

04-03 draft ESRS-TNFD Interoperability mapping Part 2 SR TEG meeting 18 January

TNFD Pillars	Content	ESRS Paragraph number	Final comment for publication
<b>Governance</b>	Disclose the organisation's governance of nature-related dependencies, impacts, risks and opportunities.	<b>ESRS 2 - Governance</b>	
<b>Governance - A</b>	Describe the board's oversight of nature related dependencies, impacts, risks and opportunities.		
	In describing the board's oversight of nature-related dependencies, impacts, risks and opportunities, the organisation should include a discussion of:  • The processes and frequency by which the board and/or board committees (audit, risk or other committees) are informed about nature-related dependencies, impacts, risks and opportunities across the organisation's direct operations and upstream and downstream value chain(s);	<b>ESRS 2 GOV-2 para. 26 (a)</b>	
	• Whether and how the board and/or board committees consider nature-related dependencies, impacts, risks and opportunities when: > Reviewing and guiding strategy, major plans of action, risk management policies, annual budgets and business plans;	<b>ESRS 2 GOV-2 para. 26 (b)</b>	
	> Setting the organisation's performance objectives, monitoring implementation and performance; and > Overseeing major capital expenditures, acquisitions and divestitures	<b>ESRS 2 GOV-1 para. 22 (d)</b> <b>ESRS 2 GOV-2 para. 26 (b)</b>	
	• How the board monitors and oversees progress against goals and targets to address nature-related dependencies, impacts, risks and opportunities;	<b>ESRS 2 GOV-1 para. 22 (d)</b>	
	• The main features of board-level oversight of the sustainability reporting processes, including risk management processes and use of internal and external audit and assurance resources; and	<b>ESRS 2 GOV-5 para. 34 and para. 36</b>  <b>ESRS 2 GOV-1 para. AR 3 (a) (iv)</b>	36. The undertaking shall disclose the following information: [...] (e) a description of the periodic reporting of the findings referred to in point (d) to the administrative, management and supervisory bodies.  See also CSRD: Art. 26a 1. Member States shall require statutory auditors and audit firms to carry out the assurance of sustainability reporting in compliance with the assurance standards adopted by the Commission in accordance with paragraph 3.  Art. 28a 1. The statutory auditor(s) or the audit firm(s) shall present the results of the assurance of sustainability reporting in an assurance report on sustainability reporting.
	• Whether and how performance metrics for nature related issues are incorporated into remuneration policies	<b>ESRS 2 GOV-3 para. 29 (c)</b> <b>ESRS E1 para. 13</b>	
	The organisation should consider reporting the following indicators to support this disclosure: • Number (absolute and proportion of total) of members of board with competence on nature-related issues; • Use, if any, of external expert advisers and subject matter experts, such as scientific advisers, to	<b>ESRS 2 GOV-1 para. 22 (a) and 23 (a) (b)</b> <b>ESRS 2 GOV-1 para. AR 5</b>	
	• Frequency that nature issues are discussed during board meetings.	<b>ESRS 2 GOV-2 para. 26 (a) (c)</b>	
<b>Governance - B</b>	Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.		
	In describing management's role in the assessment and management of nature-related dependencies, impacts, risks and opportunities, the organisation should include the following information:  • Whether and how the organisation has assigned nature-related responsibilities to management-level positions or committees, whether such management positions or committees report to the board or board committee, and whether those responsibilities include assessing and/or managing nature-related dependencies, impacts, risks and opportunities;	<b>ESRS 2 GOV-1 para. 22 (a) (b) (c)</b>	

	<ul style="list-style-type: none"> <li>The associated organisational structure(s); and</li> </ul>	<p><b>ESRS 2 GOV-1</b> para. 21 and para. 22; para. AR 3 and AR 4</p> <p><b>ESRS 2 GOV-2</b> para. AR 6</p>	
	<ul style="list-style-type: none"> <li>The controls and procedures by which management is informed about and monitors nature-related dependencies, impacts, risks and opportunities</li> </ul>	<p><b>ESRS 2 GOV-1</b> para. AR 3 (c)</p> <p><b>ESRS 2 IRO-1</b> para. 53 (b) (c) (d) (e) (f)</p> <p><b>ESRS 2 GOV-2</b> para.26 (a)</p>	
	<p>The organisation <i>should consider</i> reporting the following indicators to support this disclosure:</p> <ul style="list-style-type: none"> <li>Highest level of responsibility and accountability for nature policies, commitments and targets; and</li> <li>Frequency of communication of performance and progress in priority locations to management.</li> </ul>	<p><b>ESRS 2 GOV-1</b> para. 22 (b)</p> <p><b>ESRS 2 MDR-P</b> para. 65 (c)</p>	
<b>Governance - C</b>	Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.		
	The organisation should describe its human rights policies and engagement activities related to its assessment and management of nature-related dependencies, impacts, risks and opportunities. This should cover all relevant stakeholders, with a priority on Indigenous Peoples, Local Communities and affected stakeholders. It should do so with reference to, and implementation of, the UN Declaration on the Rights of Indigenous Peoples, the UN Guiding Principles on Business and Human Rights and internationally recognised human rights as applicable to affected stakeholders.	<p><b>ESRS 2 SBM-2</b> para 45</p> <p><b>ESRS 2 MDR-P</b> para. 65 (e) (f)</p> <p><b>ESRS 2 IRO-1</b> para. 53 (b)iii</p> <p><b>ESRS E2</b> para. 11(b)</p> <p><b>ESRS E3</b> para. 8(b)</p> <p><b>ESRS E4</b> para. 17(e)</p> <p><b>ESRS E4</b> E4-2 para. AR. 17 (b)</p> <p><b>ESRS S3</b> S3-1 para 16</p>	
	<p>This description should include:</p> <ul style="list-style-type: none"> <li>A summary of the organisation's commitments regarding: <ul style="list-style-type: none"> <li>International standards of responsible business practice as set out in the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct;</li> <li>Respect of the rights of Indigenous Peoples as reflected in the UN Declaration on the Rights of Indigenous Peoples, ILO Convention 169, the Convention on Biological Diversity; and</li> <li>The UN General Assembly Resolution 76/300 on rights to a healthy environment;</li> </ul> </li> </ul>	<p><b>ESRS S3</b> S3-1 para. 16</p> <p><b>ESRS S3</b> S3-1 para. 17 and para. AR 10</p>	
	<ul style="list-style-type: none"> <li>A description of how human rights due diligence processes, including but not limited to those covering the rights of Indigenous Peoples and Local Communities, are embedded in an organisation's strategy, policies, codes of conduct, governance structures and best practices;</li> </ul>	<p><b>ESRS 2 SBM-3</b> para. 8-9; GOV-4; <b>ESRS 2 GOV-2</b> para. 26</p> <p><b>ESRS 2 GOV-2</b> para. 26(a), GOV-4</p> <p><b>ESRS S3</b> S3-1</p> <p><b>ESRS S3</b> S3-2</p> <p><b>ESRS S3</b> S3-3</p> <p><b>ESRS S3</b> S3-4</p> <p><b>ESRS S3</b> S3-5</p>	
	<ul style="list-style-type: none"> <li>The processes adopted to enable the monitoring, management and remediation of any adverse human rights impacts caused by the organisation or to which it significantly contributes through its business activities, supply chains and business relationships, including organisational grievance mechanisms;</li> </ul>	<p><b>ESRS S3</b> S3-3 para 27; para. AR 22</p> <p><b>ESRS S3</b> S3-4 para. 32; para. AR 28</p>	
	<ul style="list-style-type: none"> <li>A summary of the organisation's governance on nature-related advocacy and lobbying, and the organisation's approach to engagement with public authorities on nature-related initiatives, policies and/or regulation;</li> <li>A summary of the organisation's key nature-related advocacy and lobbying priorities and positions. This should be complemented, where relevant, with a summary of the main direct advocacy and lobbying activities undertaken by the organisation associated with nature-related regulation and public policy development;</li> </ul>	<p><b>ESRS G1</b> G1-5 para. 27 and para. 29</p>	
	<ul style="list-style-type: none"> <li>A description of the organisation's involvement in any ongoing cases, or cases concluded in the reporting year, that concern nature-related dependencies or impacts that are brought to National Contact Points under the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct;</li> </ul>	<p><b>ESRS S3</b> S3-3 para. AR20</p>	<p>ESRS address grievance mechanisms, e.g. National Contact Points, under ESRS S3-3. TNFD, in addition, recommends disclosures about cases.</p>

	<ul style="list-style-type: none"> <li>The engagement process(es) undertaken including: <ul style="list-style-type: none"> <li>&gt; A description of the Indigenous Peoples, Local Communities and affected stakeholders engaged in the assessment and management of nature related dependencies, impacts, risks and opportunities, how they were identified, and a confirmation that this description has been agreed with those engaged;</li> <li>&gt; A statement of the purpose of the engagement and whether it takes place in relation to: <ul style="list-style-type: none"> <li>&gt; A description of the approach to and process of engagement, whether engagement is one-off, periodic or ongoing, and whether it is through formal or informal structures;</li> <li>&gt; A description of whether engagement has been based on free, prior and informed consultation and participation and how Free Prior and Informed Consent (FPIC) has been obtained;</li> <li>&gt; A statement of how equitable Access and Benefit Sharing has been attained, particularly as it relates to Indigenous Peoples and Local Communities; and</li> <li>&gt; A description of the results of the engagement processes with Indigenous Peoples, Local Communities and affected stakeholders, including how these are incorporated or otherwise addressed in the organisation's materiality assessment, decision-making and responses to nature-related issues and their societal dimensions; and</li> </ul> </li> </ul> </li> <li>A statement of whether and how senior management and the board are informed about engagement processes with Indigenous Peoples, Local Communities and affected stakeholders, and their results.</li> </ul>	<p>ESRS 2 SBM-2 para. 45 (a)</p> <p>ESRS S3 S3-2 para 21 (a)</p> <p>ESRS E4 E4-3 para. AR 20</p> <p>ESRS S3 S3-2 para.21 (a) and (b)</p> <p>ESRS S3 S3-2 para. 23</p> <p>ESRS E4 E4-2 para. AR 15 (b)</p> <p>ESRS 2 SBM-2 para. 45 (b) (d)</p> <p>ESRS 2 IRO-1 para 53 (b) (iii)</p> <p>ESRS 2 SBM-2 para. 45 (d)</p>	
	<ul style="list-style-type: none"> <li>The organisation should consider reporting the following indicator to support this disclosure: <ul style="list-style-type: none"> <li>Proportion of locations identified with material nature related issues and/or in sensitive locations that have active engagement with Indigenous Peoples, Local Communities and affected stakeholders on nature related issues.</li> </ul> </li> </ul>	<p>ESRS S3 SBM-3 para. 9 and para.10; ESRS S3 S3-2 para 21</p>	
<b>Strategy</b>	Disclose the effects of nature-related dependencies, impacts, risks and opportunities on the organisation's business model, strategy and financial planning where such information is material.	<b>ESRS 2 - Strategy</b>	
<b>Strategy- A</b>	Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.		
	<p><i>Dependencies and impacts</i></p> <p>The organisation should describe the material nature related dependencies and impacts the organisation has identified in its direct operations and upstream and downstream value chain(s). The organisation should disclose the following information for material impacts and dependencies:</p> <ul style="list-style-type: none"> <li>A description of the material impact on nature, including: <ul style="list-style-type: none"> <li>The location of the impact with reference to the location(s) identified in Strategy D and whether the impact relates to the organisation's direct operations, or upstream or downstream value chain(s);</li> <li>The impact pathway(s), including: <ul style="list-style-type: none"> <li>&gt; The organisation's impact driver(s) and any external factors that are affecting the state of nature;</li> <li>&gt; How these impact drivers and external trends lead to changes in the state of nature in these</li> </ul> </li> </ul> </li> <li>A description of the material dependency on nature, including: <ul style="list-style-type: none"> <li>The location of the dependency, with reference to the locations identified in Strategy D and whether the dependency relates to the organisation's direct operations, or upstream or downstream value chain(s);</li> </ul> </li> </ul>	<p>ESRS 2 SBM-3 para. 48 (a)</p> <p>ESRS 2 SBM-3 para. 48 (a); para. AR 17</p> <p>ESRS E4 para. 16 (a)i (a)ii</p> <p>ESRS E4 para. AR 7</p> <p>ESRS E4 para. AR 4 (a)(b)(c)(d)</p> <p>ESRS 2 SBM-3 para. 48 (c)</p> <p>ESRS E4 para. AR 4 (d)</p> <p>ESRS E2 para. AR 6</p> <p>ESRS E3 para. AR 8</p> <p>ESRS E4 para. AR 8 (d)</p> <p>ESRS E5 para. AR 1 (b)</p>	<p>The disclosure of dependencies in alignment with ESRS E2, E3 and E5 is made as part of Phase 2 of the LEAP assessment, which organisations may consider for their materiality assessment.</p> <p>The disclosure of the locations of the dependencies as part of ESRS E2 and E3 is made as part of Phase 2 of the LEAP assessment, which organisations may consider for their materiality assessment. For E4, the breakdown of sites according to impacts and dependencies is mentioned in ESRS 2 SBM-3 (E4). See also ESRS 1 para. 54 (b) on disaggregation of the reported information by sites.</p>
		ESRS E4 para.16 (a)j (a)ii	
		ESRS E2 para. AR 6	
		ESRS E3 para. AR 8	
		ESRS E4 para. AR 4	

	<ul style="list-style-type: none"> <li>• The dependency pathway, including: <ul style="list-style-type: none"> <li>&gt; The environmental asset(s) and ecosystem service(s) the organisation depends on; and</li> </ul> </li> </ul>	<p><b>ESRS E3</b> para. AR 13 (a)j</p>	
		<p><b>ESRS E3</b> para. AR 8</p>	
		<p><b>ESRS E5</b> para. AR 1</p>	
	<ul style="list-style-type: none"> <li>&gt; The associated impact driver(s) and external factors that are affecting the state of nature and availability of ecosystem services; and</li> </ul>	<p><b>ESRS E4</b> para. AR 4 (a)</p>	
	<ul style="list-style-type: none"> <li>• Reference to the relevant metrics disclosed in Metrics and Targets B; and</li> </ul>	<p><b>ESRS E4</b> para. AR 8 (d)</p>	
	<ul style="list-style-type: none"> <li>• A description of any interconnections between the organisation's dependencies and impacts.</li> </ul>	<p><b>ESRS 2</b> IRO-1 para. 53 (c)i</p>	
	<p>The disclosures should distinguish between dependencies and impacts in the organisation's direct operations and upstream and downstream value chain(s).</p>	<p><b>ESRS E4</b> para. AR 6  <b>ESRS E5</b> para. AR 1  <b>ESRS E3</b> para. AR 13 (a)j  <b>ESRS 2</b> SBM-3 para. 48 a)</p>	
	<p><i>Risks and opportunities</i>  An organisation should describe the material risks and opportunities it has identified that could affect its business model, value chain, strategy and financial position and how these arise from its dependencies and impacts on nature. The organisation should disclose the following information:</p>		
	<ul style="list-style-type: none"> <li>• A description of each nature-related risk and opportunity identified by the organisation across each time horizon (short, medium and long term), with reference to the relevant metrics disclosed in Metrics and Targets A; and</li> <li>• The TNFD risk and opportunity category to which the risk or opportunity belongs, including whether a risk is a physical or transition risk.</li> </ul>	<p><b>ESRS 2</b> SBM-3 para. 48 a) b)  <b>ESRS E1</b> para. 18  <b>ESRS E2</b> para. 7 a) b)  <b>ESRS E3</b> para. 13 a) b)  <b>ESRS E4</b> para. AR 9  (a)(b)(c)  <b>ESRS E5</b> para. 5 a) b)</p>	<p>In ESRS, for definition of time horizons, see ESRS 1 Chapter 6.</p>
<p><b>Strategy - B</b></p>	<p>Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.</p> <p><i>Business model, value chain and strategy</i>  The organisation should describe the current and anticipated effects of the identified risks and opportunities on its business model and value chain and where these risks and opportunities are located in its business model and value chain.  The organisation should describe the processes and actions it has put in place to respond to the material dependencies, impacts, risks and opportunities it has identified, including:</p>	<p><b>ESRS 2</b> MDR-A para. 67</p>	

	<ul style="list-style-type: none"> <li>How the organisation makes and implements decisions to avoid and reduce negative impacts on nature, regenerate and restore ecosystems and transform business practices, following the mitigation hierarchy and principles of extended producer responsibility</li> </ul>	<b>ESRS E1</b> E1-3 para. 28 <b>ESRS E2</b> E2-2 para. 19 <b>ESRS E3</b> E3-2 para. 17 <b>ESRS E4</b> E4-3 para. 27 <b>ESRS E4</b> E4-3 para. 28 (a) <b>ESRS E5</b> E5-2 para. 20 (f)	
	<ul style="list-style-type: none"> <li>Current and anticipated changes to business practices, investments in new technologies or research and development, decisions about the location of business operations, and collaboration with other partners and stakeholders;</li> </ul>	<b>ESRS 2</b> SBM-3 para. 48 (b)	
	<ul style="list-style-type: none"> <li>Current and anticipated changes to upstream sourcing practices and interactions with downstream entities, such as the adoption of improved tracing, certification practices, collaboration with suppliers, customers and other stakeholders, or extended producer responsibility schemes;</li> </ul>	<b>ESRS 2</b> SBM-3 para. 48 (b) <b>ESRS</b> G1-2 para. 15	
	<ul style="list-style-type: none"> <li>Current and anticipated changes to the organisation's engagement through multi-stakeholder planning processes, such as landscape approaches, watershed management and marine and coastal spatial planning; and</li> </ul>	<b>ESRS S3</b> S3-4 para. AR 29	Addressed through current or planned actions (such as S3 AR para. 29) linked to material sustainability matters on nature, but not explicitly required by ESRS
	<ul style="list-style-type: none"> <li>Any other current and anticipated policies or efforts to mitigate nature-related risks, manage nature-related issues and/or contribute towards the goals and targets in the GBF.</li> </ul>	<b>ESRS 2</b> MDR-P para. 63  <b>ESRS E4</b> E4-1 para. 20 <b>ESRS E1</b> E1-2 para. 24 <b>ESRS E2</b> E2-1 para. 14 <b>ESRS E3</b> E3-1 para. 11 <b>ESRS E5</b> E5-1 para. 14 <b>ESRS E4</b> E4-2 para. 15 <b>ESRS E4</b> E4-2 para. AR 14	
	<p><i>Financial position and performance</i></p> <p>The organisation should describe the current and anticipated effects of nature-related risks and opportunities on its financial position, performance and cashflow, including:</p>		
	<ul style="list-style-type: none"> <li>How the nature-related risks and opportunities have affected the financial position of the organisation in the reporting period;</li> <li>The anticipated effects on revenues, expenses, cashflows, asset and liability values and funding sources over the short, medium and long term;</li> <li>Whether the organisation anticipates any significant investments or asset disposals as a result of the nature-related risks and opportunities identified; and</li> </ul>	<b>ESRS 2</b> SBM-3 para. 48 (d) (e)	
	<ul style="list-style-type: none"> <li>How nature-related risks and opportunities serve as an input to their financial planning processes.</li> </ul>	<b>ESRS 2</b> SBM-3 para. 48(e)(i) and (ii)	
	<p><i>Target setting and transition plans</i></p>		
	<p>Organisations that have made nature-related commitments, set nature-related targets and/or made nature transition plans to address nature-related dependencies, impacts, risks and opportunities should describe their commitments, how they will achieve them and how they are aligned to GBF goals and targets. A non-exhaustive list of indicators and metrics that demonstrate the response of organisations to nature related dependencies, impacts, risks and opportunities is provided in Annex 2.</p>	<b>ESRS 2</b> MDR-T para. 80 <b>ESRS E1</b> E1-4 para. 30 <b>ESRS E1</b> E1-1 para. 14 <b>ESRS E2</b> E2-3 para. 20 <b>ESRS E3</b> E3-3 para. 20 <b>ESRS E4</b> E4-1 para. 15 <b>ESRS E4</b> E4-1 para. AR 1(a) <b>ESRS E4</b> E4-4 para. 32 <b>ESRS E5</b> E5-3 para. 21	
Strategy- C	<p>Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.</p> <p>The organisation should disclose information on the resilience of its strategy, business model and value chain to nature-related changes, developments and uncertainties, taking into consideration the organisation's nature-related risks and opportunities identified in Strategy A. The organisation should use nature-related scenario analysis to assess its strategy resilience, using an approach that is commensurate with the organisation's circumstances. The organisation should describe:</p>		
	<ul style="list-style-type: none"> <li>The ways in which it believes its strategy, business model and value chain may be affected over the short, medium and long term by key trends and critical uncertainties regarding physical risks associated with nature loss and possible tipping points in locations material to its business model and value chain</li> </ul>	<b>ESRS 2</b> SBM-3 para. 48 (f) <b>ESRS E1</b> para. 18 and 19 <b>ESRS E4</b> E4-1 para. 13	

	<ul style="list-style-type: none"> <li>How its strategies might change to address such potential trends and uncertainties, including a description of how the organisation took into consideration location specificity;</li> </ul>	<p><b>ESRS 2</b> SBM-3 para. 48 (b) (f)</p>	
	<ul style="list-style-type: none"> <li>The potential effects, if assessed, of an increased level and/or increased rate of change of nature-related risks and opportunities on financial performance (i.e. revenues and expenses) and financial position (i.e. assets and liabilities) over the short, medium and long term;</li> </ul>	<p><b>ESRS E2</b> E2-6 para. 44  <b>ESRS E3</b> E3-5 para. 32 (a)  <b>ESRS E4</b> E4-6 para. 44 (a) (b)  <b>ESRS E5</b> E5-6 para. 42 (a)</p>	
	<ul style="list-style-type: none"> <li>The resources and capacity the organisation has, or plans to put in place, to adapt and make identified changes to its strategy to address future changes in the potential effects of nature-related risks and opportunities; and</li> </ul>	<p><b>ESRS 2</b> MDR-A para. 69  <b>ESRS E1</b> E1-3 para. 28  <b>ESRS E1</b> E1-3 para. AR 20  <b>ESRS E2</b> E2-2 para. 18 and para. 19  <b>ESRS E3</b> E3-2 para. 17  <b>ESRS E4</b> E4-3 para. AR 18  <b>ESRS E5</b> 5-2 para. 19</p>	
	<ul style="list-style-type: none"> <li>Its use of scenario tools and methodologies, if any, to inform its thinking about the resilience of its strategy, including a brief description of the scenario narratives used, the time horizons considered and the key insights gained.</li> </ul>	<p><b>ESRS 2</b> SBM-3 para. 48 (f)  <b>ESRS E1</b> para. AR 7 and AR 8  <b>ESRS 2</b> IRO-1 para. 18  <b>ESRS E4</b> E4-1 para. 13 and para. 14</p>	
<b>Strategy- D</b>	<p>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> <p>As illustrated in Figure 21, priority locations are locations that are:</p> <ul style="list-style-type: none"> <li>Material locations: Locations where an organisation has identified material nature-related dependencies, impacts, risks and opportunities in its direct operations and upstream and downstream value chain(s); and/or</li> <li>Sensitive locations: Locations where the assets and/or activities in its direct operations – and, where possible, upstream and downstream value chain(s) – interface with nature in: <ul style="list-style-type: none"> <li>Areas important for biodiversity; and/or</li> <li>Areas of high ecosystem integrity; and/or</li> <li>Areas of rapid decline in ecosystem integrity; and/or</li> <li>Areas of high physical water risks; and/or</li> <li>Areas of importance for ecosystem service provision, including benefits to Indigenous Peoples, Local Communities and stakeholders.</li> </ul> </li> </ul>		
	<p>An organisation should provide:</p> <ul style="list-style-type: none"> <li>A list and/or spatial map of the locations where the organisation has assets and/or activities;</li> <li>In its direct operations and upstream and downstream value chain(s), where material nature-related dependencies, impacts, risks and opportunities have been identified, and whether any of these locations meet the criteria for sensitive locations; and</li> <li>In its direct operations and, where possible upstream and downstream value chain(s), that are in sensitive locations as defined above.</li> <li>A description of how the organisation has defined sensitive locations, with reference to the tools, data sources and indicators and metrics used;</li> <li>A description of the process followed to identify priority locations for disclosure;</li> <li>A description of the level of geographic specificity achieved, if and how locations have been aggregated, and the rationale for any aggregation, with reference to general requirement 3; and</li> <li>The organisations intentions to improve or expand its location assessment activities over the short, medium and long term.</li> </ul>	<p><b>ESRS E4</b> para 16 (a)</p> <p><b>ESRS E4</b> para. 17; para. AR 7(a)  <b>ESRS E2</b> para. 11; para. AR 5  <b>ESRS E3</b> para. AR 5</p>	<p>The TNFD uses the definition of 'priority' locations which includes both material and sensitive locations. Also ESR5 asks to disclosure 'material' sites or locations, including sensitive locations as a sub-set of this list. See also ESR5 1 para. 54 (b) on disaggregation of the reported information by sites.</p>
<b>Risk and impact management</b>	Describe the processes used by the organisation to identify, assess, prioritise and monitor nature-related dependencies, impacts, risks and opportunities.	<b>ESRS 2 - Impact, risk and opportunity management</b>	
<b>Risk and impact management- A(i)</b>	Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations. The organisation should describe its processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations. The description should include:		
	<ul style="list-style-type: none"> <li>How the organisation identifies existing and emerging nature-related dependencies, impacts, risks and opportunities that may be material to the organisation, including factors such as: <ul style="list-style-type: none"> <li>The materiality definitions and application guidance used with respect to the organisation's materiality assessment;</li> </ul> </li> </ul>	<p><b>ESRS 2</b> IRO-1 para. 51  <b>ESRS E1</b> para. 20  <b>ESRS E2</b> para. 11  <b>ESRS E3</b> para. 8</p>	

		ESRS E4 para. 17 (a) (b) ESRS E5 para. 11	
	>The degree of location-specificity used (e.g. site specific, local, sub-national), taking into account the differences in dependencies, impacts, risks and opportunities across locations;		ESRS requires the disclosure of location-specific information when considered material (see also ESRS 1 para. 54), TNFD recommends that the degree of location-specificity used is always disclosed.
	> The timescales considered;		In ESRS, for definition of time horizons, see ESRS 1 Chapter 6.
	> Whether and how ecological thresholds and tipping points were considered; > The frequency of assessment; and	ESRS E4 para. AR 9 (c) i ESRS E2 E2-3 para. 24 ESRS E3 E3-3 para. 24 ESRS E5 E5-3 para. 26	
	> Whether and how existing and emerging policy changes and regulatory requirements related to climate change and nature loss were considered (e.g. restrictions on water or land use).	ESRS E2 para. AR 7 (a)i ESRS E3 para. AR 13 (a)i ESRS E4 para. AR 9 (b)i ESRS E5 para. 5 (c)	
	• How the organisation assesses nature-related risks and opportunities for the magnitude of potential effects on the organisation, including processes for assessing the potential size and scope of identified nature-related risks and opportunities and the likelihood of the effects of those risks, based on its understanding of how nature-related risks and opportunities originate from the identified dependencies and impacts.	ESRS 2 IRO-1 para. 53 (c)	
	• How the organisation determines the relative significance of nature-related risks and opportunities in relation to other risks and opportunities and prioritises risks and opportunities to inform risk and opportunity responses and risk and opportunity management decision-making. The organisation should disclose:	ESRS 2 IRO-1 para. 53 c) iii	
	• An assessment of the quality of the data used and the implications for the analysis; • A description of any improvements made to data quality since the previous disclosure period and plans to improve data quality over time; • The methodology and information sources used for key data not obtained directly from the organisation's operations; and • Definitions of the risk terminology used, or references to existing risk classification frameworks used	ESRS E4 E4-5 para. AR 27 ESRS E2 E2-2 para. 30 ESRS E5 E5-3 para. 32	
<b>Risk and impact management- A(ii)</b>	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). The organisation should describe its processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s). The description should include:  • How the organisation defines the value chain(s), its scope and constituent elements; • The scope of the value chain(s) considered; • How the organisation determines which elements of the value chain(s) are to be assessed (e.g. based on the TNFD's additional guidance; the commodities used; products, locations, processes; and/or degree of influence over the issue); • The elements of the value chain(s) selected for assessment using this process; • How the organisation reviews its approach to identifying elements of the value chain(s) for assessment to reflect new, emerging and changing risks and opportunities that may affect the organisation; • How the organisation assesses dependencies, impacts, risks and opportunities associated with its value chain(s) • The materiality definitions and application guidance used with respect to the organisation's materiality assessment; • The timescales considered for the assessment; • Whether and how ecological thresholds and tipping points have been considered;  • The degree of location-specificity achieved and the implications for the analysis, including: > An assessment of the quality of the data used and the implications for the analysis;	ESRS 1 para. 39 ESRS 2 SMB-3 para. 48 (a) ESRS 2 SMB-1 para. 42 ESRS 2 IRO-1 para. 51 ESRS E1 para. 20 ESRS E2 para. 11 ESRS E3 para. 8 ESRS E4 para. 17 (a) (b) ESRS E5 para. 11	In ESRS, see also ESRS 1 para. 63 and 66 on value chain information.
<b>Risk and impact management- B</b>	Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities. The organisation should describe its processes for managing nature-related dependencies, impacts, risks and opportunities. This should include information about:		





	<p>sector guidance; and</p> <ul style="list-style-type: none"> <li>Any other relevant metrics, drawing on the TNFD additional disclosure indicators and metrics listed in Annex 2 and the organisation's own assessment metrics as appropriate.</li> </ul> <p>These metrics should cover the organisation's impact drivers associated with each material dependency and impact identified in Strategy A, indicating what the impact driver is (i.e. the type of pollutant emitted), the magnitude (i.e. the quantity of pollutant) and the location in which the impact driver occurs, with reference to Strategy D.</p> <p>It is also recommended that the organisation consider covering in its disclosure, for the location of each dependency and impact described in Strategy A, with reference to Strategy D:</p> <ul style="list-style-type: none"> <li>Other elements of the dependency and impact pathway (qualitatively if quantitative metrics are not yet available) including: <ul style="list-style-type: none"> <li>&gt; Changes in the state of nature (e.g. ecosystem condition and extent, and species population size and extinction risk); and</li> <li>&gt; Changes in the availability of ecosystem services;</li> </ul> </li> <li>Actions, policies and strategies to manage these impacts and dependencies, as disclosed in Strategy B; and</li> <li>Aggregated impact drivers for the organisation's direct operations, and upstream and downstream</li> </ul>	<p><b>ESRS E2</b> E2-4  <b>ESRS E2</b> E2-5  <b>ESRS E4</b> E3-4  <b>ESRS E4</b> E4-5  <b>ESRS E5</b> E5-4  <b>ESRS E5</b> E5-5</p>	<p>TNFD recommends an organisation consider disclosing aggregated impact drivers for the organisation's direct operations, and upstream and downstream value chain(s) to the extent possible. The topical ESRS standards require to include VC data only for a few metrics. However, when the undertaking considers that a material impact, risk or opportunity in the VC is not sufficiently covered by the requirements in ESRS, it shall include additional entity-specific disclosures.</p>
	<p>An organisation should provide a short explanation where any core metrics are not reported explaining whether it has:</p> <ul style="list-style-type: none"> <li>Not been identified as relevant or material to the organisation; or</li> <li>Been identified as relevant and material, but the organisation is unable to measure it due to limitations with methodologies or access to data. In this case, organisations should explain how they plan to address this in future reporting periods.</li> </ul>		<p>ESRS does not allow omissions of metrics on material sustainability matters (see ESRS 1 para. 34 and 35).</p>
	<p>Metrics should be reported:</p> <ul style="list-style-type: none"> <li>Against a clear and transparent baseline and/or reference condition where possible;</li> <li>Separately for negative and positive impacts, not on a net basis;</li> <li>With reference to whether they relate to the organisation's direct operations, upstream value chain(s) or downstream value chain(s);</li> <li>With an absolute figure, the rate of change, and an intensity/efficiency ratio. The TNFD disclosure metrics contained with Annexes 1 and 2 are mostly listed at the absolute level. Organisations are encouraged to use the best practice intensity/efficiency ratios for their sectors, describing the rationale for selection of ratios.</li> </ul> <p>The organisation should also disclose:</p> <ul style="list-style-type: none"> <li>If and how metrics have been aggregated, in line with general requirement 3 and including the scientific justification for aggregating metrics and/or locations (e.g. ecological equivalency or industry best practice with references), the methodologies used and any limitations or assumptions;</li> <li>A description of the methodologies, tools and data platforms used to obtain key data; the assumptions, tools and data platforms used to calculate or estimate nature-related indicators and metrics; and any limitations, including a lack of data or the use of proxy data and industry averages; and</li> <li>When appropriate, forward-looking nature-related indicators and metrics consistent with its business</li> </ul>	<p><b>ESRS 2</b> MDR-M para. 73; para. 74; para. 75; para. 76  <b>ESRS E2</b> E2-4 para. 30; para. AR 23;  <b>ESRS E3</b> E3-4 para. 28</p>	<p>Requirements on metrics and targets are provided by ESRS though various standards.</p>
<p><b>Metrics and Targets - C</b></p>	<p>Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.</p> <p>The organisation should describe the targets and goals it has established to manage its nature-related dependencies, impacts, risks and opportunities, and disclose performance against these targets and goals.</p>	<p><b>ESRS 2</b> MDR-T para.79</p> <p><b>ESRS E2</b> E2-3  <b>ESRS E3</b> E3-3  <b>ESRS E4</b> E4-4  <b>ESRS E5</b> E5-3</p>	

	<p>Disclosures for each target should include:</p> <ul style="list-style-type: none"> <li>• The strategy or risk management objective the target seeks to address, including any anticipated regulatory requirements, market constraints, limitations or other contextual information relevant to understanding the target;</li> <li>• The metric used to quantify the target and monitor performance;</li> <li>• The targeted value of the metric;</li> <li>• The baseline year and level of the metric;</li> </ul> <ul style="list-style-type: none"> <li>• The timeframe for achieving the target;</li> <li>• Short and medium term interim targets or target trajectory for the metric;</li> <li>• The methodology used to set the target and baseline, including whether the organisation has used any external standards when setting the target and whether these use a science-based approach;</li> <li>• Performance against the target relative to the baseline or reference condition on a historical and current year basis, updated annually, and expected performance against targets for the following year, where appropriate;</li> </ul>	<p><b>ESRS 2</b> MDR-T para.79 and para. 80</p>	
	<ul style="list-style-type: none"> <li>• Whether and how the target aligns with or supports the targets and goals of the Kunming–Montreal Global Biodiversity Framework, the Paris Agreement on climate change, the Sustainable Development Goals, Planetary Boundaries and other global reference environmental treaties, policy goals and system-wide initiatives</li> </ul>	<p><b>ESRS E4</b> E4-4 para. 32 (b)</p>	
	<ul style="list-style-type: none"> <li>• If the organisation exceeded or fell short of the target trajectory or is projected to do so, an explanation of the reasons and disclosure of any resulting adjustment or resetting of targets from the prior period; and</li> </ul>	<p><b>ESRS 2</b> MDR-T para. 80(j)</p>	
	<p>Targets in scope include:</p> <ul style="list-style-type: none"> <li>• Targets for changes to impact drivers;</li> <li>• Targets to improve or maintain the flow of ecosystem services;</li> <li>• Targets to halt and reverse nature loss and improve or maintain the state of nature;</li> <li>• Targets for changes to business activities and processes correlated with dependencies and impacts;</li> <li>• Enterprise-level targets directly or indirectly affecting nature-related dependencies, impacts, risks and opportunities. For example, direct operations changes that increase the circularity of the business or the traceable or certified share of the supply chain; and</li> <li>• Other targets to address nature-related dependencies, impacts, risks or opportunities.</li> </ul> <p>In all cases, targets should be specific and time bound, quantified with metrics that can be suitably measured and are relevant to the organisation's strategy or risk management plans, including the pursuit of opportunities.</p> <p>Organisations should consider reporting the:</p> <ul style="list-style-type: none"> <li>• Proportion of targets that address short term, medium term and long term risks and opportunities;</li> <li>• Proportion of targets that are time-bound and quantifiable; and</li> <li>• Proportion of geographical sites/priority locations that are covered by targets.</li> </ul>	<p><b>ESRS E2</b> E2-3  <b>ESRS E3</b> E3-3  <b>ESRS E4</b> E4-4  <b>ESRS E5</b> E5-3</p>	<p>Requirements on metrics and targets are provided by ESRS though various standards.</p>

TNFD content			ESRS Paragraph number	Final comment for publication
Driver of nature change	Indicator	Metric		
Climate Change	GHG Emissions	Refer to ISSB's IFRS-S2 Climate-related Disclosures Standard	See the upcoming ESRS-IFRS interoperability	
Land/freshwater/ ocean-use change	Total spatial footprint	Total spatial footprint (km2) (sum of): <ul style="list-style-type: none"> <li>• Total surface area controlled/managed by the organisation, where the organisation has control (km2);</li> <li>• Total disturbed area (km2);</li> <li>• Total rehabilitated/restored area (km2).</li> </ul>	ESRS E4 E4-5 para. 38; and para. AR 34	ESRS and TNFD require a different breakdown.
	Extent of land/ freshwater/ ocean-use change	Extent of land/freshwater/ocean ecosystem use change (km2) by: <ul style="list-style-type: none"> <li>• Type of ecosystem; and</li> <li>• Type of business activity.</li> </ul>	ESRS E4 E4-5 para. 38 (a)	ESRS requires relevant metrics, providing flexibility to preparers to specify what these are, whilst TNFD requires a specific metric and breakdown.
		Extent of land/freshwater/ocean ecosystem conserved or restored (km2), split into: <ul style="list-style-type: none"> <li>• Voluntary; and</li> <li>• Required by statutes or regulations.</li> </ul>		
		Extent of land/freshwater/ocean ecosystem that is sustainably managed (km2) by: <ul style="list-style-type: none"> <li>• Type of ecosystem; and</li> <li>• Type of business activity.</li> </ul>	ESRS E4 E4-5 para. 38 (b)	TNFD is more specific, in recommending to disclose on positive impacts and on sustainably managed ecosystems, broken down by ecosystem type and by type of business activity.
Pollution/ pollution removal	Pollutants released to soil split by type	Pollutants released to soil (tonnes) by type, referring to sector-specific guidance on types of pollutants.	ESRS E2 E2-4 para. 28(a); para. AR 21	
	Wastewater discharged	Volume of water discharged (m3), split into: <ul style="list-style-type: none"> <li>• Total;</li> <li>• Freshwater; and</li> <li>• Other.</li> </ul>	ESRS E3 E3-4 para. AR 32	TNFD additionally recommends to disclose information split by total; freshwater; and other.

	<p>Including:</p> <ul style="list-style-type: none"> <li>• Concentrations of key pollutants in the wastewater discharged, by type of pollutant, referring to sector-specific guidance for types of pollutants; and</li> <li>• Temperature of water discharged, where relevant</li> </ul>	<b>ESRS E2</b> E2-4 para. 28 (a)	TNFD asks for concentrations in receiving water body, ESRS asks for pollution loads.
Waste generation and disposal	<p>Weight of hazardous and non hazardous waste generated by type (tonnes), referring to sector-specific guidance for types of waste.</p> <p>Weight of hazardous and nonhazardous waste (tonnes) disposed of, split into:</p> <ul style="list-style-type: none"> <li>• Waste incinerated (with and without energy recovery);</li> <li>• Waste sent to landfill; and</li> <li>• Other disposal methods.</li> </ul>	<b>ESRS E5</b> E5-5 para. 37 (a)(c)	
	<p>Weight of hazardous and nonhazardous waste (tonnes) diverted from landfill, split into waste:</p> <ul style="list-style-type: none"> <li>• Reused;</li> <li>• Recycled; and</li> <li>• Other recovery operations.</li> </ul>	<b>ESRS E5</b> E5-5 para. 37 (b)	
Plastic pollution	<p>Plastic footprint as measured by total weight (tonnes) of plastics (polymers, durable goods and packaging) used or sold broken down into the raw material content.</p>	<b>ESRS E2</b> E2-4 para. 28 (b)	ESRS and TNFD are aligned in requiring raw material content, even though the breakdowns are different.
		<b>ESRS E5</b> E5-4 para. 31	
		<b>ESRS E5</b> E5-5 para. 37 and 38 (b)	
	<p>For plastic packaging, percentage of plastics that is:</p> <ul style="list-style-type: none"> <li>• Re-usable;</li> <li>• Compostable;</li> <li>• Technically recyclable; and</li> </ul>	<b>ESRS E5</b> E5-5 para. 35 and para. 36 (c)	ESRS and TNFD are aligned in the requirement, even though different breakdowns are required.

		<ul style="list-style-type: none"> <li>• Recyclable in practice and at scale.</li> </ul>		
	Non-GHG air pollutants	<p>Non-GHG air pollutants (tonnes) by type :</p> <ul style="list-style-type: none"> <li>• Particulate matter (PM2.5 and/or PM10);</li> <li>• Nitrogen oxides (NO2, NO and NO3);</li> <li>• Volatile organic compounds (VOC or NMVOC);</li> <li>• Sulphur oxides (SO2, SO, SO3, SOX); and</li> <li>• Ammonia (NH3)</li> </ul>	<p><b>ESRS E2</b> E2-4 para. 28(a) and para. AR 21</p>	
Resource use/ replenishment	Water withdrawal and consumption from areas	Water withdrawal and consumption (m3) from areas of water scarcity, including identification of water source.	<p><b>ESRS E3</b> E3-4 para. 28 (b)(e)</p> <p><b>ESRS E3</b> E3-4 para. AR. 32</p>	TNFD and ESRS are aligned in their requirement. In ESRS areas of water risk includes and goes beyond areas of water scarcity in TNFD.
	Quantity of high-risk natural commodities sourced from land/ocean/freshwater	Quantity of high-risk natural commodities (tonnes) sourced from land/ocean/freshwater, split into types, including proportion of total natural commodities.	<p><b>ESRS E3</b> para. AR 10 and AR 15</p> <p><b>ESRS E4</b> para. AR 8</p>	TNFD focuses on high-risk natural commodities only. Additionally, TNFD requests for more granular information in the quantities and proportions of natural commodities. Organisations may disclose this as part of Phase 2 of LEAP Approach also under ESRS.
		Quantity of high-risk natural commodities (tonnes) sourced under a sustainable management plan or certification programme, including proportion of total high-risk natural commodities.	<p><b>ESRS E5</b> E5-4 para. 31 (b)</p> <p><b>ESRS E4</b> E4-2 para. AR 12</p>	
Invasive alien species and other	Placeholder indicator: Measures against unintentional introduction of invasive alien species (IAS)	Proportion of high-risk activities operated under appropriate measures to prevent unintentional introduction of IAS, or low-risk designed activities.	<p><b>ESRS E4</b> E4-5 para. 39</p>	ESRS and TNFD indicators are aligned in terms of content but differ regarding the metrics.
State of nature	Placeholder indicator:	For those organisations that choose to report on state of nature metrics, the TNFD encourages them to report the following indicators, and to refer to the TNFD additional guidance on measurement of the state of nature in Annex 2 of the LEAP approach:		

Ecosystem condition	Placeholder indicator: Species extinction risk	<ul style="list-style-type: none"> <li>Level of ecosystem condition by type of ecosystem and business activity;</li> <li>Species extinction risk. There are a number of different measurement options for these indicators. The TNFD does not currently specify one metric as there is no single metric that will capture all relevant dimensions of changes to the state of nature and a consensus is still developing. The TNFD will continue to work with knowledge partners to increase alignment.</li> </ul>	<p><b>ESRS E4</b> E4-5 para. 41 (b)(i)</p> <p><b>ESRS E4</b> E4-5 para. 40 (d)</p>	<p>In ESRS, preparers can decide to report this metric if relevant.</p>
Risk		<p>Value of assets, liabilities, revenue and expenses that are assessed as vulnerable to nature-related transition risks (total and proportion of total).</p>	<p><b>ESRS E1</b> E1-9 para. 67</p> <p><b>ESRS E2</b> E2-6 para. 36; para. 38 (a)</p> <p><b>ESRS E2</b> para. AR 7(a)</p> <p><b>ESRS E3</b> para. AR 13(a)</p> <p><b>ESRS E4</b> para. 17 (c)</p> <p><b>ESRS E4</b> E4-6 para. 42; para. 45 (a)</p> <p><b>ESRS E4</b> para. AR 9(b)</p> <p><b>ESRS E5</b> E5-6 para. 41; para. 42(a)</p> <p><b>ESRS E5</b> para. AR 5(a)</p>	<p>TNFD is more specific in its disclosure recommendations (value of assets, liabilities, revenues and expenses), that falls under the more generic anticipated financial effects in ESRS E2, E3, E4 and E5, while in E1 the level of specificity of the requirement is the same as TNFD.</p>
		<p>Value of assets, liabilities, revenue and expenses that are assessed as vulnerable to nature-related physical risks (total and proportion of total).</p>	<p><b>ESRS E2</b> para. AR 9(a)</p> <p><b>ESRS E3</b> para. AR 9(a)</p> <p><b>ESRS E4</b> para. AR 9(a)</p> <p><b>ESRS E4</b> para. 17 (c)</p> <p><b>ESRS E5</b> para. AR 5(b)</p> <p><b>ESRS E1</b> E1-9 para. 66</p> <p><b>ESRS E2</b> E2-6 para. 36; para. 38 (a)</p> <p><b>ESRS E3</b> E3-5 para. 30; para. 32(a); para. 33(a)</p> <p><b>ESRS E4</b> E4-6; para. 42; para. 45 (a)</p> <p><b>ESRS E5</b> E5-6 para. 41; para. 42(a); para. 43(a)</p>	<p>TNFD is more specific in its disclosure recommendations (value of assets, liabilities, revenues and expenses), that falls under the more generic anticipated financial effects in ESRS E2, E3, E4 and E5, while in E1 the level of specificity of the requirement is the same as TNFD.</p>

		Description and value of significant fines/penalties received/litigation action in the year due to negative nature-related impacts	<b>ESRS 2 SBM-3</b> para. 48 (d)	TNFD specifically requires litigation, fines and penalties. This metric is covered under ESRS requirements related to current financial effects in the materiality assessment (refer to SBM-3 para 48 (d)) and the environmental topical standards within ESRS 2 IRO-1 (refer to ESRS 2 AR7, ESRS E3 AR13 and ESRS E4 AR9).
	Opportunity	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	<b>ESRS E4</b> E4-1 para. AR 1 (f) <b>ESRS E1</b> E1-3 para. 29	TNFD requires explicitly Capex, financing or investment in connection with opportunities.
		Increase and proportion of revenue from products and services producing demonstrable positive impacts on nature with a description of impacts.	<b>ESRS 2 SBM-1</b> para 40 (f) and (g) <b>ESRS E1</b> E1-9 para. 69	TNFD is more specific in its disclosure recommendations (proportion of revenue from products and services producing demonstrable positive impacts) whilst the ESRS approach is more descriptive and linked to the undertaking's strategy and business model in ESRS 2 SBM-1. In E1 the level of specificity of the requirement is the same as TNFD.