uptake the smoother their reporting experience will be. After the release of IFRS S1 (General Requirements) & S2 (Climate-related Disclosures) the ISSB has stated that it will lean on the work of the TNFD as it now looks to develop specific nature-related disclosure standards.

The Australian Sustainability Reporting Standard (ASRS) which incorporates guidance from the ISSB is already encouraging organisations to disclose biodiversity risks and opportunities within its voluntary general requirements standard ASSB S1. It currently references the 'CDSB Framework Application Guidance for Biodiversity-related Disclosures' as an example methodology. As uptake of TNFD reporting grows, it is likely that it will be referenced throughout existing and incoming regulatory standards.

Multiple industry bodies have signified their support and echoed the need for nature-related reporting, including the Green Building Council of Australia (GBCA) who are developing a Nature Roadmap due to be published in 2025. The roadmap will aim to guide the built environment sector in creating spaces that actively enhance nature and biodiversity by setting ambitious environmental targets that align with the objectives of the TNFD framework.

The International Council on Mining and Metals (ICMM) has also expressed strong support for TNFD reporting and has collaborated with the TNFD to develop sector specific guidance for the mining and metals industry.

The Infrastructure Sustainability Council (ISC) has also endorsed nature-related reporting and has highlighted how its IS Ratings can help facilitate this process in the infrastructure sector, helping organisations align sustainability goals and regulatory requirements.

Over 500 organisations globally have committed to adopting TNFD-aligned reporting to date with Australian companies such as Telstra, Qantas, EnergyAustralia, Blackmores, and Port of Newcastle committing to reporting as early as 2025.

The Global Nature Positive Summit 2024 has just taken place in Sydney where attendance represented over 50 countries. The key conclusions of the event highlighted the importance of TNFD principles, emphasising the global need for nature-related reporting to halt and reverse biodiversity loss. It was agreed that achieving global climate targets requires the integration of nature-positive and net-zero objectives. Organisations should incorporate nature into their economic and business decisions, and clear, consistent metrics are essential for reporting progress towards nature-positive goals.

Sustainability experts, as well as environmentally tuned in executives, are echoing these sentiments. Carbon emissions and nature are not separate matters but are intrinsically intertwined, and it is vital to use a holistic lens when addressing these issues as one cannot exist without the other. For a deeper dive industry discussion on this topic, refer to [this episode](#) of the Sustainable Views podcast.





## First steps for getting started



1

**Start with the basics:** Learn the key terms and how they might apply to your organisation's operations such as nature, biodiversity, natural capital, nature-related impacts and dependencies, etc. This may involve upskilling some of your team, as a starting point refer to the TNFD's glossary of terms, accessible [here](#).



2

**Intertwine nature risks with business risks, and nature goals with business goals:** Being able to articulate this across your organisation will help prevent nature risk management and goals from falling down the chain of priorities.



3

**Leverage the work you're already doing:** You may have already completed some of this work in sustainability reporting you're already undertaking.



4

**Start small:** Start with a clearly defined, small area of focus to build a comprehensive understanding of the framework methodology.



5

**Monitor and build on progress:** Use the insights gained from this initial process to continuously improve sustainability practices. This may involve updating strategies and policies, refining metrics and targets, or improving the quality of data collection methods.



## How can JBS&G help:

- Gap analysis to assess your organisation's readiness for reporting. This can help highlight which areas attention and efforts should be directed to
- Nature-related risk and opportunity assessments, including using the LEAP approach
- Identification of what nature-related data your organisation should be collecting. Our Digital and Creative Solutions team can also help build data management systems to optimise and simplify your data tracking processes
- Stakeholder engagement
- Strategy development for acting on identified dependencies, impacts, risks, and opportunities
- Training and capacity building
- Integration with other sustainability and reporting frameworks
- General technical guidance and advisory

## Speak to us now.

**Sam Hardy**, *Principal and Sustainability Lead*, JBS&G  
shardy@jbsg.com.au

**Emma Gilbert**, *Sustainability Advisor*, JBS&G  
egilbert@jbsg.com.au



