



**Taskforce on Nature-related
Financial Disclosures**

Beta framework

**The TNFD Nature-related
Risk and Opportunity
Management and
Disclosure Framework
Summary of feedback
on v0.2 of the TNFD
beta framework**

November 2022

Annex – Summary of feedback on v0.2 of the TNFD beta framework

The TNFD is adopting an open innovation approach that encourages market participants to co-create the TNFD framework by reviewing, pilot testing and providing feedback on all aspects of the beta framework.

Overview of feedback on v0.2

Since the release of v0.1 of the TNFD beta framework in March 2022 and v0.2 in June 2022, the Taskforce received significant feedback from a range of market participants by its interim deadline of 23 September in advance of the v0.3 release. A summary of this feedback and the Taskforce's initial response to that feedback are provided here. There was overall positive feedback on all components of the framework.

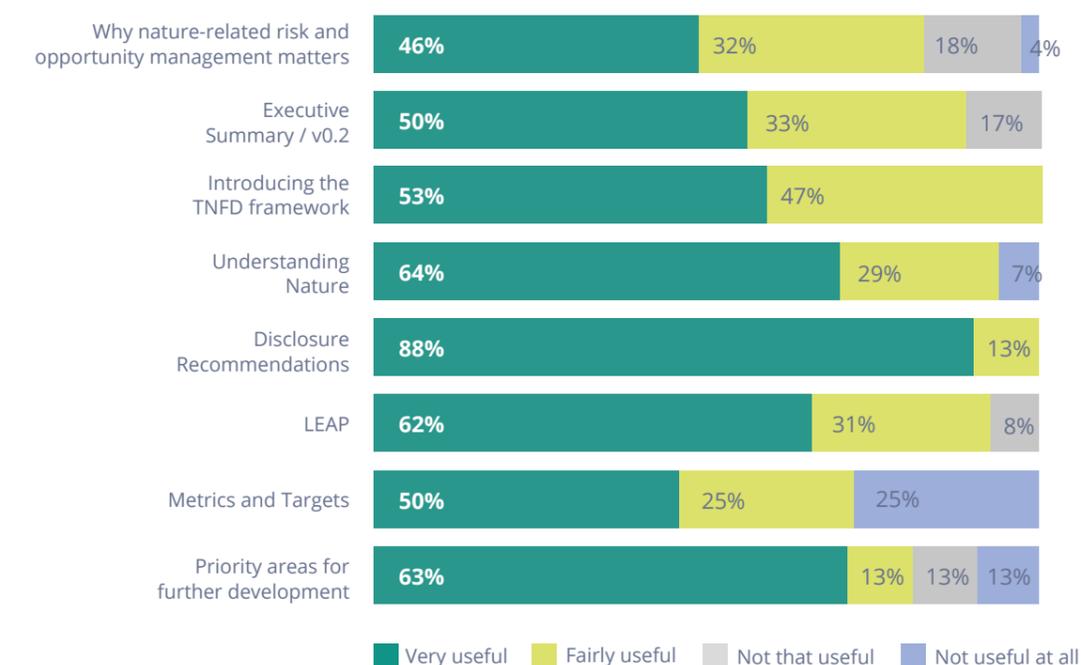
Further feedback on versions of the TNFD beta framework is welcome throughout the open innovation process until 1 June 2023. The interim deadline for feedback on this v0.3 beta release in advance of the final v0.4 beta release is 14 February 2023.

In March 2023, the TNFD will conclude its open innovation process with a 60-day formal consultation where organisations can submit responses to a full draft of the beta framework (v0.4). The Taskforce will consider all feedback received to inform its complete framework for publication in September 2023. Comment letters received in this formal consultation will be published on the TNFD website, following the approach of international standards organisations.

In summary:

- The TNFD beta framework has been viewed over 60,000 times by stakeholders in over 140 countries.
- Over 475 pieces of topical feedback were received on v0.2 through the TNFD online portal or sent directly to the TNFD, from 94 organisations or individuals.
- Responses were received from financial institutions and corporates from a variety of sectors, including consumer goods, industrial, utility, materials, energy and information technology, as well as public sector institutions, academic and research organisations, business associations and intergovernmental, civil society and conservation organisations.
- 52 of the respondents provided detailed, qualitative feedback. The remaining provided quantitative feedback on the utility of different elements of the TNFD beta framework (see Figure 1 below).
- Based on those respondents who identified their country, feedback was provided from 21 countries across Africa, Asia, Europe, Oceania, and North and South America.
- The 10 countries with the most respondents providing feedback (in order of feedback received) were the United Kingdom, Japan, the United States, Australia, Brazil, India, Mexico, Switzerland, Canada and France.

Figure 1: User responses (n=54) on usefulness of components in the v0.2 beta framework



The metrics and targets approach received some critical feedback, with 50% of respondents stating that it was very useful, but 25% of respondents stating that the metrics and targets approach was not that useful and a further 25% that it was not useful at all. In response, the TNFD has continued to build out the approach to metrics and targets, with additional guidance on risk and opportunity assessment metrics and science-based targets included in this v0.3 beta release. Further work is planned on disclosure metrics in the final v0.4 beta release, as well as streamlining of the overall approach to metrics and targets.



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Key themes of feedback

The Taskforce has reviewed all of the feedback received on v0.2 of the beta framework. On the basis that providers of feedback did so directly to the Taskforce and on a confidential basis, an aggregated summary is provided here.

The feedback on v0.2 follows four broad themes:

- The need for disclosure of impacts on nature and related social considerations;
- The need for further guidance that helps users apply the framework in practice;
- Technical aspects of definitions, disclosure recommendations and the LEAP approach for risk and opportunity management
- The Taskforce’s approach to developing the TNFD framework, including consultation and engagement processes, and alignment with other initiatives.

The need for disclosure of impacts on nature and related social considerations

An ongoing theme in feedback to the Taskforce since publication of the v0.1 beta framework has been the importance of disclosure of impacts on nature, and consideration of social dimensions of nature-related issues.

Further detail is provided in the table below on this feedback, what the Taskforce has included in the v0.3 release to meet those needs, and the Taskforce’s plans for the v0.4 release, building to the complete framework publication in September 2023.

Table: Feedback on impacts on nature and social considerations

Feedback request	Taskforce response in v0.3 release:
Feedback theme <i>Focus on impacts on – and risks to – nature and society</i>	
Require companies and financial institutions to report on impacts on nature, not only if impacts create significant financial impact on business enterprise value.	In response to this feedback, in the v0.3 beta release the Taskforce has prepared: <ul style="list-style-type: none"> • Revised language for the third pillar of the TNFD disclosure recommendations to ‘Risk and Impact Management’ (changed from the initial TCFD language “Risk Management”); • A new recommended disclosure (Metrics and Targets B) on impacts on nature to ‘describe the metrics used by the organisation to assess direct, upstream and, if appropriate, downstream impacts on nature.’ This has been revised based on the starting point of the related TCFD recommended disclosure based on greenhouse gas emissions; • A new recommended disclosure on stakeholder, including rights-holder, engagement under the ‘Risk and Impact Management’ pillar, which recommends that organisations ‘describe how stakeholders, including rights-holders, are engaged by the organisation in its assessment and response to nature-related dependencies, impacts, risks and opportunities.’ • Consideration of dependencies and impacts on nature across some other disclosure recommendations for coherence and consistency.

Taskforce planned deliverables for the v0.4 release:

- A draft set of Disclosure Metrics on nature-related dependencies, impacts, risks and opportunities;
- Guidance on stakeholder, including rightsholder, engagement.

Feedback theme

Inclusion of dependencies and impacts in draft disclosure recommendations

Need clarity on whether the TNFD requires disclosure of dependencies and impacts on nature or only risks and opportunities to enterprise value, and further clarity on TNFD’s approach to materiality.	In the v0.3 beta release the Taskforce has further clarified its position on materiality, and developed draft disclosure recommendation Metrics and Targets B, which relates to disclosure of impacts on nature.
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Taskforce planned deliverables for the v0.4 release:

- Continue to refine and incorporate feedback from market participants on the new disclosure recommendations.
- Develop draft Disclosure Metrics.

Feedback theme

Engagement with Indigenous Peoples, and reference to human rights and impacts and risks to human rights.

Engage further with Indigenous Peoples and co-develop solutions that recognise their inherent rights and title, as well as their deep, intergenerational knowledge in the protection of nature. The TNFD disclosure recommendations should include human rights, integrating reporting requirements already outlined under international human rights standards.	The TNFD has set up dedicated engagement with Indigenous Peoples and Local Communities (IPLCs) and ongoing dialogue with a range of civil society organisations; As part of this v0.3 beta release, the TNFD has published a discussion paper on ‘Social dimensions of nature-related risk management and disclosure – Considerations for the TNFD framework’. This reflects the feedback received by the Taskforce to date and seeks additional feedback from stakeholders, including rights-holders, as the Taskforce continues to evaluate the social dimensions of the framework under development. The TNFD recognises the importance of this area and welcomes feedback from organisations on the proposed changes to the disclosure recommendations in v0.3 and the TNFD discussion paper on social considerations.
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Taskforce planned deliverables for the v0.4 release:

- Draft guidance on stakeholder, including rights-holder, engagement as part of the LEAP approach and for the new disclosure recommendation (Risk and Impact Management E).
- Ongoing close engagement with Indigenous peoples, local communities and civil society organisations, including through the TNFD’s partnership with IUCN.

The need for further guidance

Building on feedback on v0.1, feedback on v0.2 reinforces that market participants would like additional guidance to help interpret and apply the TNFD framework, including guidance for specific sectors and biomes, for financial institutions specifically, and on technical components, particularly scenarios, metrics, targets and data.

Further detail is provided in the table below on guidance needs identified through feedback, what the Taskforce has included in the v0.3 release to meet those needs, and the Taskforce's plans for the v0.4 release, building to the complete framework publication in September 2023.

Table: Summary of feedback on additional guidance and the TNFD response in v0.3

Feedback theme	
A clear, simple, coherent, concise framework with nested links for further guidance.	
Ensure that the framework is clear, simple, coherent and concise, focused on driving consistent, comparable disclosures.	In the v0.3 release, the Taskforce has provided: <ul style="list-style-type: none"> • Visual figures that provide a clear overview of the framework.
Taskforce planned deliverables for the v0.4 release:	
<ul style="list-style-type: none"> • Further streamlining and simplification to convey the framework clearly and concisely with links to additional guidance. 	
Feedback theme	
Additional guidance for all users, including by sector and by realm, and specifically for financial institutions	
Provide more prescriptive guidance to help market participants interpret and apply the framework, by sector and realm, including further use cases and illustrative and hypothetical examples.	In the v0.3 release, the Taskforce has provided: <ul style="list-style-type: none"> • Further details on its approach to additional guidance; • Draft guidance for the Assess phase of LEAP on nature-related risks and opportunities; • A hypothetical case study on applying the LEAP approach in the aquaculture sector; and • An update on its approach to developing further additional guidance by sector and biome.
Taskforce planned deliverables for the v0.4 release:	
<ul style="list-style-type: none"> • A prototype of the Digital User Journey for TNFD additional guidance; • Draft additional guidance for priority sectors and biomes; • Further case studies and use cases; and • Illustrative examples of the TNFD disclosures. 	
Feedback theme	
Additional guidance for financial institutions In the v0.3 release, the Taskforce has provided:	
Provide guidance for financial institutions to help them interpret and apply the TNFD framework.	<ul style="list-style-type: none"> • Draft disclosure guidance for financial institutions; • An illustrative set of assessment and disclosure metrics for financial institutions.

Taskforce planned deliverables for the v0.4 release:

- Further guidance for financial institutions; and
- Hypothetical case studies and illustrative examples of financial institutions applying the TNFD framework, drawing on pilot testing.

Feedback theme

Guidance on data to address data gaps and challenges

Continue to identify and address data gaps and signpost and provide guidance examples of relevant tools and sources of data that can be used to assess nature-related risks and opportunities for direct operations and downstream value chains, by sector, biome/location and nature-related issue.	In July 2022, the TNFD launched the Nature-related Data Catalyst which aims to help accelerate the development of data, analytics and workflow tools for assessing, reporting and managing nature-related issues. The Catalyst now includes over 100 members who participated in a first series of workshops in September 2022. In the v0.3 release, the Taskforce has provided: <ul style="list-style-type: none"> • A prototype of a searchable Nature-related Tools Catalogue for the v0.3 release that builds on the list of tools identified in the TNFD Data and Analytics Discussion paper, with further tools added based on inputs from Data Catalyst members; and • A hypothetical case study for the aquaculture sector that sets out how to apply the LEAP approach in practice, including the relevant data tools and platforms that can be used.
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Taskforce planned deliverables for the v0.4 release:

- Further guidance on data for TNFD metrics and targets;
- An update to the TNFD Data and Analytics Discussion Paper, reflecting developments in the nature-related data landscape and insights from the Data Catalyst.

Feedback theme

Guidance on scenarios

Provide guidance on scenarios and a set of standard nature-related scenarios as a reference source.	As part of the v0.3 release, the TNFD publishes a Discussion Paper on the TNFD Proposed Approach to Scenarios. It has developed the proposed approach in close consultation with the Network of Central Banks and Supervisors for Green the Financial System (NGFS), the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) and a scenarios consultation group of TNFD knowledge partners. The TNFD conducted a series of interviews with market participants to learn from experience with TCFD scenarios.
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Taskforce planned deliverables for the v0.4 release:

- Draft guidance on scenario analysis, building from the proposed approach in the TNFD scenarios discussion paper
- A set of pilot tests applying the proposed approach to scenario analysis in practice.

Feedback theme**Guidance on metrics and targets**

Provide guidance on metrics, which should be prescriptive and help standardise the types of metrics for disclosure and clarify the 'minimum' expectation to be compliant with the TNFD framework.

In the v0.3 beta release, the Taskforce has prepared:

- draft guidance on risk and opportunity assessment metrics, with accompanying risk and opportunity registers; and,
- an illustrative set of assessment and disclosure metrics for financial institutions.

Taskforce planned deliverables for the v0.4 release:

- The TNFD will share a first draft of its recommended set of core Disclosure Metrics that should be disclosed in line with the TNFD framework for feedback from market participants. This will be finalised by September 2023.

Feedback theme**Guidance on target-setting**

Provide guidance on corporate target-setting methodologies, including the use of public policy as a reference point for the establishment of targets. Provide guidance by sector to reduce negative drivers of nature change.

Encourage disclosure of those targets and performance against targets

The v0.3 release includes the first Draft Additional Guidance for Corporates on Science-based Targets for Nature, for targets to address impacts on nature. This is based on the Science-Based Targets Network (SBTN) methodologies and developed in collaboration with SBTN, which is a TNFD Core Knowledge Partner. This guidance supports application of TNFD disclosure recommendation Metrics and Targets C and the P2 'Performance Measurement' component of LEAP.

Taskforce planned deliverables for the v0.4 release:

- Further draft guidance on targets, for both corporates and financial institutions;
- An initial position on nature-related transition plans, based on progress made by the Convention on Biological Diversity (CBD) on the Global Biodiversity framework; and,
- Updates to guidance on science-based targets, based on further progress by SBTN.

The TNFD continues to discuss with partners ways to address global, national and local policy as a reference point for corporate and financial institution target setting. As noted in the v0.2 release, this is an important area, but not the core responsibility of the Taskforce, and should not be a constraint for initial uptake of the TNFD framework.

Feedback on technical aspects of core components of the framework

The TNFD continued to receive specific feedback on technical aspects of v0.2 of the beta framework, including the definitions of core concepts, the draft disclosure recommendations and the LEAP approach. The Taskforce responses to the most significant technical feedback are summarised in the table below.

Table: Feedback on core components of the framework and the TNFD response in v0.3

Feedback request	Taskforce response in v0.3 release
Definitions and core concepts	
Feedback theme	
Clarity and consistency of definitions	
Need continued clarity and consistency on definitions in the framework.	The TNFD has updated and added new concepts, definitions and categories. These definitions are all now up to date on the 'Understanding nature for market participants' section of the online platform for the TNFD framework and added in an updated glossary.
Taskforce planned deliverables for the v0.4 release:	
<ul style="list-style-type: none"> • The Taskforce will continue to refine and streamline the definitions for the v0.4 beta release, working closely with knowledge partners. 	
Feedback theme	
Consideration of opportunities and positive impacts	
Include the concept of 'nature neutral', recognising that steps are needed to shift from harmful to less harmful activities, and nature negative to nature neutral, before achieving 'nature positive'. Highlight the difference between nature-related risk reduction and opportunities.	In response to this feedback, in the v0.3 beta release the Taskforce has prepared: <ul style="list-style-type: none"> • further detail on positive impacts on nature that distinguishes between negative impacts on nature, mitigation of those impacts and positive impacts, and how this relates to nature-related opportunities. • Draft guidance on assessing and measuring opportunities that goes wider than risk mitigation.
Taskforce planned deliverables for the v0.4 release:	
<ul style="list-style-type: none"> • Further details on nature-related opportunities, targets and transition plans, informed by development of the Global Biodiversity Framework under the CBD. 	
Feedback theme	
Nature-related risks	
Need greater clarity on types of nature-related risks, including definitions, categories and indicators and how to prioritise risks.	The v0.3 beta release includes draft guidance for the Assess phase of LEAP, including how to measure and prioritise risks, illustrative categories of nature-related risks, and a Risk and Opportunity Register. The TNFD has set out its proposed scenarios approach that can help to identify potential systemic risks and test the resilience of organisational strategy in light of these risks.
Taskforce planned deliverables for the v0.4 release:	
<ul style="list-style-type: none"> • Further guidance on scenario analysis and nature-related systemic risks. 	

Feedback request Taskforce response in v0.3 release

Feedback theme
Links between climate and nature

<p>Need further clarity on the synergies and differences between climate and nature and further guidance on how TNFD builds on TCFD and ways to combine disclosures in a single report.</p>	<p>In the v0.3 beta release, the Taskforce has prepared a draft disclosure recommendation (Metrics and Targets D) on the degree of alignment between an organisation’s climate and nature-related targets, which recommends that organisations ‘describe how targets on nature and climate contribute to each other, and any tradeoffs.’</p>
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Taskforce planned deliverables in the v0.4 release:

- Further details on connections between climate and nature, including draft implementation guidance on recommended disclosure Metrics and Targets D and illustrative integrated climate-nature disclosures.

Draft disclosure recommendations

Feedback theme
Timeline and expectations for required disclosures

<p>Need to carefully consider 5-year timeframe for full disclosure, and provide guidelines on the absolute minimum expectations of required disclosures and how to prioritise assessment and subsequent disclosure over time.</p>	<p>In the v0.3 beta release the Taskforce has set out a proposed flexible ‘core’ and ‘enhanced’ application of the recommended disclosures, depending on the type and size of the disclosing organisation.</p>
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Taskforce planned deliverables for the v0.4 release:

- Full details on the proposed flexible ‘core or enhanced’ application of the recommended disclosures.

Note – a number of other revisions to the disclosure recommendations in v0.3 are covered above under ‘impacts on nature and social considerations’

LEAP approach

Feedback theme
Scoping for corporates

<p>Need to add further detail on scoping the assessment and recognise the importance of scoping for corporates, as well as financial institutions.</p>	<p>In the v0.3 beta release, in response to this feedback, the LEAP approach has been revised to reflect the importance of the initial phase of ‘Scoping the assessment’, not only for financial institutions, which had already been made clear in LEAP-FI, but also for corporates, particularly large corporates with complex supply chains. The LEAP approach has been consolidated into one visual representation with a clear scoping phase for both corporates and financial institutions.</p>
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Taskforce planned deliverables for the v0.4 release:

- Continue to refine the LEAP approach, including further guidance on scoping the assessment, based on feedback received and insights from pilot testing.

Feedback theme
Applying LEAP across value chains

<p>Need further clarity on how (far) to locate and evaluate upstream and downstream the value chain.</p>	<p>The TNFD has begun to develop additional guidance for priority sectors, which has begun to consider assessment upstream and downstream value chains.</p>
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Taskforce planned deliverables for the v0.4 release:

- The TNFD will develop further clarity on applying both LEAP and the disclosure recommendations upstream and downstream the value chain, building on its development of sector guidance.

Metrics and targets	
Need clarity on Disclosure Metrics and guidance on methods to enable comparison between companies and sectors.	In this v0.3 release, the TNFD has provided an illustrative set of assessment and disclosure metrics for financial institutions, for feedback.
Taskforce planned deliverables for the v0.4 release:	
<ul style="list-style-type: none"> A draft set of Disclosure Metrics, for both corporates and financial institutions, with accompanying draft guidance. 	
The draft metrics guidance on impacts and dependencies in v0.2 is too complex and technical, and needs to be simplified, with clearer links to the LEAP approach. Need clarity on metrics for nature-related risks and opportunities.	In this v0.3 release, the TNFD has focused on building out the Assess phase guidance and relevant metrics for nature-related risks and opportunities. The TNFD will continue to reflect on this feedback as it revises its approach to metrics for v0.4.
Taskforce planned deliverables for the v0.4 release:	
<ul style="list-style-type: none"> A simple, practical set of metrics for both assessment and disclosure with clear and streamlined guidance. 	
The Taskforce received a range of detailed feedback on its draft approach to metrics for impacts and dependencies on nature, relating to: scale; data sources; tools for analysis; the role of state of nature metrics versus impact driver metrics; comparability across corporates, sectors and jurisdictions; and the approach to upstream and downstream assessment.	This v0.3 release has not updated the draft guidance and metrics for impacts and dependencies on nature, and the Evaluate phase of LEAP. The TNFD will continue to go through this feedback carefully as it revises and further develops its approach to measurement and target setting for v0.4.
Taskforce planned deliverables for the v0.4 release:	
<ul style="list-style-type: none"> Updated guidance and metrics, including for impacts and dependencies on nature (the Evaluate phase of LEAP), based on feedback and further work with TNFD knowledge partners. 	
TNFD and SBTN should further align and provide a proportionate approach to nature targets and guidance on how to set targets.	In this v0.3 release, the TNFD has published 'Additional draft guidance for corporates on science-based targets for nature' with SBTN. This incorporates the five-step approach to setting science-based targets for nature developed by the SBTN. The TNFD's guidance on target-setting will be updated as SBTN releases further updates to their methods and guidance.
Taskforce planned further deliverables:	
<ul style="list-style-type: none"> The TNFD's guidance on target-setting will be updated as SBTN releases further updates to their methods and guidance. 	

Feedback on open innovation process and alignment with others

The TNFD continues to receive feedback on its open innovation framework development process, communication of its work and its engagement with stakeholders, rights-holders and alignment with other initiatives. This is summarised in the table below.

Table: Feedback on the open innovation process and alignment with other initiatives

Feedback request	Taskforce response in v0.3 release
Feedback theme	
Alignment with other initiatives	
The TNFD framework should align with other initiatives and frameworks, and in particular, continue to build on the TCFD framework and the work of SBTN, align with standards including ISSB, GRI, the EU Corporate Sustainability Reporting Directive (CSRD) and CDP.	The v0.3 beta framework continues to build on the TCFD framework to enable an integrated approach to sustainability reporting. It continues to be developed in close collaboration with TNFD core knowledge partners, including ISSB, GRI, CDP, and SBTN and TNFD Forum members. The full list of core knowledge partners is available here and the TNFD's relationships with other initiatives are set out in the FAQs on the TNFD website.
Taskforce planned deliverables for the v0.4 release:	
<ul style="list-style-type: none"> The Taskforce will continue to share, collaborate and work to further align the TNFD framework with other related initiatives and emerging standards, including the emerging global baseline through the ISSB. 	



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