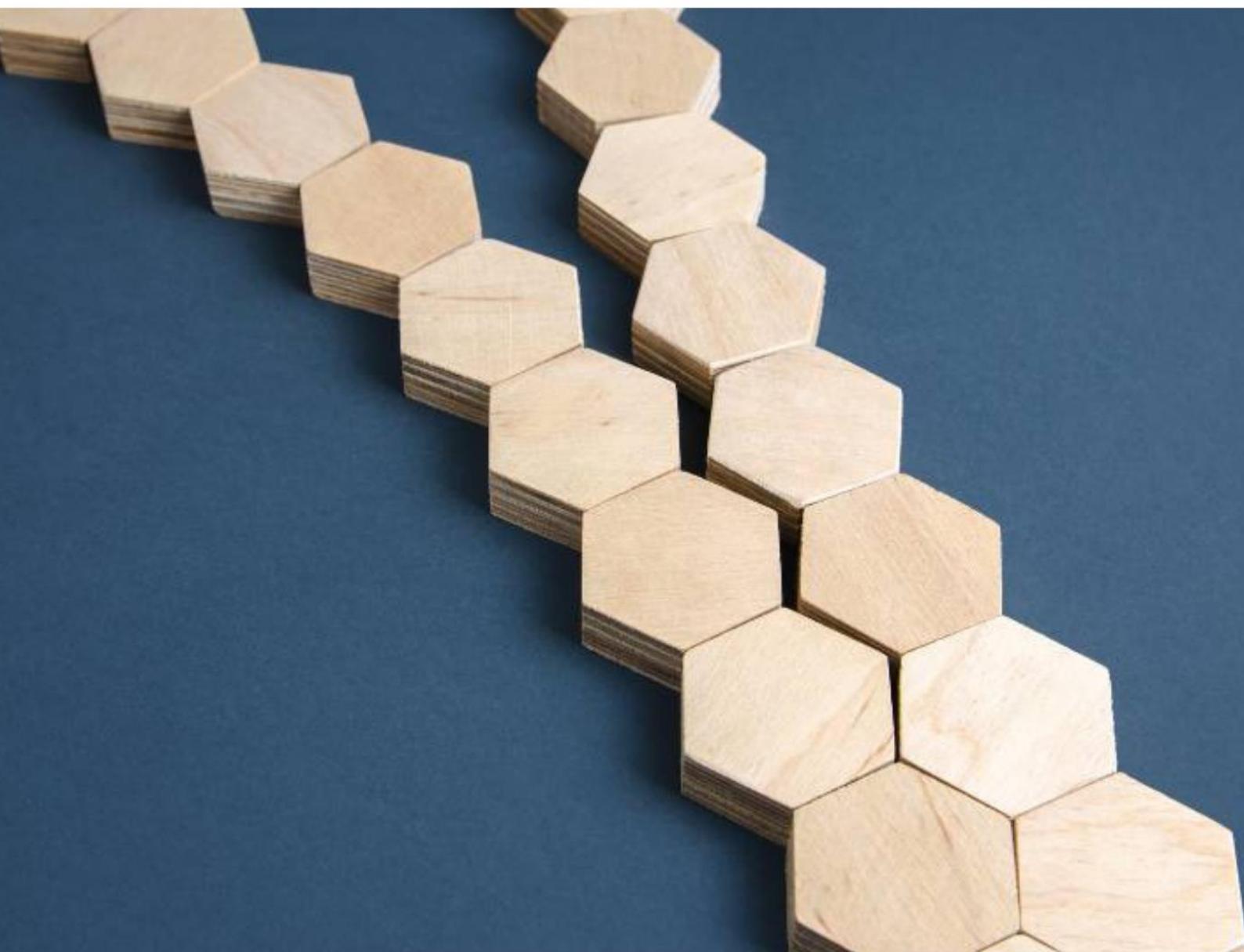


T N F D - E S R S

C O R R E S P O N D E N C E M A P P I N G



JUNE 2024

This document is provided as educational material. The content of this material does not override or adjust the requirements as set out in ESRS or disclosure recommendations of the TNFD. In the event of apparent conflict, an entity must refer to the requirements in ESRS and Recommendations of the TNFD.

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Part 1 – Accompanying document to the TNFD – ESRS Correspondence table

1. About the ESRS and the TNFD

The TNFD and EFRAG were informing each other's efforts during the parallel development of the TNFD Recommendations and the ESRS during the period of 2021-2023.

Since 2022, EFRAG and the TNFD have worked closely together to ensure continuous exchange in the development of the European Sustainability Reporting Standards (ESRS) environmental standards and the TNFD Recommendations and guidance. This collaboration has ensured a strong level of consistency in the language, approach and definitions in the ESRS environmental standards and the TNFD Recommendations and additional guidance.

In December 2023, the two organisations signed a Memorandum of Understanding (MoU), highlighting the importance of advancing corporate sustainability assessment and reporting to address nature-related issues. The MoU reflects their shared commitment to enhancing corporate transparency related to nature, including biodiversity and ecosystems. As part of this MoU, EFRAG also officially became the twentieth knowledge partner of the TNFD.

EFRAG's mission is to serve the European public interest in both financial and sustainability reporting by developing and promoting European views in the field of corporate reporting. EFRAG builds on and contributes to progress in corporate reporting. In its sustainability reporting activities, EFRAG provides technical advice to the European Commission in the form of draft ESRS elaborated under a robust due process and supports the effective implementation of ESRS. EFRAG seeks input from all stakeholders and obtains evidence about specific European circumstances throughout the standard-setting process. Its legitimacy is built on excellence, transparency, governance, due process, public accountability and thought leadership. This enables EFRAG to speak convincingly, clearly, and consistently, and be recognised as the European voice in corporate reporting and a contributor to global progress in corporate reporting.

The TNFD was established to design and develop a global risk management and disclosure framework for organisations to report and act on evolving nature-related issues, to inform better decision making by companies and capital providers, and ultimately contribute to a shift in global financial flows away from nature-negative toward nature-positive outcomes. After two years of design and development in partnership with knowledge partners and the benefit of extensive consultation with market participants and other stakeholders, the TNFD launched its final Recommendations in September 2023. Adoption of the TNFD framework by both real economy companies and financial institutions is voluntary.

2. Objectives of the mapping and target audience

This document (Part 1 and 2) provides a granular mapping between the ESRS and the TNFD disclosure recommendations and metrics and highlights key findings.

All 14 TNFD recommended disclosures are addressed by the ESRS. The mapping focuses on those ESRS disclosure requirements that map to the disclosures recommended by the TNFD:

- ESRS 1 General requirements;

- ESRS 2 General Disclosures;
- ESRS E1 Climate change (covered in a way to reflect the links between climate- and nature-related dependencies, impacts, risks and opportunities);
- ESRS E2 Pollution;
- ESRS E3 Water and marine resources;
- ESRS E4 Biodiversity and ecosystems; and
- ESRS E5 Resource use and circular economy.

It should be noted that some of the social and governance standards in the ESRS are also relevant when considering the correspondence of ESRS with the TNFD's recommended disclosures, including the disclosure on human rights policies and engagement activities (see the TNFD's disclosure recommendation Governance C).

This work was undertaken in response to feedback received by both EFRAG and the TNFD from market participants about the need to support comparability of the TNFD's recommended disclosures and the ESRS and facilitate the work of preparers, the main target audience of this document, who are planning to disclose on both.

The correspondence table (Part 2) aims to enhance understanding of the commonalities between the ESRS and the TNFD disclosure recommendations and metrics. It can help stakeholders identify which ESRS disclosure requirements contribute to meeting the TNFD Recommendations and metrics and enable ESRS preparers who intend to make disclosures aligned with the TNFD Recommendations to leverage their ESRS reporting and add a limited number of datapoints identified through the table. The mapping only highlights differences and/or incrementality in what is recommended by the TNFD with respect to the ESRS. This directionality of the mapping means that any requirement that is incremental in the ESRS with respect to the TNFD Recommendations is not captured. The mapping can also help those organisations interested in using the TNFD Recommendations and additional guidance to inform their ESRS-compliant disclosures.

EFRAG and the TNFD recognise the importance of ongoing collaboration among sustainability reporting initiatives to achieve broader consistency. This mapping exercise sheds light on the consistency of the TNFD Recommendations and ESRS as a result of those collaborative efforts.

3. Key findings

In the following, key findings of the mapping exercise are outlined:

- a. **Concepts and definitions:** Both the TNFD and ESRS recommend the need to disclose on nature-related impacts, risks and opportunities as well as dependencies on nature to the extent that they generate material risks (DIROs).
- b. **Approach to materiality:** The ESRS require disclosures to be based on a double materiality principle, and the TNFD enables a double materiality approach to be used. As stated in its final Recommendations, the TNFD approach enables report preparers to use both a financial and impact materiality lens to inform their materiality assessment.
- c. **The LEAP approach:** The TNFD developed the LEAP approach, which is a suggested guidance for market participants to identify and assess their nature-related issues. The ESRS state that companies may conduct their materiality assessment on the sustainability constituents of

pollution, water, biodiversity and ecosystems, and circular economy (all ESRS environmental standards beyond climate change) using the LEAP approach.

- d. **Reporting pillars:** Both the TNFD recommended disclosures and the ESRS reporting areas are organised around the four disclosure pillars of the Task Force on Climate-related Financial Disclosures (TCFD), which have now been incorporated in the ISSB's IFRS Standards. These pillars are Governance, Strategy, Risk Management, and Metrics and Targets.
- e. **Recommended disclosures and metrics:** All 14 disclosures recommended by the TNFD are addressed in the ESRS. There is also strong consistency between the TNFD's core global disclosure metrics and the related metrics in the ESRS.

This section analyses the abovementioned key findings in more detail. Finding (e) is also illustrated in detail in the 'correspondence table' (Part 2 of the document).

a. Concepts and definitions¹

The approaches taken by EFRAG and the TNFD are both grounded in the common understanding that the deterioration of nature, ecosystems and biodiversity poses risks to a wide range of stakeholders, including businesses and capital providers.

The TNFD proposes foundational concepts for a market-accessible language system for understanding nature, which are consistent with the concepts used in the environmental ESRS. Some of these concepts are highlighted in the following.

'Nature' and 'biodiversity'

TNFD defines **nature** as the natural world, emphasising the diversity of living organisms, including people, and their interactions with each other and their environment.² Both the TNFD and ESRS cover the four nature **realms**: land, ocean, freshwater and atmosphere,³ although the ESRS do not make explicit reference to this categorisation. ESRS add that, in the context of double materiality, 'nature may be considered as a silent stakeholder' (ESRS 1 paragraph AR7) and mention the 'interface with nature' in connection with the materiality assessment process of its environmental standards other than ESRS E1 Climate change.

Both the TNFD and the ESRS use the terms '**biodiversity**' and '**ecosystems**' based on the UN Convention on Biological Diversity definitions.⁴ The TNFD makes a clear distinction between the concepts of 'nature' and 'biodiversity', with the latter referring to the variability among living organisms across the four nature realms. The ESRS include biodiversity and ecosystems as one of the sustainability matters covered in the topical standards, along with climate change, pollution, water and marine resources, and resource use and circular economy.

¹ All of the concepts and definitions covered in this guidance are reported by the ESRS in the [Annex 2 to the Commission Delegated Regulation supplementing Directive 2013/34/EU as regards sustainability reporting standards](#) and by the TNFD in the [TNFD Glossary](#).

² Based on the definition of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES).

³ Science Based Target Network (2022) [SBTN Glossary](#).

⁴ Biodiversity: 'The variability among living organisms from all sources, including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part'. Ecosystem: 'A dynamic complex of plant, animal and microorganism communities and the non-living environment, interacting as a functional unit'. Convention on Biological Diversity (1992) [Article 2](#).

This mapping of the ESRS to the TNFD framework takes into consideration all environmental ESRS.⁵

In addition to the key terms defined above, in its glossary, recommendations and additional guidance, the TNFD defines a range of concepts and provides an overall architecture for understanding nature-related issues. This includes realms, biomes, environmental assets and ecosystem services which are used as a foundation for understanding nature that can also be employed when reporting in alignment with the ESRS.

Impacts and dependencies

Both the ESRS and the TNFD cover the disclosure of material **dependencies** and **impacts on nature** and **risks to, and opportunities for, the business organisation**.

Both initiatives also state that, in general, understanding dependencies and impacts on nature is a prerequisite for understanding risks and opportunities to the business. The TNFD recommends that all organisations start their materiality assessment by thoroughly considering their potential nature-related dependencies and impacts. The ESRS state that the starting point of the materiality assessment is the assessment of impacts, and organisations shall consider how they are affected by their dependencies on the availability of natural resources irrespective of their potential impacts on those resources (ESRS 1 paragraph 40).

The TNFD recommends that dependencies and impacts are identified and measured using dependency and impact pathways. Within the impact pathway, the TNFD uses the concept of **impact drivers** to identify how business activities contribute to the drivers of nature change. This is consistent with ESRS E4, which requires the identification of the main drivers of biodiversity loss including, *inter alia*, climate change, pollution, different types of land use change, invasive alien species and exploitation of resources.⁶

Both the TNFD and ESRS recognise that impacts can be positive or negative as well as potential or actual. In the Evaluate phase of the LEAP approach (see below), the TNFD aligns with the approach taken by the ESRS (and GRI) when indicating the need to estimate the severity of **actual negative impacts** in order to assess impact materiality. Under both initiatives, **severity** is composed of the scale, the scope and the irremediable character of the impact. For **potential negative impacts**, materiality is based on the severity and the likelihood of the impact. For both the TNFD and ESRS, impacts and dependencies on nature are sources of risks and opportunities for the organisation.

Risks and opportunities

The ESRS and the TNFD both distinguish between **physical risks** (with a further split between acute and chronic), **transition risks** (including policy, market, technology and reputational risks⁷) and **systemic risks**.

Nature-related **opportunities**, along with risks, are also considered by both the ESRS and the TNFD as key issues that organisations should identify as part of the materiality assessment. Opportunities are defined as potential positive effects on an organisation related to sustainability matters. The TNFD further specifies nature-related opportunities as activities that create positive outcomes for both

⁵ In particular ESRS E2 to E5, as E1 is covered by the recommendations of the TCFD, now embedded into IASSB IFRS S2.

⁶ Based on the main drivers of nature change identified by the IPBES.

⁷ The TNFD also includes the category of liability risk, which the ESRS consider as potential consequences of transition risks (e.g., for what relates to climate change, see ESRS E1 AR paragraph 74).

organisations and nature by creating positive impacts on nature or mitigating negative impacts on nature.

For both the ESRS and the TNFD, the materiality of risks and opportunities is assessed based on a combination of the likelihood of occurrence and the magnitude of the anticipated financial effects on the organisation.

Shared approach to the dependencies, impacts, risks and opportunities (DIROs) assessment

- ✓ Need to assess dependencies, impacts, risks and opportunities.
- ✓ Impacts on nature by an organisation can be negative or positive, potential or actual.
- ✓ Impacts on nature can be related or unrelated to dependencies.
- ✓ Today's impacts on nature can accentuate tomorrow's dependencies.
- ✓ Dependencies on nature are the basis of many risks to the organisation.
- ✓ Therefore, dependencies and impacts need to be assessed as the basis for understanding risks and opportunities.
- ✓ Organisations face physical, transition and systemic risks.
- ✓ The potential to have positive impacts on nature is a source of opportunity for organisations.
- ✓ Positive impact on nature is different from a reduction in negative impact on nature.

b. Approach to materiality

Through the ESRS, organisations are required to report both on the impacts of the activities of the organisation on people and the environment and on how sustainability matters affect the organisation (this is referred to as the double materiality perspective).

ESRS 1 General requirements defines the concept of double materiality as the basis for sustainability disclosures, according to which organisations identify the material issues to be reported according to two dimensions: financial materiality and impact materiality.

The TNFD accommodates use of a double materiality approach, such as that outlined in the ESRS, and recommends organisations to disclose information on a sustainability matter if it was assessed to be material by the report preparer. Rather than prescribing a particular approach to materiality, the TNFD enables the use of different materiality approaches recognising different preferences among reporting organisations and different jurisdictional requirements.

c. Use of the LEAP approach in ESRS

The TNFD recommends the LEAP approach in response to demand from market participants for clear and accessible guidance outlining how to identify, assess, manage and disclose nature-related issues. The LEAP approach has been specifically designed to be consistent with the impact materiality lens used in the ESRS and the financial materiality lens used by both the ISSB and the ESRS.

The LEAP approach is mentioned in the ESRS as a tool that organisations may consider using when conducting a materiality assessment on environmental subtopics (other than climate change) in their own operations and their upstream and downstream value chains. The LEAP approach consists of four phases (see Figure 1), with the fourth phase addressing the outcome of the process. The LEAP approach can be used by report preparers as a tool to help identify

The TNFD's LEAP approach has been specifically designed to be consistent with the impact materiality lens used in the ESRS and the financial materiality lens used by both the ISSB and the ESRS.

TNFD-ESRS Correspondence mapping

material information to disclose under the ESRS. Figure 1 provides a visual representation of the relevant information in the Application Requirements of ESRS E2-E5.

Figure 1: The Application Requirements of four environmental ESRS state that the organisation may conduct its materiality assessment using the LEAP approach

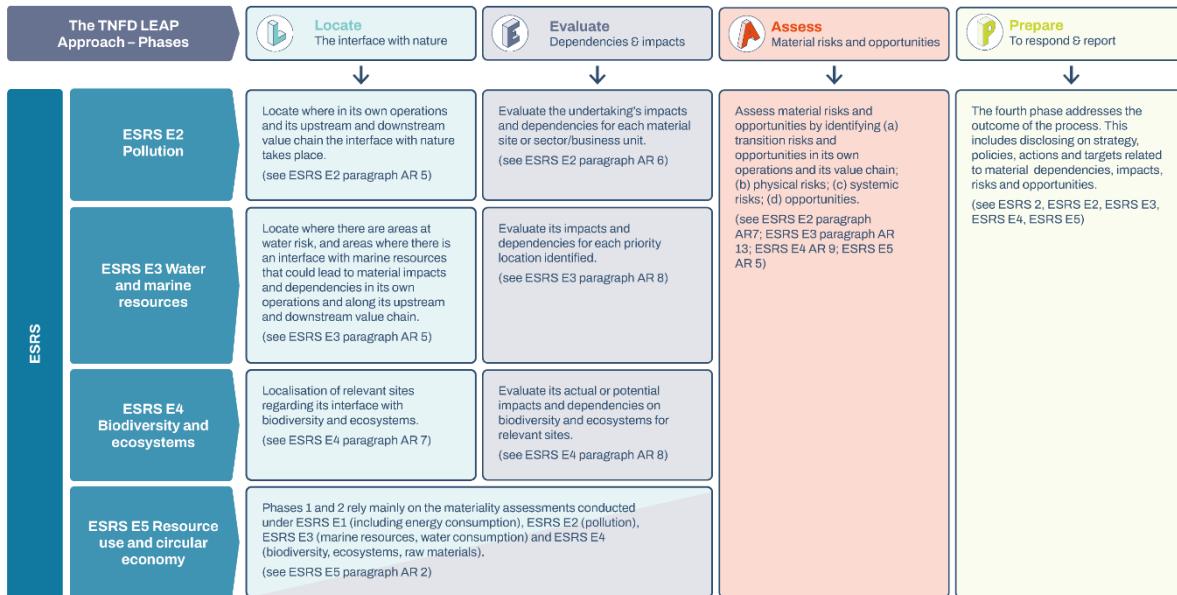


Figure 2 provides an overview of the ESRS and the TNFD disclosure recommendations that can be informed by the LEAP approach.

Figure 2: The TNFD LEAP approach can inform both TNFD and ESRS recommendations



d. Reporting pillars

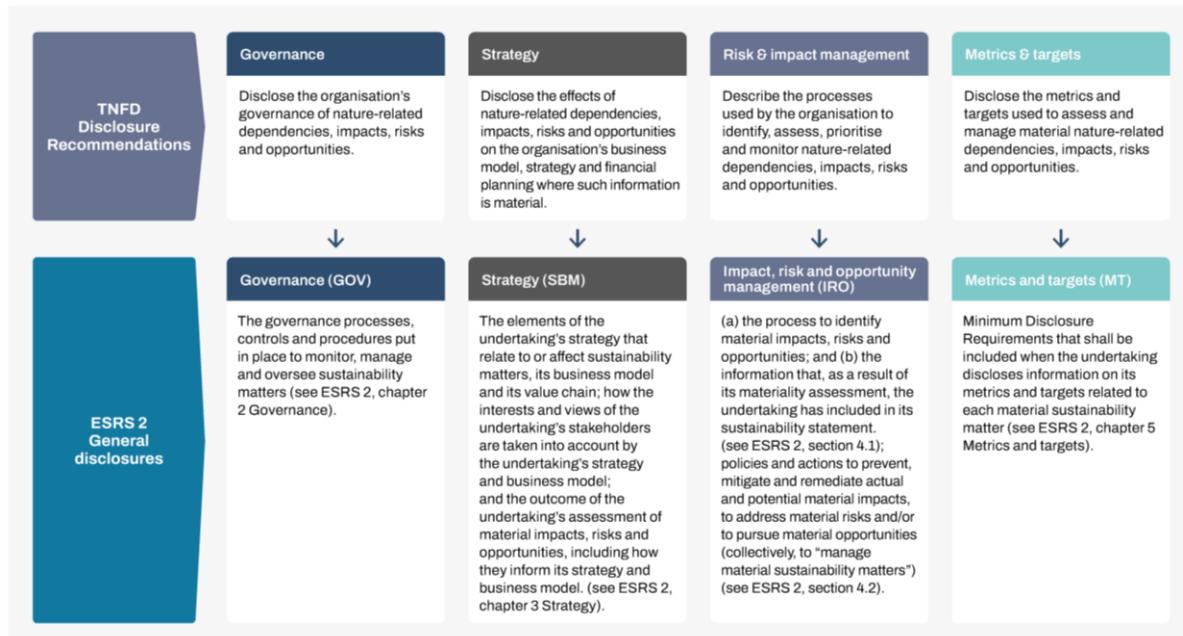
The TNFD and ESRS both cover the same four pillars of disclosures or reporting areas:

1. Strategy;

2. Governance;
3. Risk and Impact Management (TNFD) / Impact, risk and opportunity management (ESRS); and
4. Metrics and Targets.

These four pillars or reporting areas were originally identified by the TCFD (which calls the third pillar ‘Risk management’) and are also embedded into other standards such as the IFRS sustainability standards S1 and S2.

Figure 3: Both the TNFD and CSRD have followed the TCFD’s four pillars with adaptation to enable double materiality



e. Correspondence of the TNFD’s Recommended Disclosures and the ESRS

Part 2 of the document, the ‘correspondence table’, provides preparers with a granular comparison of TNFD recommended disclosures with corresponding ESRS. More specifically, for each TNFD disclosure recommendation and for each core metric, it lists those ESRS disclosure requirements that cover aspects addressed by the TNFD, and, where relevant, it includes comments to highlight differences among the disclosures (for instance, differences in the terminology used or the scope covered by the disclosures).

The table below provides an overview of the 14 disclosure recommendations of the TNFD and the corresponding ESRS (the correspondence table in Part 2 shows this table in more detail and includes the correspondence of TNFD's core metrics and the ESRS).

Table 1: High-level mapping of TNFD's disclosure recommendations against the ESRS

TNFD's disclosure recommendations	Corresponding ESRS (high-level overview)
Governance	
A. Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.	<ul style="list-style-type: none"> • ESRS 2 GOV-1 (The role of the administrative, management and supervisory bodies) • ESRS 2 GOV-2 (Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies) • ESRS 2 GOV-3 (Integration of sustainability-related performance in incentive schemes) • ESRS 2 GOV-5 (Risk management and internal controls over sustainability reporting)
B. Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	<ul style="list-style-type: none"> • ESRS 2 GOV-1 (The role of the administrative, management and supervisory bodies) • ESRS 2 GOV-2 (Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies) • ESRS 2 IRO-1 (Description of the processes to identify and assess material impacts, risks and opportunities) • ESRS 2 MDR-P on Policies
C. Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.	<ul style="list-style-type: none"> • ESRS 2 SBM-2 (Interests and views of stakeholders) • ESRS 2 SBM-3 (Material impacts, risks and opportunities and their interaction with strategy and business model) • ESRS 2 IRO-1 and corresponding datapoints in the environmental standards • ESRS 2 MDR-P on Policies • ESRS 2 GOV-2 (Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies) • ESRS 2 GOV-4 (Statement on due diligence) • ESRS E4-2 (Policies related to biodiversity and ecosystems) • ESRS E4-3 (Actions and resources related to biodiversity and ecosystems) • ESRS S3 (Affected Communities) • ESRS G1-5 (Political influence and lobbying activities)
Strategy	
A. Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.	<ul style="list-style-type: none"> • ESRS 2 SBM-3 (Material impacts, risks and opportunities and their interaction with strategy and business model). And corresponding datapoints in the environmental standards • ESRS 2 IRO-1 (Description of the processes to identify and assess material impacts, risks and opportunities). And corresponding datapoints in the environmental standards
B. 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.	<ul style="list-style-type: none"> • ESRS 2 SBM-3 (Material impacts, risks and opportunities and their interaction with strategy and business model). And corresponding datapoints in the environmental standards • ESRS 2 Policies MDR-P (Policies adopted to manage material sustainability matters). And corresponding datapoints in the environmental standards • ESRS 2 Actions MDR-A (Actions and resources in relation to material sustainability matters). And corresponding datapoints in the environmental standards • ESRS 2 Targets MDR-T (Tracking effectiveness of policies and actions through targets). And corresponding datapoints in the environmental standards • Environmental topical standards (ESRS E1-1, E1-2, E1-3, E1-4, E2-1, E2-2, E2-3, E2-6, E3-1, E3-2, E3-3, E3-5, E4-1, E4-2, E4-3, E4-4, E4-6, E5-1, E5-2, E5-3, E5-6) • ESRS S3-4 (Taking action on material impacts on affected communities and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions) • ESRS G1-2 (Management of relationships with suppliers)

TNFD-ESRS Correspondence mapping

C. Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.	<ul style="list-style-type: none"> • ESRS 2 SBM-3 (Material impacts, risks and opportunities and their interaction with strategy and business model). And corresponding datapoints in the environmental standards • ESRS 2 MDR-A (Actions and resources in relation to material sustainability matters). And corresponding datapoints in the environmental standards • ESRS E4-1 (Transition plan and consideration of biodiversity and ecosystems in strategy and business model) • Environmental topical standards (ESRS E1-3, E2-2, E3-2, E4-3, E5-2) on 'Actions and resources in relation to material sustainability matters' • Environmental topical standards (ESRS E2-6, E3-5, E4-6, E5-6) on 'Anticipated financial effects from material environment-related risks and opportunities'
D. Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chains that meet the criteria for priority locations.	<ul style="list-style-type: none"> • ESRS 2 SBM-3 (ESRS E4) • ESRS 2 IRO-1 (ESRS E2, E3, E4)
Risk and impact management	
A(i) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.	<ul style="list-style-type: none"> • ESRS 1 Chapter 3.7 (Level of disaggregation) • ESRS 1 Chapter 6 (Time Horizons) • ESRS 2 IRO-1 (Description of the processes to identify and assess material impacts, risks and opportunities). And corresponding datapoints in the environmental standards • ESRS section on 'Metrics and Targets'. And corresponding datapoints in the environmental standards
A(ii) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).	<ul style="list-style-type: none"> • ESRS 1 Chapter 5 (Value chain) • ESRS 2 SBM-1 (Strategy, business model and value chain) • ESRS 2 SBM-3 (Material impacts, risks and opportunities and their interaction with strategy and business model) • ESRS 2 IRO-1 (Description of the processes to identify and assess material impacts, risks and opportunities). And corresponding datapoints in the environmental standards
B. Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities	<ul style="list-style-type: none"> • ESRS 2 IRO-1 (Description of the processes to identify and assess material climate-related impacts, risks and opportunities). And corresponding datapoints in the environmental standards • Environmental topical standards (ESRS E1-2, E2-1, E3-1, E4-2, E5-1) on 'Policies related to material environmental topics'
C. Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.	<ul style="list-style-type: none"> • ESRS 2 IRO-1 (Description of the processes to identify and assess material climate-related impacts, risks and opportunities)
Metrics and targets	
A. Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	<ul style="list-style-type: none"> • ESRS 1 Chapter 3.2 (Material matters and materiality of information) • ESRS 2 MDR-M on Metrics • Environmental topical standards (ESRS E2-6, E3-5, E4-6, E5-6) on 'Anticipated financial effects from material environment-related risks and opportunities'.
B. Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.	<ul style="list-style-type: none"> • ESRS 1 Chapter 3.2 (Material matters and materiality of information) • ESRS 2 SBM-3 (Material impacts, risks and opportunities and their interaction with strategy and business model) • ESRS 2 MDR-P (Policies adopted to manage material sustainability matters). And corresponding disclosure requirements in the environmental standards • ESRS 2 MDR-A (Actions and resources in relation to material sustainability matters). And corresponding disclosure requirements in the environmental standards • ESRS 2 MDR-M on Metrics

TNFD-ESRS Correspondence mapping

	<ul style="list-style-type: none">• Environmental topical standards (ESRS E2-4, E2-5, E3-4, E4-5, E5-4, E5-5) on disclosure metrics
C. Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	<ul style="list-style-type: none">• ESRS 2 MDR-T on Targets. And corresponding datapoints in the environmental standards.• ESRS E1-1 (Transition plan for climate change mitigation)• Environmental topical standards (E2-3, E3-3, E4-4, E5-3) on disclosure targets

The ‘correspondence table’ in Part 2 also includes a granular comparison between TNFD and ESRS disclosure metrics as mentioned above. While this focuses solely on TNFD’s core disclosure metrics (i.e., those cross-sector metrics that should be reported under the TNFD framework on a comply-or-explain basis), the TNFD also presents a larger set of disclosure metrics (sector metrics and additional metrics) to best represent an organisation’s material nature-related issues based on their specific circumstances. The TNFD specifies that organisations are not limited by the additional set of metrics and are encouraged to report any other metrics that are material and relevant to them, including ESRS metrics not captured by the present mapping.

Similarly, under the ESRS, when an organisation concludes that an impact, risk or opportunity is either not covered or not covered with sufficient granularity by an ESRS but is material due to its specific facts and circumstances, it shall provide additional entity-specific disclosures. This can include the TNFD’s core or additional metrics if considered relevant by the organisation.

Part 2 – TNFD – ESRS Correspondence table

4. TNFD - ESRS Correspondence table - Disclosure pillars

Definitions for categories of differences identified:

- Difference in semantics: Difference in the terminology or wording used, which could require minor adjustments or additions in the disclosure in order to adopt the TNFD Recommendation.
- Difference in scope: Difference in the scope of the disclosure and the extent of information to be disclosed, requiring the disclosure of additional information in order to adopt the TNFD Recommendation.
- Difference in granularity: Difference in the breakdown to be disclosed, requiring more or a different level of granularity in the disclosure in order to adopt the TNFD Recommendation.

TNFD Pillars	Content	ESRS Paragraph number	ESRS Content	Comment
Governance	Disclose the organisation's governance of nature-related dependencies, impacts, risks and opportunities.	ESRS 2 - Governance		Note the following differences in semantics across the Governance disclosure pillar: <ul style="list-style-type: none"> - ESRS do not explicitly mention "dependencies" in ESRS 2 GOV-2, even though dependencies are addressed in the ESRS. - TNFD uses "board" or, in some cases, "senior management and board" while ESRS consistently use "administrative, management and supervisory bodies".
Governance - A	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);	ESRS 2 GOV-2 para. 26 (a)	26. The undertaking shall disclose the following information: (a) whether, by whom and how frequently the administrative, management and supervisory bodies, including their relevant committees, are informed about material impacts, risks and opportunities (see Disclosure Requirement IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities of this Standard), the implementation of due diligence, and the results and effectiveness of policies, actions, metrics and targets adopted to address them;	Difference in semantics. <ol style="list-style-type: none"> 1. ESRS do not explicitly mention "dependencies" in ESRS 2 GOV-2 paragraph (though dependencies are addressed in the ESRS). 2. ESRS do not explicitly mention the value chain in ESRS2 GOV- 2 paragraph 26 (though the ESRS ask about material IROs also in connection with the value chain).

<ul style="list-style-type: none"> • Whether and how the board and/or board committees consider nature-related dependencies, impacts, risks and opportunities when: <ul style="list-style-type: none"> > Reviewing and guiding strategy, major plans of action, risk management policies, annual budgets and business plans; 	ESRS 2 GOV-2 para. 26 (b)	<p>26. The undertaking shall disclose the following information: [...]</p> <p>(b) how the administrative, management and supervisory bodies consider impacts, risks and opportunities when overseeing the undertaking's strategy, its decisions on major transactions, and its risk management process, including whether they have considered trade-offs associated with those impacts, risks and opportunities;</p>	<p>Difference in semantics.</p> <p>1. ESRS do not explicitly mention "dependencies" in ESRS 2 GOV-2 paragraph 26 (though dependencies are addressed in the ESRS).</p> <p>Difference in semantics.</p> <p>TNFD uses 'major plans of action, risk management policies, annual budgets and business plans', while ESRS use 'major transactions, and its risk management process.'</p>
<ul style="list-style-type: none"> > Setting the organisation's performance objectives, monitoring implementation and performance; and > Overseeing major capital expenditures, acquisitions and divestitures 	ESRS 2 GOV-1 para. 22 (d)	<p>22. The undertaking shall disclose the following information about the roles and responsibilities of the administrative, management and supervisory bodies:</p> <p>(d) how the administrative, management and supervisory bodies and senior executive management oversee the setting of targets related to material impacts, risks and opportunities, and how they monitor progress towards them</p>	<p>Not mentioned in ESRS.</p>
	ESRS 2 GOV-2 para. 26 (b)	<p>26. The undertaking shall disclose the following information:</p> <p>(b) how the administrative, management and supervisory bodies consider impacts, risks and opportunities when overseeing the undertaking's strategy, its decisions on major transactions, and its risk management process, including whether they have considered trade-offs associated with those impacts, risks and opportunities; and</p>	<p>Difference in semantics.</p> <p>TNFD uses "major capital expenditures, acquisitions and divestitures" while ESRS use "major transactions".</p>
<ul style="list-style-type: none"> • How the board monitors and oversees progress against goals and targets to address nature-related dependencies, impacts, risks and opportunities; 	ESRS 2 GOV-1 para. 22 (d)	<p>22. The undertaking shall disclose the following information about the roles and responsibilities of the administrative, management and supervisory bodies:</p> <p>(d) how the administrative, management and supervisory bodies and senior executive management oversee the setting of targets related to material impacts, risks and opportunities, and how they monitor progress towards them</p>	

	<ul style="list-style-type: none"> 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 	<p>ESRS 2 GOV-5 para. 34 and para. 36</p>	<p>34. The undertaking shall disclose the main features of its risk management and internal control system in relation to the sustainability reporting process.</p> <p>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.</p>	<p>See also CSRD: Art. 26a</p> <p>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.</p> <p>Difference in scope.</p> <p>1. TNFD requires disclosing the use of "audit and assurance resources" in connection with this recommended disclosure. The corresponding ESRS in this context do not mention assurance (assurance of the ESRS disclosures, which is mandatory, is addressed in the CSRD text; internal and external auditing is also mentioned in connection with other ESRS).</p>
	<ul style="list-style-type: none"> Whether and how performance metrics for nature related issues are incorporated into remuneration policies 	<p>ESRS 2 GOV-1 para. AR 3 (a) (iv)</p>	<p>AR 3. In describing the role and responsibilities of the administrative, management and supervisory bodies with regard to sustainability matters, the undertaking may specify: (a) the aspects of sustainability over which oversight is exercised with regard to the environmental, social and governance matters the undertaking may be facing, including: [...] iv. sustainability reporting [...]</p>	

	<p>The organisation should consider reporting the following indicators to support this disclosure:</p> <ul style="list-style-type: none"> • 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 support board deliberations; and 	<p>ESRS 2 GOV-1 para. 22 (a) and 23 (a) (b)</p> <p>22. The undertaking shall disclose the following information about the roles and responsibilities of the administrative, management and supervisory bodies: (a) the identity of the administrative, management and supervisory bodies (such as a board committee or similar) or individual(s) within a body responsible for oversight of impacts, risks and opportunities;</p> <p>23. The disclosure shall include a description of how the administrative, management and supervisory bodies determine whether appropriate skills and expertise are available or will be developed to oversee sustainability matters, including: (a) the sustainability-related expertise that the bodies, as a whole, either directly possess or can leverage, for example through access to experts or training; and (b) how those skills and expertise relate to the undertaking's material impacts, risks and opportunities.</p>	<p>Difference in presentation.</p> <p>1. TNFD recommends to disclose quantitative data in its first point (number of board members), while ESRS require narrative data. In its second point, TNFD calls for Boolean data (yes/no), whereas ESRS require a narrative disclosure.</p>
	<ul style="list-style-type: none"> • Frequency that nature issues are discussed during board meetings. 	<p>ESRS 2 GOV-1 para. AR 5</p> <p>AR 5. The description of the level of expertise or access to expertise of the administrative, management and supervisory bodies may be substantiated by illustrating the composition of the bodies, including members on whom these bodies rely for expertise to oversee sustainability matters, and how they leverage that expertise as a body. In the description, the undertaking shall consider how the expertise and skills are relevant to the undertaking's material impacts, risks and opportunities and whether the bodies and/or its members have access to other sources of expertise, such as specific experts and training and other educational initiatives to update and develop sustainability-related expertise within these bodies.</p>	

Governance - B	<p>Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.</p>			
	<p>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:</p> <ul style="list-style-type: none"> • 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; 	ESRS 2 GOV-1 para. 22 (a) (b) (c)	<p>The undertaking shall disclose the following information about the roles and responsibilities of the administrative, management and supervisory bodies:</p> <p>(a) the identity of the administrative, management and supervisory bodies (such as a board committee or similar) or individual(s) within a body responsible for oversight of impacts, risks and opportunities;</p> <p>(b) how each body's or individual's responsibilities for impacts, risks and opportunities are reflected in the undertaking's terms of reference, board mandates and other related policies;</p> <p>(c) a description of management's role in the governance processes, controls and procedures used to monitor, manage and oversee impacts, risks and opportunities, including:</p> <ul style="list-style-type: none"> i. whether that role is delegated to a specific management-level position or committee and how oversight is exercised over that position or committee; ii. information about the reporting lines to the administrative, management and supervisory bodies; iii. whether dedicated controls and procedures are applied to the management of impacts, risks and opportunities and, if so, how they are integrated with other internal functions; 	

	<ul style="list-style-type: none"> • The associated organisational structure(s); and 	<p>21. The undertaking shall disclose the following information about the composition and diversity of the members of the undertaking's administrative, management and supervisory bodies:</p> <p>(a) the number of executive and non-executive members;</p> <p>(b) representation of employees and other workers; [...]</p> <p>22. The undertaking shall disclose the following information about the roles and responsibilities of the administrative, management and supervisory bodies:</p> <p>(a) the identity of the administrative, management and supervisory bodies (such as a board committee or similar) or individual(s) within a body responsible for oversight of impacts, risks and opportunities;</p> <p>(b) how each body's or individual's responsibilities for impacts, risks and opportunities are reflected in the undertaking's terms of reference, board mandates and other related policies;</p> <p>AR 3. In describing the role and responsibilities of the administrative, management and supervisory bodies with regard to sustainability matters, the undertaking may specify:</p> <p>(a) the aspects of sustainability over which oversight is exercised with regard to the environmental, social and governance matters the undertaking may be facing, including:</p> <ul style="list-style-type: none"> i. any assessment of and changes to sustainability-related aspects of the undertaking's strategy and business model; ii. the identification and assessment of material risks, opportunities and impacts; iii. related policies and targets, action plans and dedicated resources; and iv. sustainability reporting; <p>(b) the form such oversight takes for each of the above aspects: i.e., information, consultation or decision-making; and</p> <p>(c) the way such oversight is organised and formalised, i.e., processes by which the administrative, management and supervisory bodies engage with these aspects of sustainability.</p> <p>AR 4. In describing the undertaking's organisation of governance regarding sustainability matters, a description of complex governance structure may be complemented by their presentation in the form of a diagram."</p>	
		<p>ESRS 2 GOV-2 para. AR 6</p> <p>AR 6. Depending on the undertaking's structure, the administrative, management and supervisory bodies may focus on overarching targets, while management focuses on the more detailed targets. In this case, the undertaking may disclose how the governance bodies ensure that an appropriate mechanism for performance monitoring is in place</p>	

<ul style="list-style-type: none"> The controls and procedures by which management is informed about and monitors nature-related dependencies, impacts, risks and opportunities 	<p>ESRS 2 GOV-1 para. AR 3 (c)</p>	<p>AR 3. In describing the role and responsibilities of the administrative, management and supervisory bodies with regard to sustainability matters, the undertaking may specify:</p> <p>(c) the way such oversight is organised and formalised, i.e., processes by which the administrative, management and supervisory bodies engage with these aspects of sustainability</p>	
	<p>ESRS 2 IRO-1 para. 53 (b) (c) (d) (e) (f)</p>	<p>53. The undertaking shall disclose the following information: [...]</p> <p>(b) an overview of the process to identify, assess, prioritise and monitor the undertaking's potential and actual impacts on people and the environment, informed by the undertaking's due diligence process [...]</p> <p>(c) an overview of the process used to identify, assess, prioritise and monitor risks and opportunities that have or may have financial effects [...]</p> <p>(d) a description of the decision-making process and the related internal control procedures;</p> <p>(e) the extent to which and how the process to identify, assess and manage impacts and risks is integrated into the undertaking's overall risk management process and used to evaluate the undertaking's overall risk profile and risk management processes;</p> <p>(f) the extent to which and how the process to identify, assess and manage opportunities is integrated into the undertaking's overall management process where applicable;</p>	<p>Difference in semantics. TNFD uses "management" while ESRS use "administrative, management and supervisory bodies"</p>
	<p>ESRS 2 GOV-2 para.26 (a)</p>	<p>26. The undertaking shall disclose the following information:</p> <p>(a) whether, by whom and how frequently the administrative, management and supervisory bodies, including their relevant committees, are informed about material impacts, risks and opportunities (see Disclosure Requirement IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities of this Standard), the implementation of due diligence, and the results and effectiveness of policies, actions, metrics and targets adopted to address them</p>	

	<p>The organisation <i>should consider</i> reporting the following indicators to support this disclosure:</p> <ul style="list-style-type: none"> • Highest level of responsibility and accountability for nature policies, commitments and targets; and • Frequency of communication of performance and progress in priority locations to management. 	<p>ESRS 2 GOV-1 para. 22 (b)</p> <p>ESRS 2 MDR-P para. 65 (c)</p>	<p>22. The undertaking shall disclose the following information about the roles and responsibilities of the administrative, management and supervisory bodies: (b) how each body's or individual's responsibilities for impacts, risks and opportunities are reflected in the undertaking's terms of reference, board mandates and other related policies; c) [..]</p> <p>65. The undertaking shall disclose information about policies adopted to manage material sustainability matters. The disclosure shall include the following information: [...] (c) the most senior level in the undertaking's organisation that is accountable for the implementation of the policy;</p>	<p>Difference in semantics. TNFD uses "highest level of responsibility and accountability" while ESRS use "most senior level that is accountable for".</p>
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Governance - C	<p>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.</p>			
		ESRS 2 SBM-2 para 45	<p>The undertaking shall disclose a summarised description of:</p> <ul style="list-style-type: none"> (a) its stakeholder engagement, including: <ul style="list-style-type: none"> i. the undertaking's key stakeholders; ii. whether engagement with them occurs and for which categories of stakeholders; iii. how it is organised; iv. its purpose; and v. how its outcome is taken into account by the undertaking; (b) the undertaking's understanding of the interests and views of its key stakeholders as they relate to the undertaking's strategy and business model, to the extent that these were analysed during the undertaking's due diligence process and/or materiality assessment process (see Disclosure Requirement IRO-1 of this Standard); (c) where applicable, amendments to its strategy and/or business model, including: <ul style="list-style-type: none"> i. how the undertaking has amended or expects to amend its strategy and/or business model to address the interests and views of its stakeholders; ii. any further steps that are being planned and in what timeline; and iii. whether these steps are likely to modify the relationship with and views of stakeholders; and (d) whether and how the administrative, management and supervisory bodies are informed about the views and interests of affected stakeholders with regard to the undertaking's sustainability-related impacts. 	

	<p>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>	<p>ESRS 2 MDR-P para. 65 (e) (f)</p> <p>65. The undertaking shall disclose information about policies adopted to manage material sustainability matters. The disclosure shall include the following information: [...] (e) if relevant, a description of the consideration given to the interests of key stakeholders in setting the policy; and (f) if relevant, whether and how the undertaking makes the policy available to potentially affected stakeholders, and stakeholders who need to help implement it.</p> <p>ESRS 2 IRO-1 para. 53 (b)iii ESRS E2 para. 11(b) ESRS E3 para. 8(b) ESRS E4 para. 17(e) ESRS E5 para. 11(b)</p> <p>53. The undertaking shall disclose the following information: [...] (b) an overview of the process to identify, assess, prioritise and monitor the undertaking's potential and actual impacts on people and the environment, informed by the undertaking's due diligence process, including an explanation of whether and how the process: [...] iii. includes consultation with affected stakeholders to understand how they may be impacted and with external experts;</p> <p>ESRS E4 E4-2 para. AR. 17 (b)</p> <p>AR. 17 When disclosing its policies, if referring to third-party standards of conduct, the undertaking may disclose whether the standard used: (b) is developed or maintained through a process of ongoing consultation with stakeholders with balanced input from all relevant stakeholder groups, including producers, traders, processors, financiers, local people and communities, indigenous peoples, and civil society organisations representing consumer, environmental and social interests, with no group holding undue authority or veto power over the content;</p>
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Difference in semantics.

TNFD uses "nature-related" while ESRS use "environment."

ESRS S3 S3-1 para. 15 and 16	<p>15. The undertaking shall disclose any particular policy provisions for preventing and addressing impacts on indigenous peoples.</p> <p>16. The undertaking shall describe its human rights policy commitments that are relevant to affected communities, including those processes and mechanisms to monitor compliance with the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises. In its disclosure it shall focus on those matters that are material in relation to, as well as its general approach to:</p> <ul style="list-style-type: none">(a) respect for the human rights of communities, and indigenous peoples specifically;(b) engagement with affected communities; and(c) measures to provide and/or enable remedy for human rights impacts
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	ESRS S3-2 paragraph 21	21. The undertaking shall disclose whether and how the perspectives of affected communities inform its decisions or activities aimed at managing actual and potential impacts on communities. This shall include, where relevant, an explanation of:	
This description should include: • A summary of the organisation's commitments regarding: > 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; > 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 > The UN General Assembly Resolution 76/300 on rights to a healthy environment;	ESRS S3 S3-1 para. 16	16. The undertaking shall describe its human rights policy commitments that are relevant to affected communities, including those processes and mechanisms to monitor compliance with the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises. In its disclosure it shall focus on those matters that are material in relation to, as well as its general approach to: (a) respect for the human rights of communities, and indigenous peoples specifically; (b) engagement with affected communities; and (c) measures to provide and/or enable remedy for human rights impacts	
	ESRS S3 S3-1 para. 17 and para. AR 10	17. The undertaking shall disclose whether and how its policies with regard to affected communities are aligned with internationally recognised standards relevant to communities and indigenous peoples specifically, including the United Nations (UN) Guiding Principles on Business and Human Rights. AR 10: When disclosing the alignment of its policies with the UN Guiding Principles on Business and Human Rights, the undertaking shall consider that the Guiding Principles refer to the International Bill of Rights, which consists of the Universal Declaration of Human Rights and the two Covenants that implement it, as well as the UN Declaration on the Rights of Indigenous Peoples, the International Labour Organisation's Convention concerning Indigenous and Tribal Peoples (ILO No. 169) and the core convention's that underpin it, and may disclose its alignment with these instruments.	<p style="text-align: center;">Difference in reference.</p> TNFD includes a specific reference to the UN General Assembly Resolution 76/300. The corresponding ESRS do not explicitly mention this resolution, but state that 'the undertaking shall disclose whether and how its policies with regard to affected communities are aligned with internationally recognised standards relevant to communities and indigenous peoples...', which could include the mentioned resolution.

<ul style="list-style-type: none"> • 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; 	<p>ESRS S3 para. 8-9;</p> <p>8. When responding to ESRS 2 SBM-3 paragraph 48, the undertaking shall disclose: (a) whether and how actual and potential impacts on affected communities as identified in ESRS2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities: (i) originate from or are connected to the undertaking's strategy and business models, and (ii) inform and contribute to adapting the undertaking's strategy and business model</p> <p>9. When fulfilling the requirements of paragraph 48, the undertaking shall disclose whether all affected communities who are likely to be materially impacted by the undertaking, including impacts that are connected with the undertaking's own operations and value chain, including through its products or services, as well as through its business relationships, are included in the scope of its disclosure under ESRS 2.</p>	
	<p>ESRS 2 GOV-2 para. 26</p> <p>26. The undertaking shall disclose the following information: (a) whether, by whom and how frequently the administrative, management and supervisory bodies, including their relevant committees, are informed about material impacts, risks and opportunities (see Disclosure Requirement IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities of this Standard), the implementation of due diligence, and the results and effectiveness of policies, actions, metrics and targets adopted to address them;</p>	
	<p>ESRS 2 GOV-4 para. 30-32</p> <p>Disclosure Requirement GOV-4 - Statement on due diligence 30. The undertaking shall disclose a mapping of the information provided in its sustainability statement about the due diligence process. (...)</p>	
<p>ESRS S3 S3-1 ESRS S3 S3-2 ESRS S3 S3-3 ESRS S3 S3-5</p>	<p>S3-1 – Policies related to affected communities S3-2 – Processes for engaging with affected communities about impacts S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities</p>	

		<p>27. The undertaking shall describe:</p> <p>(a) its general approach to and processes for providing or contributing to remedy where it has identified that it has caused or contributed to a material negative impact on affected communities, including whether and how the undertaking assesses that the remedy provided is effective;</p> <p>(b) any specific channels it has in place for affected communities to raise their concerns or needs directly with the undertaking and have them addressed, including whether these are established by the undertaking itself and/or through participation in third-party mechanisms;</p> <p>(c) its processes through which the undertaking supports the availability of such channels by its business relationships; and</p> <p>(d) how it tracks and monitors issues raised and addressed, and how it ensures the effectiveness of the channels, including through involvement of stakeholders who are the intended users of those channels.</p> <p>AR 17. In fulfilling the requirements set out by Disclosure Requirement ESRS S3-3, the undertaking may be guided by the content of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises focused on remediation and grievance mechanisms.</p> <p>AR 18. Channels for raising concerns or needs, include grievance mechanisms, hotlines, dialogue processes or other means through which affected communities or their legitimate representatives can raise concerns about impacts or explain needs that they would like the undertaking to address. This could include channels provided by the undertaking directly, in addition to any other mechanisms the undertaking may use to gain insight into the management of impacts on communities, such as compliance audits. Where the undertaking is relying solely on information about the existence of such channels provided by its business relationships to answer this requirement, it may state that.</p> <p>AR 22: When disclosing processes related to providing and enabling remedy for indigenous peoples, relevant information includes whether and how the undertaking has considered their customs, traditions, rules and legal systems.</p>	
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		ESRS S3 S3-4 para. 32	<p>32: In relation to material impacts, the undertaking shall describe:</p> <p>(a) actions taken, planned or underway to prevent or mitigate material negative impacts on affected communities;</p> <p>(b) whether and how it has taken action to provide or enable remedy in relation to an actual material impact;</p> <p>(c) any additional actions or initiatives it has in place with the primary purpose of delivering positive impacts for affected communities and</p> <p>(d) how it tracks and assesses the effectiveness of these actions and initiatives in delivering intended outcomes for affected communities</p>	
<ul style="list-style-type: none"> • 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; • A summary of the organisation's key nature-related advocacy and lobbying priorities and positions. <p>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;</p>		ESRS G1 G1-5 para. 27 and para. 29 (c)	<p>27. The undertaking shall provide information on the activities and commitments related to exerting its political influence, including its lobbying activities related to its material impacts, risks and opportunities.</p> <p>29. The disclosure required by paragraph 27 shall include:</p> <p>(c) the main topics covered by its lobbying activities and the undertaking's main positions on these in brief. This shall include explanations on how this interacts with its material impacts, risks and opportunities identified in its materiality assessment per ESRS 2; [...]</p>	<p>Difference in granularity.</p> <p>TNFD distinguishes between advocacy and lobbying activities. Both can fall under what ESRS refer to as 'activities and commitments related to exerting its political influence'.</p>

		<p>ESRS S3 S3-3 para. AR 20</p> <p>AR 20. Third party mechanisms could include those operated by the government, NGOs, industry associations and other collaborative initiatives. The undertaking may disclose whether these are accessible to all affected communities who may be potentially or actually materially impacted by the undertaking, or individuals or organisations acting on their behalf or who are otherwise in a position to be aware of negative impacts</p>	
		<p>ESRS S3 S3-1 para. 17</p> <p>17. The undertaking shall disclose whether and how its policies with regard to affected communities are aligned with internationally recognised standards relevant to communities and indigenous peoples specifically, including the United Nations (UN) Guiding Principles on Business and Human Rights. The undertaking shall also disclose the extent to which cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve affected communities have been reported in its own operations or in its upstream and downstream value chain and, if applicable, an indication of the nature of such cases.</p>	
		<p>ESRS S3 S3-1 para. AR 12</p> <p>AR 12. When disclosing severe human rights issues and incidents connected to affected communities, the undertaking shall consider any legal disputes related to land rights and to the free, prior and informed consent of indigenous peoples.</p>	
		<p>ESRS 2 SBM-2 para. 45 (a) ESRS S3 S3-2 para 21 (a)</p> <p>45. The undertaking shall disclose a summarised description of: (a) its stakeholder engagement, including: i. the undertaking's key stakeholders; ii. whether engagement with them occurs and for which categories of stakeholders; iii. how it is organised; iv. its purpose; and v. how its outcome is taken into account by the undertaking;</p> <p>21. The undertaking shall disclose whether and how the perspectives of affected communities inform its decisions or activities aimed at managing actual and potential impacts on communities. This shall include, where relevant, an explanation of: (a) whether engagement occurs with affected communities or their legitimate representatives directly, or with credible proxies that have insight into their situation;</p>	

		<p>• The engagement process(es) undertaken including:</p> <ul style="list-style-type: none"> > 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; <ul style="list-style-type: none"> > A statement of the purpose of the engagement and whether it takes place in relation to assessment, solution-finding, monitoring and/or evaluation of nature-related issues;
	ESRS S3 para 9 (a), 10 and 11	<p>9. When fulfilling the requirements of paragraph 48, the undertaking shall disclose whether all affected communities who are likely to be materially impacted by the undertaking, including impacts that are connected with the undertaking's own operations and value chain, including through its products or services, as well as through its business relationships, are included in the scope of its disclosure under ESRS 2. In addition, the undertaking shall provide the following information: (a) a brief description of the types of communities subject to material impacts by its own operations or through its upstream and downstream value chain, and specify whether they are:</p> <ul style="list-style-type: none"> i. communities living or working around the undertaking's operating sites, factories, facilities or other physical operations, or more remote communities affected by activities at those sites (for example by downstream water pollution); ii. communities along the undertaking's value chain (for example, those affected by the operations of suppliers' facilities or by the activities of logistics or distribution providers); iii. communities at one or both endpoints of the value chain (for example, at the point of extraction of metals or minerals or harvesting of commodities, or communities around waste or recycling sites); iv. communities of indigenous peoples. <p>[...]</p> <p>10. In describing the main types of communities who are or could be negatively affected, based on the materiality assessment set out in Disclosure Requirement ESRS 2 IRO-1, the undertaking shall disclose whether and how it has developed an understanding of how affected communities with particular characteristics or those living in particular contexts, or those undertaking particular activities may be at greater risk of harm.</p> <p>11. The undertaking shall disclose which, if any, of its material risks and opportunities arising from impacts and dependencies on affected communities relate to specific groups of affected communities rather than to all affected communities.</p>

	ESRS S3 S3-2 para. 23	23. Where affected communities are indigenous peoples, the undertaking shall also disclose how it takes into account and ensures respect of their particular rights in its stakeholder engagement approach, including their right to free, prior and informed consent with regard to: (i) their cultural, intellectual, religious and spiritual property; (ii) activities affecting their lands and territories; and (iii) legislative or administrative measures that affect them. In particular, where engagement occurs with indigenous peoples, the undertaking shall also disclose whether and how indigenous peoples have been consulted on the mode and parameters of the engagement (for example, in designing the agenda, nature, and timeliness of the engagement).	
	ESRS E4 E4-3 para. AR 20	AR 20. With regard to key actions, the undertaking may disclose: (a) a list of key stakeholders involved (e.g., competitors, suppliers, retailers, other business partners, affected communities and authorities, government agencies) and how they are involved, mentioning key stakeholders negatively or positively impacted by actions and how they are impacted, including impacts or benefits created for affected communities, smallholders, indigenous peoples or other persons in vulnerable situations; (b)[...]	
> 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;	ESRS S3 S3-2 para.21 (a) and (b)	21. The undertaking shall disclose whether and how the perspectives of affected communities inform its decisions or activities aimed at managing actual and potential impacts on communities. This shall include, where relevant, an explanation of: (a) whether engagement occurs with affected communities or their legitimate representatives directly, or with credible proxies that have insight into their situation; (b) the stage(s) at which engagement occurs, the type of engagement, and the frequency of the engagement;	

		ESRS S3 S3-2 para. 23	<p>23. Where affected communities are indigenous peoples, the undertaking shall also disclose how it takes into account and ensures respect of their particular rights in its stakeholder engagement approach, including their right to free, prior and informed consent with regard to: (i) their cultural, intellectual, religious and spiritual property; (ii) activities affecting their lands and territories; and (iii) legislative or administrative measures that affect them. In particular, where engagement occurs with indigenous peoples, the undertaking shall also disclose whether and how indigenous peoples have been consulted on the mode and parameters of the engagement (for example, in designing the agenda, nature, and timeliness of the engagement).</p>	
		ESRS S3 S3-2 para. AR 13	<p>AR 13. Explanations of how the undertaking takes into account and ensures respect of the right of indigenous peoples to free, prior and informed consent may include information about processes to consult with indigenous peoples to obtain such consent. The undertaking shall consider how the consultation includes a good faith negotiation with affected indigenous peoples to obtain their free, prior and informed consent where the undertaking affects the lands, territories or resources that indigenous peoples customarily own, occupy or otherwise use; or relocates them from land or territories subject to traditional ownership or under customary use or occupation; or affects or exploits their cultural, intellectual, religious and spiritual property</p>	
		ESRS E4 E4-2 para. AR 15 (b)	<p>AR 15. When disclosing information about whether and how its policies address the social consequences of biodiversity and ecosystems-related impacts under paragraph 23(f), the undertaking may provide information in relation to:</p> <ul style="list-style-type: none"> (a) the fair and equitable sharing of the benefits arising from the utilisation of genetic resources; and (b) the free, prior and informed consent for access to genetic resources 	

	<p>> 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</p>	<p>ESRS 2 SBM-2 para. 45 (b) (d) ESRS 2 IRO-1 para 53 (b) (iii)</p>	<p>45. The undertaking shall disclose a summarised description of: [...] (b) the undertaking's understanding of the interests and views of its key stakeholders as they relate to the undertaking's strategy and business model, to the extent that these were analysed during the undertaking's due diligence process and/or materiality assessment process (see Disclosure Requirement IRO-1 of this Standard); [...] (d) whether and how the administrative, management and supervisory bodies are informed about the views and interests of affected stakeholders with regard to the undertaking's sustainability-related impacts.</p> <p>53. The undertaking shall disclose the following information: (b) an overview of the process to identify, assess, prioritise and monitor the undertaking's potential and actual impacts on people and the environment, informed by the undertaking's due diligence process, including an explanation of whether and how the process: iii. includes consultation with affected stakeholders to understand how they may be impacted and with external experts;</p>	
	<ul style="list-style-type: none"> • 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. 	<p>ESRS 2 SBM-2 para. 45 (d)</p>	<p>45. The undertaking shall disclose a summarised description of: [...] (d) whether and how the administrative, management and supervisory bodies are informed about the views and interests of affected stakeholders with regard to the undertaking's sustainability-related impacts.</p>	<p>Difference in granularity / scope. TNFD suggests to disclose how leadership is informed about the 'engagement processes' and 'their results', while ESRS require to disclose how leadership is informed 'about the views and interests' of affected stakeholders. This may not include engagement processes.</p>
	<p>The organisation should consider reporting the following indicator to support this disclosure:</p> <ul style="list-style-type: none"> • 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. 	<p>ESRS S3 SBM-3 para. 9 (a) i</p>	<p>9. When fulfilling the requirements of paragraph 48, the undertaking shall disclose whether all affected communities who are likely to be materially impacted by the undertaking, including impacts that are connected with the undertaking's own operations and value chain, including through its products or services, as well as through its business relationships, are included in the scope of its disclosure under ESRS 2. In addition, the undertaking shall provide the following information: (a) a brief description of the types of communities subject to material impacts by its own operations or through its upstream and downstream value chain, and specify whether they are: i. communities living or working around the undertaking's operating sites, factories, facilities or other physical operations, or more remote communities affected by activities at those sites (for example by downstream water pollution);</p>	<p>Difference in scope. TNFD recommends disclosure of 'proportion of locations', which is not covered by ESRS.</p>

Strategy	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.	ESRS 2 - Strategy		Note the following differences in semantics across the Strategy disclosure pillar: - TNFD uses the term "direct operations", ESRS use "own operations".
Strategy- A	<p>Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.</p> <p><i>Dependencies and impacts</i> 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"> • A description of the material impact on nature, including: 			
	ESRS 2 SBM-3 para. 48 (a)	48. The undertaking shall disclose: (a) a brief description of its material impacts, risks and opportunities resulting from its materiality assessment (see Disclosure Requirement IRO-1 of this standard), including a description of where in its business model, its own operations and its upstream and downstream value chain these material impacts, risks and opportunities are concentrated;		
	ESRS 2 SBM-3 para. 48 (a)	48. The undertaking shall disclose: (a) a brief description of its material impacts, risks and opportunities resulting from its materiality assessment (see Disclosure Requirement IRO-1 of this standard), including a description of where in its business model, its own operations and its upstream and downstream value chain these material impacts, risks and opportunities are concentrated		

	ESRS E2 para. AR 5 (a)	<p>AR 5. In Phase 1, to locate where in its own operations and its upstream and downstream value chain the interface with nature takes place, the undertaking may consider:</p> <p>(a) the site locations of direct assets and operations and related upstream and downstream activities across the value chain;</p>
	ESRS E3 para. AR 5 (a)	<p>AR 5. In phase 1, to locate where there are areas at water risk, and areas where there is an interface with marine resources that could lead to material impacts and dependencies in its own operations and along its upstream and downstream value chain, the undertaking may consider:</p> <p>(a) the locations of direct assets and operations and related upstream and downstream activities across the value chain;</p>
<ul style="list-style-type: none"> • 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); 	ESRS E4 para. 16 (a)i (a)ii	<p>16. The undertaking shall disclose:</p> <p>(a) a list of material sites in its own operations, including sites under its operational control, based on the results of paragraph 17(a). The undertaking shall disclose these locations by:</p> <p>i. specifying the activities negatively affecting biodiversity sensitive areas;</p> <p>ii. providing a breakdown of sites according to the impacts and dependencies identified, and to the ecological status of the areas (with reference to the specific ecosystem baseline level) where they are located.</p>
	ESRS E4 para. AR 7	<p>AR 7. Phase 1 relates to the localisation of relevant sites regarding its interface with biodiversity and ecosystems. To identify these relevant sites the undertaking may:</p> <p>(a) develop a list of locations of direct assets and operations and related upstream and downstream value chain that are relevant to the undertakings business activities. Furthermore, the undertaking may provide information about sites for which future operations have been formally announced;</p> <p>(b) list the biomes and ecosystems it is interfacing with based on the list of locations identified under paragraph AR 7(a);</p> <p>(c) identify the current integrity and importance of biodiversity and ecosystem at each location taking into consideration the information provided in paragraphs 16 and 17;</p> <p>(d) develop a list of locations where the undertaking is interfacing with locations in or near biodiversity-sensitive areas taking into consideration the information provided in paragraphs 16 and 17; and</p> <p>(e) identify which sectors, business units, value chains or asset classes are interfacing with biodiversity and ecosystems in these material sites. Instead of identifying these interfaces per site, the undertaking may choose to identify them per raw material procured or sold by weight in tons, if such practice offers greater transparency.</p>

		<p>ESRS 2 SBM-3 para. 48 (c)(i) and (ii)</p> <p>48. The undertaking shall disclose: (c) with reference to the undertaking's material impacts: i. how the undertaking's material negative and positive impacts affect (or, in the case of potential impacts, are likely to affect) people or the environment; ii. whether and how the impacts originate from or are connected to the undertaking's strategy and business model;</p>	
		<p>ESRS E4 para. AR 4 (a)(b)(c)(d)</p> <p>AR. 4 The materiality assessment under ESRS E4 includes the undertaking's: (a) contribution to direct impact drivers on biodiversity loss: i. climate change; ii. land-use change (e.g., land artificialisation), freshwater-use change and sea-use change. The direct driver climate change is to be reported under ESRS E1 Climate Change and pollution under ESRS E2 Pollution. iii. direct exploitation; iv. invasive alien species; v. pollution; and vi. others. (b) impacts on the state of species (i.e., species population size, species global extinction risk); (c) impacts on the extent and condition of ecosystems including through land degradation, desertification and soil sealing); and (d) impacts and dependencies on ecosystem services.</p>	<p>Difference in scope. TNFD recommends the disclosure of 'external factors' affecting the state of nature, which is not explicitly mentioned in the ESRS.</p>
	<ul style="list-style-type: none"> Reference to the relevant metrics disclosed in Metrics and Targets B; 	<p>ESRS 2 MDR-M para. 75</p> <p>75. The undertaking shall disclose any metrics that it uses to evaluate performance and effectiveness, in relation to a material impact, risk or opportunity. [See metrics and targets pillar as well as mapping against TNFD core metrics]</p>	
		<p>ESRS E2 para. AR 6</p> <p>AR 6. Phase 2 relates to the evaluation of the undertaking's impacts and dependencies for each material site or sector/business unit including by assessing the severity and likelihood of impacts on the environment and human health.</p>	
		<p>ESRS E3 para. AR 8</p> <p>AR 8. In phase 2, to evaluate its impacts and dependencies for each priority location identified under AR 5, the undertaking may: (a) identify business processes and activities that lead to impacts and dependencies on environmental assets and ecosystem services; (b) identify water and marine resources-related impacts and dependencies across the undertaking's value chain; and (c) assess the severity and likelihood of the positive and negative impacts on water and marine resources.</p>	

<ul style="list-style-type: none"> • A description of the material dependency on nature, including: 	<p>ESRS E4 para. AR 4 (d) and AR 8 (b) (d)</p>	<p>AR. 4 The materiality assessment under ESRS E4 includes the undertaking's: (d) impacts and dependencies on ecosystem services. AR 8. In Phase 2, to evaluate its actual or potential impacts and dependencies on biodiversity and ecosystems for relevant sites, the undertaking may: (b) identify actual and potential impacts and dependencies; (d) indicate the size and scale of the dependencies on biodiversity and ecosystems, including on raw materials, natural resources and ecosystem services. The undertaking may rely on the international classifications such as the Common International Classification of Ecosystem Services (CICES).</p>	<p>The disclosure of dependencies in alignment with ESRS E2, E3, E4 and E5 can be made as part of the LEAP assessment, which organisations may consider for their materiality assessment.</p>
	<p>ESRS E5 para. AR 2</p>	<p>AR 2. With regard to ESRS E5, phases 1 and 2 rely mainly on the materiality assessments conducted under ESRS E1 (including energy consumption), ESRS E2 (pollution), ESRS E3 (marine resources, water consumption) and ESRS E4 (biodiversity, ecosystems, raw materials). Indeed, circular economy eventually aims at reducing the environmental impact of the use of products, materials and other resources, minimizing waste and the release of hazardous substances and hence at reducing impacts on nature. This application requirement focuses mainly on the third phase of this LEAP approach, while the fourth phase addresses the outcome of the process.</p>	

	<p>ESRS E2 para. AR 5 (a), AR 6</p>	<p>AR 5. In Phase 1, to locate where in its own operations and its upstream and downstream value chain the interface with nature takes place, the undertaking may consider:</p> <p>(a) the site locations of direct assets and operations and related upstream and downstream activities across the value chain;</p> <p>AR 6. Phase 2 relates to the evaluation of the undertaking's impacts and dependencies for each material site or sector/business unit including by assessing the severity and likelihood of impacts on the environment and human health.</p>	
	<p>ESRS E3 para. AR 5 (a), AR 8</p>	<p>AR 5. In phase 1, to locate where there are areas at water risk, and areas where there is an interface with marine resources that could lead to material impacts and dependencies in its own operations and along its upstream and downstream value chain, the undertaking may consider:</p> <p>(a) the locations of direct assets and operations and related upstream and downstream activities across the value chain;</p>	

		<p>16. The undertaking shall disclose:</p> <p>(a) a list of material sites in its own operations, including sites under its operational control, based on the results of paragraph 17(a). The undertaking shall disclose these locations by:</p> <ul style="list-style-type: none"> i. specifying the activities negatively affecting biodiversity sensitive areas; ii. providing a breakdown of sites according to the impacts and dependencies identified, and to the ecological status of the areas (with reference to the specific ecosystem baseline level) where they are located. <p>AR 7. Phase 1 relates to the localisation of relevant sites regarding its interface with biodiversity and ecosystems. To identify these relevant sites the undertaking may:</p> <ul style="list-style-type: none"> (a) develop a list of locations of direct assets and operations and related upstream and downstream value chain that are relevant to the undertakings business activities. Furthermore, the undertaking may provide information about sites for which future operations have been formally announced; (b) list the biomes and ecosystems it is interfacing with based on the list of locations identified under paragraph AR 7(a); (c) identify the current integrity and importance of biodiversity and ecosystem at each location taking into consideration the information provided in paragraphs 16 and 17; (d) develop a list of locations where the undertaking is interfacing with locations in or near biodiversity-sensitive areas taking into consideration the information provided in paragraphs 16 and 17; and (e) identify which sectors, business units, value chains or asset classes are interfacing with biodiversity and ecosystems in these material sites. Instead of identifying these interfaces per site, the undertaking may choose to identify them per raw material procured or sold by weight in tons, if such practice offers greater transparency. 	<p>The disclosure of the locations of the dependencies as part of ESRS E2 and E3 can be informed by Phase 2 of the LEAP approach (the Evaluate phase), which organisations may consider for their materiality assessment. For ESRS E4, the breakdown of sites according to impacts and dependencies is mentioned in ESRS E4 disclosure requirement related to ESRS 2 SBM-3. See also ESRS 1 para. 54 (b) on disaggregation of the reported information by sites.</p>
		<p>• 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);</p>	<p>ESRS E4 para.16 (a)i (a)ii and AR 7</p>

		<p>AR 7. Phase 1 relates to the localisation of relevant sites regarding its interface with biodiversity and ecosystems. To identify these relevant sites the undertaking may:</p> <p>(a) develop a list of locations of direct assets and operations and related upstream and downstream value chain that are relevant to the undertakings business activities. Furthermore, the undertaking may provide information about sites for which future operations have been formally announced;</p> <p>(b) list the biomes and ecosystems it is interfacing with based on the list of locations identified under paragraph AR 7(a);</p> <p>(c) identify the current integrity and importance of biodiversity and ecosystem at each location taking into consideration the information provided in paragraphs 16 and 17;</p> <p>(d) develop a list of locations where the undertaking is interfacing with locations in or near biodiversity-sensitive areas taking into consideration the information provided in paragraphs 16 and 17; and</p> <p>(e) identify which sectors, business units, value chains or asset classes are interfacing with biodiversity and ecosystems in these material sites. Instead of identifying these interfaces per site, the undertaking may choose to identify them per raw material procured or sold by weight in tons, if such practice offers greater transparency.</p>
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		ESRS E4 para. AR 4	AR 4. The materiality assessment under ESRS E4 includes the undertaking's: (d) impacts and dependencies on ecosystem services.	
	• The dependency pathway, including: > The environmental asset(s) and ecosystem service(s) the organisation depends on; and	ESRS E4 paragraph AR 8. (d)	AR 8. In Phase 2, to evaluate its actual or potential impacts and dependencies on biodiversity and ecosystems for relevant sites, the undertaking may: (...) d) indicate the size and scale of the dependencies on biodiversity and ecosystems, including on raw materials, natural resources and ecosystem services. The undertaking may rely on the international classifications such as the Common International Classification of Ecosystem Services (CICES).	
		ESRS E3 para. AR 8	AR 8. In phase 2, to evaluate its impacts and dependencies for each priority location identified under AR 5, the undertaking may: (a) identify business processes and activities that lead to impacts and dependencies on environmental assets and ecosystem services; (b) identify water and marine resources-related impacts and dependencies across the undertaking's value chain; and (c) assess the severity and likelihood of the positive and negative impacts on water and marine resources.	
	> The associated impact driver(s) and external factors that are affecting the state of nature and availability of ecosystem services; and	ESRS E4 para. AR 4 (a)	AR 4. The materiality assessment under ESRS E4 includes the undertaking's: (a) contribution to direct impact drivers on biodiversity loss: i. climate change; ii. land-use change (e.g., land artificialisation), freshwater-use change and sea-use change; iii. direct exploitation; iv. invasive alien species; v. pollution; and vi. others.	Difference in scope. TNFD recommends the disclosure also of 'external factors' affecting the state of nature, which is not explicitly mentioned in the ESRS.
		ESRS 2 MDR-M para. 75	75. The undertaking shall disclose any metrics that it uses to evaluate performance and effectiveness, in relation to a material impact, risk or opportunity.	

	<ul style="list-style-type: none"> • Reference to the relevant metrics disclosed in Metrics and Targets B; and 	ESRS E4 para. AR 8 (d)	<p>AR 8. In Phase 2, to evaluate its actual or potential impacts and dependencies on biodiversity and ecosystems for relevant sites, the undertaking may:</p> <p>(d) indicate the size and scale of the dependencies on biodiversity and ecosystems, including on raw materials, natural resources and ecosystem services. The undertaking may rely on the international classifications such as the Common International Classification of Ecosystem Services (CICES).</p>	
	<ul style="list-style-type: none"> • A description of any interconnections between the organisation's dependencies and impacts. 	ESRS 2 IRO-1 para. 53 (c)	<p>53. The undertaking shall disclose the following information:</p> <p>(c) an overview of the process used to identify, assess, prioritise and monitor risks and opportunities that have or may have financial effects.</p> <p>The disclosure shall include:</p> <p>i. how the undertaking has considered the connections of its impacts and dependencies with the risks and opportunities that may arise from those impacts and dependencies [..]</p>	<p>Difference in scope.</p> <p>TNFD recommends to disclose the interconnections between dependencies and impacts, which is not explicitly required by the ESRS.</p>
		ESRS 2 SBM-3 para. 48 (a)	<p>48. The undertaking shall disclose: (a) a brief description of its material impacts, risks and opportunities resulting from its materiality assessment (see Disclosure Requirement IRO-1 of this standard), including a description of where in its business model, its own operations and its upstream and downstream value chain these material impacts, risks and opportunities are concentrated;</p>	
		ESRS E2 para. AR 1	<p>AR 1. When conducting a materiality assessment on environmental subtopics, the undertaking shall assess the materiality of pollution in its own operations and its upstream and downstream value chain, and may consider the four phases below, also known as the LEAP approach:</p> <p>(a) Phase 1: locate where in its own operations and its upstream and downstream value chain the interface with nature takes place;</p> <p>(b) Phase 2: evaluate the pollution-related dependencies and impacts;</p> <p>(c) Phase 3: assess the material risks and opportunities; and</p> <p>(d) Phase 4: prepare and report the results of the materiality assessment.</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>ESRS E3 para. AR 1</p> <p>AR 1. When conducting a materiality assessment on environmental subtopics, the undertaking shall assess the materiality of water and marine resources in its own operations and its upstream and downstream value chain, and may consider the four phases below, also known as the LEAP approach:</p> <ul style="list-style-type: none"> (a) Phase 1: locate where in its own operations and along the value chain the interface with nature takes place; (b) Phase 2: evaluate the dependencies and impacts; (c) Phase 3: assess the material risks and opportunities; and (d) Phase 4: prepare and report the results of the materiality assessment. 	
		<p>ESRS E4 para. AR 6</p> <p>The undertaking shall assess the materiality of biodiversity and ecosystems in its own operations and its upstream and downstream value chain, and may conduct its materiality assessment in line with the first three phases of the LEAP approach: Locate (paragraph AR 7), Evaluate (paragraph AR 8) and Assess (paragraph AR 9)</p>	
		<p>ESRS E5 para. AR 1</p> <p>AR 1. When conducting a materiality assessment on environmental subtopics, the undertaking shall assess the materiality of resource use and circular economy in its own operations and its upstream and downstream value chain, and may consider the four phases below, also known as the LEAP approach:</p> <ul style="list-style-type: none"> (a) Phase 1: locate where in the undertaking's own operations and along its upstream and downstream value chain the interface with nature takes place; (b) Phase 2: evaluate the dependencies and impacts; (c) Phase 3: assess the material risks and opportunities; (d) Phase 4: prepare and report the results of the materiality assessment. 	
	<p><i>Risks and opportunities</i></p> <p>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>		

		<p>48. The undertaking shall disclose:</p> <p>(a) a brief description of its material impacts, risks and opportunities resulting from its materiality assessment (see Disclosure Requirement IRO-1 of this standard), including a description of where in its business model, its own operations and its upstream and downstream value chain these material impacts, risks and opportunities are concentrated;</p> <p>(b) the current and anticipated effects of its material impacts, risks and opportunities on its business model, value chain, strategy and decision-making, and how it has responded or plans to respond to these effects, including any changes it has made or plans to make to its strategy or business model as part of its actions to address particular material impacts or risks, or to pursue particular material opportunities;</p> <p>[...]</p> <p>(f) information about the resilience of the undertaking's strategy and business model regarding its capacity to address its material impacts and risks and to take advantage of its material opportunities. The undertaking shall disclose a qualitative and, when applicable, a quantitative analysis of the resilience, including how the analysis was conducted and the time horizons that were applied as defined in ESRS 1 (see ESRS 1 chapter 6 Time horizons). When providing quantitative information, the undertaking may disclose single amounts or ranges;</p>	<p>In ESRS, for definition of time horizons, see ESRS 1 Chapter 6.</p>
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		ESRS E1 para. 18	18. The undertaking shall explain for each material climate-related risk it has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk	
		ESRS E2 para. AR 7 (a) (b)	AR 7. In Phase 3, to assess its material risks and opportunities based on the results of Phases 1 and 2, the undertaking may : (a) identify transition risks and opportunities in its own operations and its upstream and downstream value chain by the categories of: [...] (b) identify physical risks, e.g., sudden interruption of access to clean water, acid rain, or other pollution incidents that are likely to lead to or that have led to pollution with subsequent effects on the environment and society;	
		ESRS E3 para. 13 (a) (b)	AR 13. In Phase 3, to assess its material risks and opportunities based on the results of Phases 1 and 2, the undertaking may : (a) identify transition risks and opportunities in its own operations and its value chain by the categories of: [...] (b) identify physical risk including water quantity (water scarcity, water stress), water quality, infrastructure decay or unavailability of some marine resources-related commodities (e.g. the rarefaction of some species of fish or other underwater marine living organisms sold as products by the undertaking) leading for instance to the impossibility of running operations in certain geographical areas;	
		ESRS E4 para. AR 9 (a)(b)(c)	AR 9. In Phase 3, to assesses its material risks and opportunities based on the results of Phases 1 and 2, the undertaking may consider the following categories: (a) physical risks [...] (b) transition risks [...] (c) systemic risks [...] (d) opportunities [...]	
		ESRS E5 para. AR 5 (a) (b)	AR 5. In Phase 3, to assess its material risks and opportunities based on the results of Phases 1 and 2, the undertaking may: (a) identify transition risks and opportunities in its own operations and its upstream and downstream value chain, including the risk of staying in a business-as-usual scenario: [...] (b) identify physical risks including depletion of stock and use of virgin and non-virgin renewable resources, and of non-renewable resources;	

Strategy- B	<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></p> <p>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>		
		ESRS 2 MDR-A para. 67	67. The objective of this Minimum Disclosure Requirement is to provide an understanding of the key actions taken and/or planned to prevent, mitigate and remediate actual and potential impacts, and to address risks and opportunities, and where applicable achieve the objectives and targets of related policies.
	ESRS E1 E1-3 para. 26	26. The undertaking shall disclose its climate change mitigation and adaptation actions and the resources allocated for their implementation.	

	<p>ESRS E2 E2-2 para. 19</p> <p>19. In addition to ESRS 2 MDR-A, the undertaking may specify to which layer in the following mitigation hierarchy an action and resources can be allocated:</p> <ul style="list-style-type: none"> (a) avoid pollution including any phase-out of materials or compounds that have a negative impact (prevention of pollution at source); (b) reduce pollution, including: any phase-out of materials or compounds; meeting enforcement requirements such as Best Available Techniques (BAT) requirements; or meeting the Do No Significant Harm criteria for pollution prevention and control according to the EU Taxonomy Regulation and its Delegated Acts (minimisation of pollution); and (c) restore, regenerate and transform ecosystems where pollution has occurred (control of the impacts both from regular activities and incidents). 	
<ul style="list-style-type: none"> • 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 	<p>ESRS E3 E3-2 para. 17 and 18</p> <p>17. The description of the actions and resources shall follow the principles defined in ESRS 2 MDR-A Actions and resources in relation to material sustainability matters. In addition to ESRS 2 MDR-A, the undertaking may specify to which layer in the mitigation hierarchy an action and</p> <p>18. Resources can be allocated to:</p> <ul style="list-style-type: none"> (a) avoid the use of water and marine resources; (b) reduce the use of water and marine resources such as through efficiency measures; (c) reclaiming and reuse of water; or (d) restoration and regeneration of aquatic ecosystem and water bodies. 	<p>Difference in semantics.</p> <p>Both TNFD and ESRS refer to the four actions of the mitigation hierarchy (avoid, reduce, restore and regenerate). In addition, TNFD explicitly makes a reference to the connected aspect of transformative action ('transform business practices', which covers the ways organisations can contribute to needed systemic change inside and outside their value chains.), which the ESRS only explicitly mention in connection with ESRS E2.</p>
	<p>ESRS E4 E4-3 para. 28 (a)</p> <p>28. In addition, the undertaking :</p> <ul style="list-style-type: none"> (a) may disclose how it has applied the mitigation hierarchy with regard to its actions (avoidance, minimisation, restoration/rehabilitation, and compensation or offsets); 	
	<p>ESRS E5 E5-2 para. 20 (d) (f)</p> <p>20. In addition to ESRS 2 MDR-A, the undertaking may specify whether and how an action and resources cover:</p> <ul style="list-style-type: none"> (f) optimisation of waste management in line with the waste hierarchy. (d) application of circular business practices such as (i) value retention actions (maintenance, repair, refurbishing, remanufacturing, component harvesting, upgrading and reverse logistics, closed loop systems, second-hand retailing), (ii) value maximisation actions (product-service systems, collaborative and sharing economy business models), (iii) end-of-life actions (recycling, upcycling, extended producer responsibility), and (iv) systems efficiency actions (industrial symbiosis). 	

<ul style="list-style-type: none"> • 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; 	<p>ESRS 2 SBM-3 para. 48 (b)</p>	<p>48. (b) the current and anticipated effects of its material impacts, risks and opportunities on its business model, value chain, strategy and decision-making, and how it has responded or plans to respond to these effects, including any changes it has made or plans to make to its strategy or business model as part of its actions to address particular material impacts or risks, or to pursue particular material opportunities;</p>	<p>Difference in granularity. TNFD specifically asks for disclosures related to 'investments in new technologies or research and development, decisions about the location of business operations, and collaboration with other partners and stakeholders', aspects that the ESRS do not explicitly mention.</p>
	<p>ESRS 2 SBM-3 para. 48 (b)</p>	<p>48. The undertaking shall disclose: b) the current and anticipated effects of its material impacts, risks and opportunities on its business model, value chain, strategy and decision-making, and how it has responded or plans to respond to these effects, including any changes it has made or plans to make to its strategy or business model as part of its actions to address particular material impacts or risks, or to pursue particular material opportunities;</p>	

<ul style="list-style-type: none"> • 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; 	<p>ESRS E4 E4-2 para. 23 (d)</p>	<p>23. In addition to the provisions of ESRS 2 MDR-P the undertaking shall describe whether and how its biodiversity and ecosystems-related policies: (...) (d) support traceability of products, components and raw materials with material actual or potential impacts on biodiversity and ecosystems along the value chain;</p>	<p>Difference in granularity. TNFD specifically recommends to disclose 'current and anticipated changes to upstream sourcing practices and interactions with downstream entities,' which is not explicitly referenced in this way in the ESRS.</p>
	<p>ESRS G1 G1-2 para. 12 and 15</p>	<p>12. The undertaking shall provide information about the management of its relationships with its suppliers and its impacts on its supply chain. 15. The disclosure required under paragraph 12 shall include the following information: (a) the undertaking's approach to its relationships with its suppliers, taking account of risks to the undertaking related to its supply chain and of impacts on sustainability matters; and (b) whether and how it takes into account social and environmental criteria for the selection of its suppliers.</p>	
<ul style="list-style-type: none"> • 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 	<p>ESRS S3 S3-4 para. AR 29</p>	<p>AR 29. When the undertaking discloses its participation in an industry or multi-stakeholder initiative as part of its actions to address material negative impacts, the undertaking may disclose how the initiative, and its own involvement, is aiming to address the material impact concerned. It may disclose under ESRS S3-5 the relevant targets set by the initiative and progress towards them.</p>	<p>Difference in granularity. Addressed in ESRS through current or planned actions (such as S3 AR para. 29) linked to material sustainability matters on nature, but not explicitly required by ESRS. In its recommended disclosure, TNFD also provides a list of possible multi-stakeholder planning processes (landscape approaches, watershed management and marine and coastal spatial planning).</p>
	<p>ESRS 2 MDR-P para. 63</p>	<p>63. The undertaking shall apply the minimum disclosure requirements defined in this provision when it discloses the policies it has in place with regard to each sustainability matter identified as material.</p>	
	<p>ESRS E1 E1-2 para. 24</p>	<p>24. The disclosure required by paragraph 22 shall contain the information on the policies the undertaking has in place to manage its material impacts, risks and opportunities related to climate change mitigation and adaptation in accordance with ESRS 2 MDR-P Policies adopted to manage material sustainability matters.</p>	
	<p>ESRS E2 E2-1 para. 14 and E2-4 para. 16</p>	<p>14. The disclosure required by paragraph 12 shall contain the information on the policies the undertaking has in place to manage its material impacts, risks and opportunities related to pollution in accordance with ESRS 2 MDR-P Policies adopted to manage material sustainability matters. 16. The undertaking shall disclose its pollution-related actions and the resources allocated to their implementation.</p>	

<ul style="list-style-type: none"> • 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. 	<p>ESRS E3 E3-1 para. 11 and E3-2 para. 15</p>	<p>11. The disclosure required by paragraph 9 shall contain the information on the policies the undertaking has in place to manage its material impacts, risks and opportunities related to water and marine resources in accordance with ESRS 2 MDR-P Policies adopted to manage material sustainability matters.</p> <p>15. The undertaking shall disclose its water and marine resources-related actions and the resources allocated to their implementation.</p>
	<p>ESRS E4 E4-1 para. 15 ESRS E4 E4-2 para. 20 ESRS E4 E4-3 para. 25</p>	<p>15. The undertaking may disclose its transition plan to improve and, ultimately, achieve alignment of its business model and strategy with the vision of the Kunming-Montreal Global Biodiversity Framework and its relevant goals and targets, the EU Biodiversity Strategy for 2030, and with respecting planetary boundaries related to biosphere integrity and land-system change.</p> <p>20. The undertaking shall describe its adopted policies to manage its material impacts, risks, dependencies, and opportunities related to biodiversity and ecosystems.</p> <p>25. The undertaking shall disclose its biodiversity and ecosystems-related actions and the resources allocated to their implementation.</p>

		ESRS E5 E5-1 para. 14 and 17	<p>14. The disclosure required by paragraph 12 shall contain the information on the policies the undertaking has in place to manage its material impacts, risks and opportunities related to resource use and circular economy in accordance with ESRS 2 MDR-P Policies adopted to manage material sustainability matters.</p> <p>17. The undertaking shall disclose its resource use and circular economy actions and the resources allocated to their implementation.</p>	
<i>Financial position and performance</i> The organisation should describe the current and anticipated effects of nature-related risks and opportunities on its financial position, performance and cashflow, including:				
• How the nature-related risks and opportunities have affected the financial position of the organisation in the reporting period;		ESRS 2 SBM-3 para. 48 (d) (e)	48. The undertaking shall disclose: (d) the current financial effects of the undertaking's material risks and opportunities on its financial position, financial performance and cash flows and the material risks and opportunities for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements; (e) the anticipated financial effects of the undertaking's material risks and opportunities on its financial position, financial performance and cash flows over the short-, medium- and long-term, including the reasonably expected time horizons for those effects. This shall include how the undertaking expects its financial position, financial performance and cash flows to change over the short, medium- and long-term, given its strategy to manage risks and opportunities, taking into consideration: i. its investment and disposal plans (for example, capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas and asset retirements), including plans the undertaking is not contractually committed to; and ii. its planned sources of funding to implement its strategy.	
• The anticipated effects on revenues, expenses, cashflows, asset and liability values and funding sources over the short, medium and long term;		ESRS E2 E2-6 para 36	36. The undertaking shall disclose the anticipated financial effects of material pollution-related risks and opportunities.	
• Whether the organisation anticipates any significant investments or asset disposals as a result of the nature-related risks and opportunities identified; and		ESRS E3 E3-5 para 30	30. The undertaking shall disclose the anticipated financial effects of material water and marine resources-related risks and opportunities.	
		ESRS E4 E4-6 para 42	42. The undertaking shall disclose its anticipated financial effects of material biodiversity- and ecosystem-related risks and opportunities.	
		ESRS E5 E5-6 para 41	41. The undertaking shall disclose the anticipated financial effects of material risks and opportunities arising from resource use and circular economy-related impacts.	

<ul style="list-style-type: none"> • How nature-related risks and opportunities serve as an input to their financial planning processes. 	<p>ESRS 2 SBM-3 para. 48(e)(i) and (ii)</p> <p>48. (e) the anticipated financial effects of the undertaking's material risks and opportunities on its financial position, financial performance and cash flows over the short-, medium- and long-term, including the reasonably expected time horizons for those effects. This shall include how the undertaking expects its financial position, financial performance and cash flows to change over the short, medium- and long-term, given its strategy to manage risks and opportunities, taking into consideration:</p> <ul style="list-style-type: none"> i. its investment and disposal plans (for example, capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas and asset retirements), including plans the undertaking is not contractually committed to; and ii. its planned sources of funding to implement its strategy 	
	<p>ESRS E2 E2-6 para 36</p> <p>36. The undertaking shall disclose the anticipated financial effects of material pollution-related risks and opportunities.</p>	
	<p>ESRS E3 E3-5 para 30</p> <p>30. The undertaking shall disclose the anticipated financial effects of material water and marine resources-related risks and opportunities.</p>	
	<p>ESRS E4 E4-6 para 42</p> <p>42. The undertaking shall disclose its anticipated financial effects of material biodiversity- and ecosystem-related risks and opportunities.</p>	
	<p>ESRS E5 E5-6 para 41</p> <p>41. The undertaking shall disclose the anticipated financial effects of material risks and opportunities arising from resource use and circular economy-related impacts.</p>	

<i>Target setting and transition plans</i>			
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.	ESRS 2 MDR-T para. 80	80. The undertaking shall disclose the measurable, outcome-oriented and time-bound targets on material sustainability matters it has set to assess progress. For each target, the disclosure shall include the following information: [...]	<p style="text-align: right;">Difference in scope.</p> <p>While TNFD recommends the disclosure of transition plans for those organisations that have made nature-related commitments, the ESRS require disclosure of transition plans for climate change mitigation, and state that undertakings "may" disclose their biodiversity and ecosystem-related transition plans.</p>
	ESRS E1 E1-4 para. 30	30. The undertaking shall disclose the climate-related targets it has set.	
	ESRS E1 E1-1 para. 14	14. The undertaking shall disclose its transition plan for climate change mitigation	
	ESRS E2 E2-3 para. 20	20. The undertaking shall disclose the pollution-related targets it has set.	
	ESRS E3 E3-3 para. 20	20. The undertaking shall disclose the water and marine resources-related targets it has set.	
	ESRS E4 E4-1 para. 15	15. The undertaking may disclose its transition plan to improve and, ultimately, achieve alignment of its business model and strategy with the vision of the Kunming-Montreal Global Biodiversity Framework and its relevant goals and targets, the EU Biodiversity Strategy for 2030, and with respecting planetary boundaries related to biosphere integrity and land-system change.	
	ESRS E4 E4-1 para. AR 1(a)	AR 1. If disclosing a transition plan, the undertaking may: (a) explain how it will adjust its strategy and business model to improve and, ultimately, achieve alignment with relevant local, national and global public policy goals and targets related to biodiversity and ecosystems including the vision of the KunmingMontreal Global Biodiversity Framework and its relevant goals and targets, the EU Biodiversity Strategy for 2030, and Directive 2009/147/EC Council Directive 92/43/EEC (the EU Birds and Habitats Directives) and, as appropriate, planetary boundaries related to biosphere integrity and land-system change;	
	ESRS E4 E4-4 para. 32	32. The disclosure required by paragraph 29 shall include the following information: (a)... (b) whether the targets are informed by, and/or aligned with the Kunming-Montreal Global Biodiversity Framework, relevant aspects of the EU Biodiversity Strategy for 2030 and other biodiversity and ecosystem-related national policies and legislation;	
	ESRS E5 E5-3 para. 21	21. The undertaking shall disclose the resource use and circular economy-related targets it has set.	

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>		
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<ul style="list-style-type: none"> 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 (as identified in Strategy D); 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 a range of transition risks, such as changes in government policy and regulation, litigation risk and shifting consumer expectations, and the degree of alignment or misalignment of those transition risk uncertainties; 	ESRS 2 SMB-3 para. 48 (f)	<p>48. The undertaking shall disclose:</p> <p>(f) information about the resilience of the undertaking's strategy and business model regarding its capacity to address its material impacts and risks and to take advantage of its material opportunities. The undertaking shall disclose a qualitative and, when applicable, a quantitative analysis of the resilience, including how the analysis was conducted and the time horizons that were applied as defined in ESRS 1 (see ESRS 1 chapter 6 Time horizons). When providing quantitative information, the undertaking may disclose single amounts or ranges;</p>	
	ESRS E1 para. 18 and 19 and AR 13 (c)	<p>18. The undertaking shall explain for each material climate-related risk it has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk.</p> <p>19. The undertaking shall describe the resilience of its strategy and business model in relation to climate change. This description shall include:</p> <p>(a) the scope of the resilience analysis;</p> <p>(b) how and when the resilience analysis has been conducted, including the use of climate scenario analysis as referenced in the Disclosure Requirement related to ESRS 2 IRO-1 and the related application requirement paragraphs; and</p> <p>(c) the results of the resilience analysis including the results from the use of scenario analysis.</p> <p>AR 13. When disclosing the information required under paragraphs 19, 20, 21, AR 10 and AR 11, the undertaking shall explain how it has used climate-related scenario analysis that is commensurate to its circumstances to inform the identification and assessment of physical and transition risks and opportunities over the short-, medium- and long-term, including:</p> <p>(a) which scenarios were used, their sources and alignment with state-of-the-art science;</p> <p>(b) narratives, time horizons, and endpoints used with a discussion of why it believes the range of scenarios used covers its plausible risks and uncertainties;</p> <p>(c) the key forces and drivers taken into consideration in each scenario and why these are relevant to the undertaking, for example, policy assumptions, macroeconomic trends, energy usage and mix, and technology assumptions; and</p> <p>(d) key inputs and constraints of the scenarios, including their level of detail (e.g., whether the analysis of physical climate-related risks is based on geospatial coordinates specific to the undertaking's locations or national- or regional-level broad data).</p>	<p>Difference in semantics. TNFD uses the term "risks associated with nature loss and possible tipping points", while ESRS E1 and E4 use the term "climate-related" and "biodiversity and ecosystem-related" risks.</p> <p>Difference in granularity. TNFD specifically refers to 'key trends and critical uncertainties regarding' risks, which would be deemed to be addressed in ESRS disclosures if deemed material, even if not specifically mentioned.</p>

	<p>13. The undertaking shall describe the resilience of its strategy and business model in relation to biodiversity and ecosystems. The description shall include:</p> <ul style="list-style-type: none"> (a) an assessment of the resilience of the current business model and strategy to biodiversity and ecosystems-related physical, transition and systemic risks; (b) the scope of the resilience analysis in relation to the undertaking's own operations and its upstream and downstream value chain and in relation to the risks considered in that analysis; (c) the key assumptions made; (d) the time horizons used; (e) the results of the resilience analysis; and (f) the involvement of stakeholders, including, where appropriate, holders of indigenous and local knowledge. <p>18. The undertaking may disclose whether and how it has used biodiversity and ecosystems scenario analysis to inform the identification and assessment of material risks and opportunities over short-, medium- and long-term time horizons. If the undertaking has used such scenario analysis, it may disclose the following information:</p> <ul style="list-style-type: none"> (...) (b) how the considered scenarios are updated according to evolving conditions and emerging trends; (...)
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	<ul style="list-style-type: none"> • How its strategies might change to address such potential trends and uncertainties, including a description of how the organisation took into consideration location specificity; 	<p>ESRS 2 SBM-3 para. 48 (b) (f)</p> <p>48. The undertaking shall disclose: (b)The current and anticipated effects of its material impacts, risks and opportunities on its business model, value chain, strategy and decision-making, and how it has responded or plans to respond to these effects, including any changes it has made or plans to make to its strategy or business model as part of its actions to address particular material impacts or risks, or to pursue particular material opportunities (f) information about the resilience of the undertaking's strategy and business model regarding its capacity to address its material impacts and risks and to take advantage of its material opportunities. The undertaking shall disclose a qualitative and, when applicable, a quantitative analysis of the resilience, including how the analysis was conducted and the time horizons that were applied as defined in ESRS 1 (see ESRS 1 chapter 6 Time horizons). When providing quantitative information, the undertaking may disclose single amounts or ranges;</p>	<p>Difference in semantics. TNFD uses the term "such potential trends and uncertainties", while ESRS uses the term "current and anticipated effects of its material impacts, risks and opportunities."</p> <p>Difference in granularity. TNFD recommends disclosure of how the organisation took into consideration "location specificity", which is not explicitly covered by ESRS.</p>
<ul style="list-style-type: none"> • 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; 	<p>ESRS E2 E2-6 para. 44</p>	<p>44. The objective of this Disclosure Requirement is to provide an understanding of: (a) anticipated financial effects due to material risks arising from pollution-related impacts and dependencies and how these risks have (or could reasonably be expected to have) a material influence on the undertaking's, financial position financial performance and cash flows, over the short-, medium- and long-term. (b) anticipated financial effects due to material opportunities related to pollution prevention and control.</p>	
	<p>ESRS E3 E3-5 para. 32 (a)</p>	<p>32. The objective of this Disclosure Requirement is to provide an understanding of: (a) anticipated financial effects due to material risks arising from water and marine resources-related impacts and dependencies and how these risks have (or could reasonably be expected to have) a material influence on the undertaking's financial position, financial performance and cash flows, over the short-, medium- and long-term;</p>	
	<p>ESRS E4 E4-6 para. 44 (a) (b)</p>	<p>44. The objective of this Disclosure Requirement is to provide an understanding of: (a) anticipated financial effects due to material risks arising from biodiversity- and ecosystem-related impacts and dependencies and how these risks have (or could reasonably be expected to have) a material influence on the undertaking's financial position, financial performance and cash flows over the short-, medium- and long-term; and (b) anticipated financial effects due to material opportunities related to biodiversity- and ecosystem.</p>	

	ESRS E5 E5-6 para. 42 (a)	<p>42. The information required by paragraph 41 is in addition the information on current financial effects on the entity's financial position, financial performance and cash flows for the reporting period required under ESRS 2 SBM-3 para 48 (d). The objective of this Disclosure Requirement is to provide an understanding of:</p> <p>(a) anticipated financial effects due to material risks arising from material resource use and circular economy-related impacts and dependencies and how these risks</p>	
	ESRS 2 MDR-A para. 69	<p>69. Where the implementation of an action plan requires significant operational expenditures (Opex) and/or capital expenditures (Capex) the undertaking shall:</p> <p>(a) describe the type of current and future financial and other resources allocated to the action plan, including if applicable, the relevant terms of sustainable finance instruments, such as green bonds, social bonds and green loans, the environmental or social objectives, and whether the ability to implement the actions or action plan depends on specific preconditions, e.g., granting of financial support or public policy and market developments;</p> <p>(b) provide the amount of current financial resources and explain how they relate to the most relevant amounts presented in the financial statements; and</p> <p>(c) provide the amount of future financial resources.</p>	

<ul style="list-style-type: none"> • 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 	<p>ESRS E1 E1-3 para. 28</p> <p>28. The description of the actions and resources related to climate change mitigation and adaptation shall follow the principles stated in ESRS 2 MDR-A Actions and resources in relation to material sustainability matters.</p>
	<p>ESRS E1 E1-3 para. AR 20</p> <p>AR 20. When disclosing the information on resources as required under paragraph 29 (c), the undertaking shall only disclose the significant OpEx and CapEx amounts required for the implementation of the actions as the purpose of this information is to demonstrate the credibility of its actions rather than to reconcile the disclosed amounts to the financial statements. The disclosed CapEx and OpEx amounts shall be the additions made to both tangible and intangible assets during the current financial year as well as the planned additions for future periods of implementing the actions. The disclosed amounts shall only be the incremental financial investments directly contributing to the achievement of the undertaking's targets.</p>
	<p>ESRS E2 E2-2 para. 18 and para. 19</p> <p>18. The description of the pollution-related action plans and resources shall contain the information prescribed in ESRS 2 MDR-A Actions and resources in relation to material sustainability matters.</p> <p>19. In addition to ESRS 2 MDR-A, the undertaking may specify to which layer in the following mitigation hierarchy an action and resources can be allocated:</p> <p>(a) avoid pollution including any phase-out of materials or compounds that have a negative impact (prevention of pollution at source);</p> <p>(b) reduce pollution, including: any phase-out of materials or compounds; meeting enforcement requirements such as Best Available Techniques (BAT) requirements; or meeting the Do No Significant Harm criteria for pollution prevention and control according to the EU Taxonomy Regulation and its Delegated Acts (minimisation of pollution);</p>
	<p>ESRS E3 E3-2 para. 17</p> <p>17. The description of the actions and resources shall follow the principles defined in ESRS 2 MDR-A Actions and resources in relation to material sustainability matters. In addition to ESRS 2 MDR-A, the undertaking may specify to which layer in the mitigation hierarchy an action and [MISSING FINAL PART IN THE DA]</p>

		<p>ESRS E4 E4-3 para. AR 18</p> <p>AR 18. The undertaking may relate significant monetary amounts of CapEx and OpEx required to implement the actions taken or planned to: (a) the relevant line items or notes in the financial statements; (b) the key performance indicators required under article 8 of Regulation (EU) 2020/852 and under Commission Delegated Regulation (EU) 2021/2178; and (c) if applicable, the CapEx plan required by Commission Delegated Regulation (EU) 2021/2178.</p>
		<p>ESRS E5 5-2 para. 19</p> <p>19. The description of the resource use and circular economy-related actions and resources allocated shall follow the principles defined in ESRS 2 MDR-A Actions and resources in relation to material sustainability matters.</p>
		<p>ESRS 2 SBM-3 para. 48 (f)</p> <p>48. The undertaking shall disclose: [...] (f) information about the resilience of the undertaking's strategy and business model regarding its capacity to address its material impacts and risks and to take advantage of its material opportunities. The undertaking shall disclose a qualitative and, when applicable, a quantitative analysis of the resilience, including how the analysis was conducted and the time horizons that were applied as defined in ESRS 1 (see ESRS 1 chapter 6 Time horizons). When providing quantitative information, the undertaking may disclose single amounts or ranges;</p>

<ul style="list-style-type: none"> • 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. 	<p>ESRS E1 para. AR 7 and AR 8</p> <p>AR 7. When disclosing the information on how the resilience analysis has been conducted as required under paragraph 19 (b), the undertaking shall explain:</p> <p>(a) the critical assumptions about how the transition to a lower-carbon and resilient economy will affect its surrounding macroeconomic trends, energy consumption and mix, and technology deployment assumptions;</p> <p>(b) the time horizons applied and their alignment with the climate and business scenarios considered for determining material physical and transition risks (paragraphs AR 11to AR 12) and setting GHG emissions reduction targets (reported under Disclosure Requirement E1-4); and</p> <p>[...]</p> <p>AR 8. When disclosing the information on the results of the resilience analysis as required under paragraph 19 (c), the undertaking shall explain:</p> <p>(a) the areas of uncertainties of the resilience analysis and to what extent the assets and business activities at risk are considered within the definition of the undertaking's strategy, investment decisions, and current and planned mitigation actions;</p> <p>(b) the ability of the undertaking to adjust or adapt its strategy and business model to climate change over the short-, medium- and long-term, including securing ongoing access to finance at an affordable cost of capital, the ability to redeploy, upgrade or decommission existing assets, shifting its products and services portfolio, or reskilling its workforce.</p>
	<p>ESRS E4 para. 18</p> <p>18. The undertaking may disclose whether and how it has used biodiversity and ecosystems scenario analysis to inform the identification and assessment of material risks and opportunities over short-, medium- and long-term time horizons. If the undertaking has used such scenario analysis, it may disclose the following information:</p> <p>(a) why the considered scenarios were selected;</p> <p>(b) how the considered scenarios are updated according to evolving conditions and emerging trends; and</p> <p>(c) whether the scenarios are informed by expectations published by authoritative intergovernmental bodies, such as the Convention for Biological Diversity and, where relevant, by scientific consensus, such as that expressed by the Intergovernmental Science-policy Platform on Biodiversity and Ecosystem Services (IPBES).</p>

		<p>13. The undertaking shall describe the resilience of its strategy and business model in relation to biodiversity and ecosystems. The description shall include:</p> <p>(a) an assessment of the resilience of the current business model and strategy to biodiversity and ecosystems-related physical, transition and systemic risks;</p> <p>(b) the scope of the resilience analysis in relation to the undertaking's own operations and its upstream and downstream value chain and in relation to the risks considered in that analysis;</p> <p>(c) the key assumptions made;</p> <p>(d) the time horizons used;</p> <p>(e) the results of the resilience analysis; and</p> <p>(f) the involvement of stakeholders, including, where appropriate, holders of indigenous and local knowledge.</p>	
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Strategy- D	<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"> • 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 • 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"> • Areas important for biodiversity; and/or • Areas of high ecosystem integrity; and/or • Areas of rapid decline in ecosystem integrity; and/or • Areas of high physical water risks; and/or • Areas of importance for ecosystem service provision, including benefits to Indigenous Peoples, Local Communities and stakeholders. 		
		<p>ESRS E4 para 16 (a)</p> <p>16. The undertaking shall disclose:</p> <p>(a) a list of material sites in its own operations, including sites under its operational control, based on the results of paragraph 17(a). The undertaking shall disclose these locations by:</p> <ol style="list-style-type: none"> i. specifying the activities negatively affecting biodiversity sensitive areas; ii. providing a breakdown of sites according to the impacts and dependencies identified, and to the ecological status of the areas (with reference to the specific ecosystem baseline level) where they are located; and iii. specifying the biodiversity-sensitive areas impacted, for users to be able to determine the location and the responsible competent authority with regards to the activities specified in paragraph 16(a) i. 	

	<p>An organisation should provide:</p> <ul style="list-style-type: none"> • A list and/or spatial map of the locations where the organisation has assets and/or activities; • 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 • In its direct operations and, where possible upstream and downstream value chain(s), that are in sensitive locations as defined above. • A description of how the organisation has defined sensitive locations, with reference to the tools, data sources and indicators and metrics used; • A description of the process followed to identify priority locations for disclosure; • A description of the level of geographic specificity achieved, if and how locations have 	<p>ESRS E4 para. 17; para. AR 7(a)</p> <p>17. The undertaking shall describe its process to identify material impacts, risks, dependencies and opportunities. The description of the process shall include whether and how the undertaking:</p> <p>(a) identified and assessed actual and potential impacts on biodiversity and ecosystems at own site locations and in the upstream and downstream value chain, including assessment criteria applied;</p> <p>(b) identified and assessed dependencies on biodiversity and ecosystems and their services at own site locations and in the upstream and downstream value chain, including assessment criteria applied, and, if this assessment includes ecosystem services that are disrupted or likely to be;</p> <p>(c) identified and assessed transition and physical risks and opportunities related to biodiversity and ecosystems, including assessment criteria applied based on its impacts and dependencies;</p> <p>(d) considered systemic risks; [...]</p> <p>AR 7. Phase 1 relates to the localisation of relevant sites regarding its interface with biodiversity and ecosystems. To identify these relevant sites the undertaking may:</p> <p>(a) develop a list of locations of direct assets and operations and related upstream and downstream value chain that are relevant to the undertakings business activities. Furthermore, the undertaking may provide information about sites for which future operations have been formally announced;</p>	<p>Difference in scope. TNFD asks to disclose material locations in its upstream and downstream value chain, and sensitive locations in its direct operations and, where possible, upstream and downstream value chain, while ESRS require disclosure of a list of material sites in its own operation.</p> <p>In this context, it is noted that the ESRS require to include information on material impacts, risks and opportunities connected with the undertaking's value chain (see ESRS 1 para. 63), which allows the undertaking to include disclosures of sites or of site-specific information connected with its value chain, if relevant. The ESRS also state that, when conducting a materiality assessment on environmental subtopics, the undertaking may consider the LEAP approach. The LEAP approach helps locate where in the undertaking's own operations and its upstream and downstream value chain the interface with nature takes place and supports the identification and disclosure of material sites in the value chain, which is voluntary in the ESRS.</p>
		<p>ESRS E4 para. 19</p> <p>19. The undertaking shall specifically disclose:</p> <p>(a) whether or not it has sites located in or near biodiversity-sensitive areas and whether activities related to these sites negatively affect these areas by leading to the deterioration of natural habitats and the habitats of species and to the disturbance of the species for which a protected area has been designated; and</p>	<p>Difference in semantics.</p> <p>1. The TNFD uses the definition of 'priority locations' which includes both material and sensitive locations. ESRS require disclosure of 'material sites', including sites in or near biodiversity-sensitive areas that it is negatively affecting.</p>

	<p>been aggregated, and the rationale for any aggregation, with reference to general requirement 3; and</p> <ul style="list-style-type: none"> • The organisations intentions to improve or expand its location assessment activities over the short, medium and long term. 	<p>ESRS E2 para. 11; para. AR 5</p> <p>11. The undertaking shall describe the process to identify material impacts, risks and opportunities and shall provide information on:</p> <ul style="list-style-type: none"> (a) whether the undertaking has screened its site locations and business activities in order to identify its actual and potential pollution-related impacts, risks and opportunities in its own operations and upstream and downstream value chain, and if so, the methodologies, assumptions and tools used in the screening; (b) whether and how the undertaking has conducted consultations, in particular with affected communities. <p>AR 5. In Phase 1, to locate where in its own operations and its upstream and downstream value chain the interface with nature takes place, the undertaking may consider:</p> <ul style="list-style-type: none"> (a) the site locations of direct assets and operations and related upstream and downstream activities across the value chain; (b) the site locations where emissions of water, soil and air pollutants occur; and (c) the sectors or business units related to those emissions or to the production, use, distribution, commercialisation and import/export of microplastics, substances of concern, and substances of very high concern, on their own, in mixtures or in articles. 	<p>See also ESRS 1 para. 54 (b) on disaggregation of the reported information by sites.</p> <p>2. ESRS use a different definition of sensitive areas with respect to TNFD, which corresponds to a subset of the TNFD's definition (for what relates to 'Areas important for biodiversity'):</p> <p>Biodiversity sensitive areas (from ESRS Glossary): Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas ('KBAs'), as well as other protected areas, as referred to in Appendix D of Annex II to Commission Delegated Regulation (EU) 2021/21398 (Taxonomy)</p>
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		ESRS E3 para. AR 5	<p>AR 5. In phase 1, to locate where there are areas at water risk, and areas where there is an interface with marine resources that could lead to material impacts and dependencies in its own operations and along its upstream and downstream value chain, the undertaking may consider:</p> <ul style="list-style-type: none"> (a) the locations of direct assets and operations and related upstream and downstream activities across the value chain; (b) the sites located in areas at water risk, including areas of high-water stress; and (c) the sectors or business units that are interfacing with water or marine resources in these priority locations. 	
Risk and impact management	Describe the processes used by the organisation to identify, assess, prioritise and monitor nature-related dependencies, impacts, risks and opportunities.	ESRS 2 - Impact, risk and opportunity management		
Risk and impact management- A(i)	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:			
	ESRS 2 IRO-1 para. 51	51. The undertaking shall disclose its process to identify its impacts, risks and opportunities and to assess which ones are material.		
	ESRS E1 para. 20	20. The undertaking shall describe the process to identify and assess climate-related impacts, risks and opportunities. This description shall include its process in relation to: [...]		

		ESRS E2 para. 11	11. The undertaking shall describe the process to identify material impacts, risks and opportunities and shall provide information on: [...]
		ESRS E3 para. 8	8. The undertaking shall describe the process to identify material impacts, risks and opportunities and shall provide information on: [...]
		ESRS E4 para. 17 (a) (b)	17. The undertaking shall describe its process to identify material impacts, risks, dependencies and opportunities. The description of the process shall include whether and how the undertaking: (a) identified and assessed actual and potential impacts on biodiversity and ecosystems at own site locations and in the upstream and downstream value chain, including assessment criteria applied; (b) identified and assessed dependencies on biodiversity and ecosystems and their services at own site locations and in the upstream and downstream value chain, including assessment criteria applied, and, if this assessment includes ecosystem services that are disrupted or likely to be;
		ESRS E5 para. 11	11. The undertaking shall describe the process to identify material impacts, risks and opportunities related to resource use and circular economy, in particular regarding resource inflows, resource outflows and waste, and shall provide information on: [...]
>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 1 para 54	54. When needed for a proper understanding of its material impacts, risks and opportunities, the undertaking shall disaggregate the reported information: (a) by country, when there are significant variations of material impacts, risks and opportunities across countries and when presenting the information at a higher level of aggregation would obscure material information about impacts, risks or opportunities; or (b) by significant site or by significant asset, when material impacts, risks and opportunities are highly dependent on a specific location or asset.

	> 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	AR 9. In Phase 3, to assess its material risks and opportunities based on the results of Phases 1 and 2, the undertaking may consider the following categories: (c) systemic risks, including: i. ecosystem collapse risks that a critical natural system no longer functions, e.g., tipping points are reached and the collapse of ecosystems resulting in wholesale geographic or sector losses (summing physical risks);	
	ESRS E2 E2-3 para. 24	24. In addition to ESRS 2 MDR-T, the undertaking may specify whether ecological thresholds (e.g., the biosphere integrity, stratospheric ozone-depletion, atmospheric aerosol loading, soil depletion, ocean acidification) and entity-specific allocations were taken into consideration when setting targets. If so, the undertaking may specify: [..]	
	ESRS E3 E3-3 para. 24	24. In addition to ESRS 2 MDR-T, the undertaking may specify whether ecological thresholds and entity-specific allocations were taken into consideration when setting targets. If so, the undertaking may specify: [..]	
	ESRS E3 E3-3 para. AR 13 (a) v.	AR 13. In Phase 3, to assess its material risks and opportunities based on the results of Phases 1 and 2, the undertaking may : (a) identify transition risks and opportunities in its own operations and its value chain by the categories of: [...] v. contribution to systemic risks via its own operations and its upstream and downstream value chain, including the risks that a marine ecosystem collapses or the risks that a critical natural system no longer functions (e.g., tipping points are reached, summing physical risks);	
	ESRS E5 E5-3 para. 26	26. In addition to ESRS 2 MDR-T, the undertaking may specify whether ecological thresholds and entity-specific allocations were taken into consideration when setting targets. If so, the undertaking may specify: [..]	

	<p>> 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).</p>	<p>ESRS E2 para. AR 7 (a)i</p> <p>AR. 7 In Phase 3, to assess its material risks and opportunities based on the results of Phases 1 and 2, the undertaking may:</p> <p>(a) identify transition risks and opportunities in its own operations and its upstream and downstream value chain by the categories of:</p> <ul style="list-style-type: none"> i. policy and legal: e.g., introduction of regulation, exposure to sanctions and litigation (e.g., negligence towards ecosystems), enhanced reporting obligations; 	
		<p>ESRS E3 para. AR 13 (a)i</p> <p>AR 13. In Phase 3, to assess its material risks and opportunities based on the results of Phases 1 and 2, the undertaking may :</p> <p>(a) identify transition risks and opportunities in its own operations and its value chain by the categories of:</p> <ul style="list-style-type: none"> i. policy and legal: e.g., introduction of regulation or policy (e.g., changes such as increased water protection, increased quality of water regulations, regulation of flows of water supply), ineffective governance of water bodies or marine resources, in particular across boundaries (e.g., transboundary governance and cooperation) resulting in water or oceans degradation, exposure to sanctions and litigation (e.g., non-respect of permits or allocations; negligence towards or killing of threatened marine species), enhanced reporting obligations on marine ecosystems and related services; 	
		<p>ESRS E4 para. AR 9 (b)i</p> <p>AR 9. In Phase 3, to assesses its material risks and opportunities based on the results of Phases 1 and 2, the undertaking may consider the following categories:</p> <p>...</p> <p>b) transition risks, including:</p> <ul style="list-style-type: none"> i. policy and legal: e.g. introduction of regulation or policy (e.g. changes such as increased land protection); exposure to sanctions and litigation (e.g. spills of polluting effluents that damage human and ecosystem health; or violation of biodiversity-related rights, permits or allocations; or negligence towards or killing of threatened species); enhanced reporting obligations on biodiversity, ecosystems and related services; 	

	ESRS E5 para. AR 5 (a)	<p>AR 5. In Phase 3, to assess its material risks and opportunities based on the results of Phases 1 and 2, the undertaking may:</p> <p>(a) identify transition risks and opportunities in its own operations and its upstream and downstream value chain, including the risk of staying in a business-as-usual scenario:</p> <ul style="list-style-type: none"> i. policy and legal, e.g., bans on the extraction and use of non-renewable resources, regulations on waste treatment; 	
• 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)	<p>53. The undertaking shall disclose the following information:</p> <p>...</p> <p>(c) an overview of the process used to identify, assess, prioritise and monitor risks and opportunities that have or may have financial effects. The disclosure shall include:</p> <ul style="list-style-type: none"> i. how the undertaking has considered the connections of its impacts and dependencies with the risks and opportunities that may arise from those impacts and dependencies; ii. how the undertaking assesses the likelihood, magnitude, and nature of effects of the identified risk and opportunities (such as the qualitative or quantitative thresholds and other criteria used as prescribed by ESRS 1 section 3.3 Financial materiality); iii. how the undertaking prioritises sustainability-related risks relative to other types of risks, including its use of risk-assessment tools; 	
• 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.	ESRS 2 IRO-1 para. 53 c) iii	<p>53. The undertaking shall disclose the following information:</p> <p>[...]</p> <p>(c) an overview of the process used to identify, assess, prioritise and monitor risks and opportunities that have or may have financial effects. The disclosure shall include:</p> <p>[...]</p> <ul style="list-style-type: none"> iii. how the undertaking prioritises sustainability-related risks relative to other types of risks, including its use of risk-assessment tools; 	

	<p>The organisation should disclose:</p> <ul style="list-style-type: none"> • 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, where appropriate and relevant to understanding the process followed. 	ESRS E4 E4-5 para. AR 27	<p>AR 27. When preparing the information required under this Disclosure Requirement, the undertaking shall consider and may describe:</p> <p>...</p> <p>(g) whether these metrics rely on primary data, secondary data, modelled data or on expert judgement, or a mixture of these;</p>	<p>Difference in scope.</p> <p>TNFD recommends disclosure of 'risk terminology used', not mentioned by ESRS.</p> <p>TNFD recommends disclosure of any improvements made to data quality and plans to improve data quality over time, which is not mentioned by ESRS.</p>
		ESRS E2 E2-4 para. 30	<p>30. The undertaking shall put its disclosure into context and describe:</p> <p>(a) the changes over time,</p> <p>(b) the measurement methodologies; and</p> <p>(c) the process(es) to collect data for pollution-related accounting and reporting, including the type of data needed and the information sources.</p>	
		ESRS E3 para. AR 14	<p>AR 14. The undertaking may rely on primary, secondary or modelled data collection or other relevant approaches to assess material impacts, dependencies, risks and opportunities, including Commission Recommendation 2021/2279 on the use of the Environmental Footprint methods to measure and communicate the life cycle environmental performance of products and organisations (Annex I – Product Environmental Footprint; Annex III – Organisation Environmental Footprint).</p>	
		ESRS E5 E5-4 para. 32	<p>32. The undertaking shall provide information on the methodologies used to calculate the data. It shall specify whether the data is sourced from direct measurement or estimations, and disclose the key assumptions used.</p>	
Risk and impact management- A(ii)				

<ul style="list-style-type: none"> • 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 	<p>ESRS 1 para. 39</p>	<p>39. In identifying and assessing the impacts, risks and opportunities in the undertaking's value chain to determine their materiality, the undertaking shall focus on areas where impacts, risks and opportunities are deemed likely to arise, based on the nature of the activities, business relationships, geographies or other factors concerned.</p>	
	<p>ESRS 2 SMB-3 para. 48 (a)</p>	<p>48. The undertaking shall disclose:</p> <p>(a) a brief description of its material impacts, risks and opportunities resulting from its materiality assessment (see Disclosure Requirement IRO-1 of this standard), including a description of where in its business model, its own operations and its upstream and downstream value chain these material impacts, risks and opportunities are concentrated;</p>	
	<p>ESRS 2 SMB-1 para. 42</p>	<p>42. The undertaking shall disclose a description of its business model and value chain, including:</p> <p>(a) its inputs and its approach to gathering, developing and securing those inputs;</p> <p>(b) its outputs and outcomes in terms of current and expected benefits for customers, investors and other stakeholders; and</p> <p>(c) the main features of its upstream and downstream value chain and the undertaking's position in its value chain, including a description of the main business actors (such as key suppliers, customers, distribution channels and end-users) and their relationship to the undertaking. When the undertaking has multiple value chains, the disclosure shall cover the key value chains.</p>	
	<p>ESRS 2 IRO-1 para. 51</p>	<p>51. The undertaking shall disclose its process to identify its impacts, risks and opportunities and to assess which ones are material.</p>	

	<p>tipping points have been considered;</p> <ul style="list-style-type: none"> • The degree of location-specificity achieved and the implications for the analysis, including: <ul style="list-style-type: none"> > An assessment of the quality of the data used and the implications for the analysis; > The improvements in data quality, traceability and location-specificity achieved since the disclosure in prior periods; > Which data are obtained directly from suppliers or customers and which are estimated; > The methodology and data sources used when data are not obtained directly from suppliers or customers, including the use of proxy data; and > The strategy to increase data quality, traceability and location-specificity over time, the barriers to such improvements and the approach to overcoming those barriers. • How the organisation assesses nature-related risks and opportunities in its value chain(s) based on 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; and • How the organisation determines the relative significance of nature-related risks and opportunities in its value chain(s) in relation to other risks and opportunities, including processes for prioritising risks and opportunities to inform risk and opportunity responses and risk and opportunity management decision-making 	<table border="1" data-bbox="660 144 1481 1291"> <tbody> <tr> <td data-bbox="660 144 871 244">ESRS E1 para. 20</td><td data-bbox="871 144 1481 244">20. The undertaking shall describe the process to identify and assess climate-related impacts, risks and opportunities. This description shall include its process in relation to: [...]</td></tr> <tr> <td data-bbox="660 244 871 344">ESRS E2 para. 11</td><td data-bbox="871 244 1481 344">11. The undertaking shall describe the process to identify material impacts, risks and opportunities and shall provide information on: [...]</td></tr> <tr> <td data-bbox="660 344 871 444">ESRS E3 para. 8</td><td data-bbox="871 344 1481 444">8. The undertaking shall describe the process to identify material impacts, risks and opportunities and shall provide information on: [...]</td></tr> <tr> <td data-bbox="660 444 871 816">ESRS E4 para. 17 (a) (b)</td><td data-bbox="871 444 1481 816"> <p>17. The undertaking shall describe its process to identify material impacts, risks, dependencies and opportunities. The description of the process shall include whether and how the undertaking:</p> <ul style="list-style-type: none"> (a) identified and assessed actual and potential impacts on biodiversity and ecosystems at own site locations and in the upstream and downstream value chain, including assessment criteria applied; (b) identified and assessed dependencies on biodiversity and ecosystems and their services at own site locations and in the upstream and downstream value chain, including assessment criteria applied, and, if this assessment includes ecosystem services that are disrupted or likely to be; </td></tr> <tr> <td data-bbox="660 816 871 1291">ESRS E5 para. 11</td><td data-bbox="871 816 1481 1291">11. The undertaking shall describe the process to identify material impacts, risks and opportunities related to resource use and circular economy, in particular regarding resource inflows, resource outflows and waste, and shall provide information on: [...]</td></tr> </tbody> </table>	ESRS E1 para. 20	20. The undertaking shall describe the process to identify and assess climate-related impacts, risks and opportunities. This description shall include its process in relation to: [...]	ESRS E2 para. 11	11. The undertaking shall describe the process to identify material impacts, risks and opportunities and shall provide information on: [...]	ESRS E3 para. 8	8. The undertaking shall describe the process to identify material impacts, risks and opportunities and shall provide information on: [...]	ESRS E4 para. 17 (a) (b)	<p>17. The undertaking shall describe its process to identify material impacts, risks, dependencies and opportunities. The description of the process shall include whether and how the undertaking:</p> <ul style="list-style-type: none"> (a) identified and assessed actual and potential impacts on biodiversity and ecosystems at own site locations and in the upstream and downstream value chain, including assessment criteria applied; (b) identified and assessed dependencies on biodiversity and ecosystems and their services at own site locations and in the upstream and downstream value chain, including assessment criteria applied, and, if this assessment includes ecosystem services that are disrupted or likely to be; 	ESRS E5 para. 11	11. The undertaking shall describe the process to identify material impacts, risks and opportunities related to resource use and circular economy, in particular regarding resource inflows, resource outflows and waste, and shall provide information on: [...]	<p>Difference in scope.</p> <p>TNFD recommends disclosure of any improvements made to data quality and plans to improve data quality, traceability and location-specificity over time, which is not mentioned by ESRS.</p> <p>In ESRS, see also ESRS 1 para. 63 and 66 on value chain information.</p>
ESRS E1 para. 20	20. The undertaking shall describe the process to identify and assess climate-related impacts, risks and opportunities. This description shall include its process in relation to: [...]												
ESRS E2 para. 11	11. The undertaking shall describe the process to identify material impacts, risks and opportunities and shall provide information on: [...]												
ESRS E3 para. 8	8. The undertaking shall describe the process to identify material impacts, risks and opportunities and shall provide information on: [...]												
ESRS E4 para. 17 (a) (b)	<p>17. The undertaking shall describe its process to identify material impacts, risks, dependencies and opportunities. The description of the process shall include whether and how the undertaking:</p> <ul style="list-style-type: none"> (a) identified and assessed actual and potential impacts on biodiversity and ecosystems at own site locations and in the upstream and downstream value chain, including assessment criteria applied; (b) identified and assessed dependencies on biodiversity and ecosystems and their services at own site locations and in the upstream and downstream value chain, including assessment criteria applied, and, if this assessment includes ecosystem services that are disrupted or likely to be; 												
ESRS E5 para. 11	11. The undertaking shall describe the process to identify material impacts, risks and opportunities related to resource use and circular economy, in particular regarding resource inflows, resource outflows and waste, and shall provide information on: [...]												

Risk and impact management-B	<p>Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities.</p> <p>The organisation should describe its processes for managing nature-related dependencies, impacts, risks and opportunities.</p> <p>This should include information about:</p>			
	<ul style="list-style-type: none"> • The inputs and parameters the organisation uses (for example, information about data sources and the scope of operations covered in the processes); • The risk management tools the organisation uses to assess the organisation's overall risk profile in light of those risks; and • How the organisation monitors nature-related risks. 	ESRS 2 IRO-1 para. 53	<p>53. The undertaking shall disclose the following information:</p> <p>...</p> <p>(c) an overview of the process used to identify, assess, prioritise and monitor risks and opportunities that have or may have financial effects.</p> <p>The disclosure shall include:</p> <p>...</p> <p>iii. how the undertaking prioritises sustainability-related risks relative to other types of risks, including its use of risk-assessment tools;</p> <p>(d) a description of the decision-making process and the related internal control procedures;</p> <p>(e) the extent to which and how the process to identify, assess and manage impacts and risks is integrated into the undertaking's overall risk management process and used to evaluate the undertaking's overall risk profile and risk management processes;</p> <p>(f) the extent to which and how the process to identify, assess and manage opportunities is integrated into the undertaking's overall management process where applicable;</p> <p>(g) the input parameters it uses (for example, data sources, the scope of operations covered and the detail used in assumptions); and</p> <p>(h) whether and how the process has changed compared to the prior reporting period, when the process was modified for the last time and future revision dates of the materiality assessment.</p>	

	ESRS E1 E1-2 para. 22	22. The undertaking shall describe its policies adopted to manage its material impacts, risks and opportunities related to climate change mitigation and adaptation.
	ESRS E3 E3-1 para. 9	9. The undertaking shall describe its policies adopted to manage its material impacts, risks and opportunities related to water and marine resources
	ESRS E5 E5-1 para. 12	12. The undertaking shall describe its policies adopted to manage its material impacts, risks and opportunities related to resource use and circular economy.
	ESRS E4 E4-2 para. 20	20. The undertaking shall describe its adopted policies to manage its material impacts, risks, dependencies, and opportunities related to biodiversity and ecosystems.
	ESRS E2 E2-1 para. 12	12. The undertaking shall describe its policies adopted to manage its material impacts, risks and opportunities related to pollution prevention and control.

Risk and impact management- C	<p>Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.</p>			
	<p>The organisation should describe whether and how its processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into its overall risk management process.</p>	ESRS 2 IRO-1 para. 53 (d) (e) (f)	<p>53.The undertaking shall disclose the following information: ... (d) a description of the decision-making process and the related internal control procedures; (e) the extent to which and how the process to identify, assess and manage impacts and risks is integrated into the undertaking's overall risk management process and used to evaluate the undertaking's overall risk profile and risk management processes; (f) the extent to which and how the process to identify, assess and manage opportunities is integrated into the undertaking's overall management process where applicable;</p>	
Metrics and Targets	<p>Disclose the metrics and targets used to assess and manage material nature-related dependencies, impacts, risks and opportunities.</p>	ESRS 2 - Metrics and targets		
Metrics and Targets - A	<p>Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.</p> <p>An organisation should disclose the indicators and metrics used to measure and manage the material nature-related risks and opportunities described in Strategy A.</p> <p>To achieve this, an organisation should disclose the metrics that are most relevant to and most accurately represent the nature-related risks and opportunities on which it is reporting. The metrics disclosed should include:</p>			

<p>The metrics disclosed should include:</p> <ul style="list-style-type: none"> • All core global and core sector risk and opportunity metrics listed in Annex 1 reported at the organisational level; and • 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, reported at the appropriate organisational level (e.g. site, product, service, region or organisation) to reflect most accurately the magnitude of risks and opportunities described in Strategy A. <p>Where possible, these should cover:</p> <ul style="list-style-type: none"> • Financial information about the effects of naturerelated risks and opportunities on the organisation, with reference to effects reported in Strategy B; and • Insight into how the organisation monitors actions, policies and strategies to manage risks and opportunities, with reference to Strategy B and Risk and Impact Management B. <p>Indicators and metrics should also be disclosed for historical periods, including prior year comparisons to allow for trend analysis. When appropriate, the organisation should disclose forward-looking nature-related indicators and metrics, consistent with its business or strategic planning time horizons.</p> <p>Indicators and metrics should also be disclosed for historical periods, including prior year comparisons to allow for trend analysis. When appropriate, the organisation should disclose forward-looking naturerelated indicators and metrics, consistent with its business or strategic planning time horizons.</p>	<p>ESRS 2 MDR-M para. 73; para. 74; para. 75; para. 76</p>		<p>73. The undertaking shall apply the requirements for the content of disclosures in this provision when it discloses on the metrics it has in place with regard to each material sustainability matter.</p> <p>74. The objective of this Minimum Disclosure Requirement is to provide an understanding of the metrics the undertaking uses to track the effectiveness of its actions to manage material sustainability matters.</p> <p>75. The undertaking shall disclose any metrics that it uses to evaluate performance and effectiveness, in relation to a material impact, risk or opportunity.</p> <p>76. Metrics shall include those defined in ESRS, as well as metrics identified on an entity-specific basis, whether taken from other sources or developed by the undertaking itself.</p>
	<p>ESRS E2 E2-6 ESRS E3 E3-5 ESRS E4 E4-6 ESRS E5 E5-6</p>		<p>ESRS E2-6 – Anticipated financial effects from pollution-related impacts, risks and opportunities ESRS E3-5 – Anticipated financial effects from water and marine resources-related impacts, risks and opportunities ESRS E4-6 – Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities ESRS E5-6 – Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities</p> <p>See separate tab for granular mapping between TNFD and ESRS metrics.</p>

	<p>The organisation should describe the methodologies and assumptions used to calculate or estimate nature related indicators and metrics, including any limitations. An organisation should provide a short explanation where any core metrics</p>	ESRS 2 MDR-M para. 77	<p>77. For each metric, the undertaking shall:</p> <ul style="list-style-type: none"> (a) disclose the methodologies and significant assumptions behind the metric, including the limitations of the methodologies used; (b) disclose whether the measurement of the metric is validated by an external body other than the assurance provider and, if so, which body; (c) label and define the metric using meaningful, clear and precise names and descriptions; (d) when currency is specified as the unit of measure, use the presentation currency of its financial statements. 	
	<p>are not reported. A core metric may be omitted where it has:</p> <ul style="list-style-type: none"> • Not been identified as relevant or material to the organisation; or • 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. 	ESRS 1 para. 34 and 35	<p>34. When disclosing information on metrics for a material sustainability matter according to the Metrics and Targets section of the relevant topical ESRS, the undertaking:</p> <ul style="list-style-type: none"> (a) shall include the information prescribed by a Disclosure Requirement if it assesses such information to be material; and (b) may omit the information prescribed by a datapoint of a Disclosure Requirement if it assesses such information to be not material and concludes that such information is not needed to meet the objective of the Disclosure Requirement. <p>35. If the undertaking omits the information prescribed by a datapoint that derives from other EU legislation listed in Appendix B of ESRS 2, it shall explicitly state that the information in question is “not material”.</p>	<p>Difference in scope. While ESRS allow omissions of metrics if not considered material, ESRS do not allow omissions of metrics considered material, e.g. due to access of data.</p>

Metrics and Targets - B	<p>Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.</p> <p>The organisation should disclose the indicators and metrics used to measure and manage the material nature-related dependencies and impacts described in Strategy A. To achieve this, an organisation should disclose the metrics that are most relevant to and most accurately represent the nature-related dependencies and impacts on which it is reporting.</p>		
	<p>This should include, for each dependency and impact described in Strategy A:</p> <ul style="list-style-type: none"> • All core global and core sector metrics for dependencies and impacts listed in Annex 4 and in relevant sector guidance; and • 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. <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"> • Other elements of the dependency and impact pathway (qualitatively if quantitative metrics are not yet available) 	<p>ESRS 2 MDR-M para. 73; para. 74; para. 75; para. 76</p> <p>73. The undertaking shall apply the requirements for the content of disclosures in this provision when it discloses on the metrics it has in place with regard to each material sustainability matter.</p> <p>74. The objective of this Minimum Disclosure Requirement is to provide an understanding of the metrics the undertaking uses to track the effectiveness of its actions to manage material sustainability matters.</p> <p>75. The undertaking shall disclose any metrics that it uses to evaluate performance and effectiveness, in relation to a material impact, risk or opportunity.</p> <p>76. Metrics shall include those defined in ESRS, as well as metrics identified on an entity-specific basis, whether taken from other sources or developed by the undertaking itself.</p> <p>ESRS 2 MDR-P; MDR-A</p> <p>Minimum Disclosure Requirement – Policies MDR-P – Policies adopted to manage material sustainability matters</p> <p>Minimum Disclosure Requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters</p> <p>ESRS 2 SBM-3 para. 46</p> <p>46. The undertaking shall disclose its material impacts, risks and opportunities and how they interact with its strategy and business model.</p>	<p>Difference in scope.</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. For ESRS, while only a few specific value chain information metrics are prescribed in the topical ESRS, the undertaking shall provide additional value chain information metrics or integrate value chain</p>

<p>including:</p> <ul style="list-style-type: none"> > Changes in the state of nature (e.g. ecosystem condition and extent, and species population size and extinction risk); and > Changes in the availability of ecosystem services; • Actions, policies and strategies to manage these impacts and dependencies, as disclosed in Strategy B; and • Aggregated impact drivers for the organisation's direct operations, and upstream and downstream value chain(s) to the extent possible, and by product or service line if material, using the core global and core sector metrics listed in Annex 1 and in relevant sector guidance. Where organisations are not able to report metrics for the full value chain, organisations are encouraged to report metrics at the stage of the value chain that is most representative of their material nature-related issues. For metrics focused on the use of natural commodities, this is likely to require reporting on upstream activities. 	<p>ESRS E2-4 – Pollution of air, water and soil ESRS E2-5 – Substances of concern and substances of very high concern ESRS E3-4 – Water consumption ESRS E4-5 – Impact metrics related to biodiversity and ecosystems change ESRS E5-4 – Resource inflows ESRS E5-5 – Resource outflows²</p> <p>ESRS E2 E2-4 ESRS E2 E2-5 ESRS E4 E3-4 ESRS E4 E4-5 ESRS E5 E5-4 ESRS E5 E5-5</p>	<p>data into their metrics, when according to the outcome of its materiality assessment this is necessary from an entity-specific perspective (ESRS 1 paragraph 11 and AR 1 to 5 read with ESRS 1 paragraph 65).</p> <p>See separate tab for granular mapping between TNFD and ESRS metrics.</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"> • Not been identified as relevant or material to the organisation; or • 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. 	<p>ESRS 1 para. 34 and 35</p> <p>34. When disclosing information on metrics for a material sustainability matter according to the Metrics and Targets section of the relevant topical ESRS, the undertaking:</p> <p>(a) shall include the information prescribed by a Disclosure Requirement if it assesses such information to be material; and</p> <p>(b) may omit the information prescribed by a datapoint of a Disclosure Requirement if it assesses such information to be not material and concludes that such information is not needed to meet the objective of the Disclosure Requirement.</p> <p>35. If the undertaking omits the information prescribed by a datapoint that derives from other EU legislation listed in Appendix B of ESRS 2, it shall explicitly state that the information in question is "not material".</p>	<p>Difference in scope.</p> <p>While ESRS allow omissions of metrics if not considered material, ESRS do not allow omissions of metrics considered material, e.g. due to access of data.</p>

<p>Metrics should be reported:</p> <ul style="list-style-type: none"> • Against a clear and transparent baseline and/or reference condition where possible; • Separately for negative and positive impacts, not on a net basis; • With reference to whether they relate to the organisation's direct operations, upstream value chain(s) or downstream value chain(s); • 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. <p>Organisations are encouraged to use the best practice intensity/efficiency ratios for their sectors, describing the rationale for selection of ratios.</p> <p>The organisation should also disclose:</p> <ul style="list-style-type: none"> • 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; 	<p>73. The undertaking shall apply the requirements for the content of disclosures in this provision when it discloses on the metrics it has in place with regard to each material sustainability matter.</p> <p>74. The objective of this Minimum Disclosure Requirement is to provide an understanding of the metrics the undertaking uses to track the effectiveness of its actions to manage material sustainability matters.</p> <p>75. The undertaking shall disclose any metrics that it uses to evaluate performance and effectiveness, in relation to a material impact, risk or opportunity.</p> <p>76. Metrics shall include those defined in ESRS, as well as metrics identified on an entity-specific basis, whether taken from other sources or developed by the undertaking itself.</p> <p>77. For each metric, the undertaking shall:</p> <ol style="list-style-type: none"> (a) disclose the methodologies and significant assumptions behind the metric, including the limitations of the methodologies used; (b) disclose whether the measurement of the metric is validated by an external body other than the assurance provider and, if so, which body; (c) label and define the metric using meaningful, clear and precise names and descriptions; (d) when currency is specified as the unit of measure, use the presentation currency of its financial statements. 	<p>Difference in granularity.</p> <p>TNFD provides specific recommendations on the level of detail and scope of disclosure metrics in this recommended disclosure. ESRS provide specific requirements on metrics to be disclosed in ESRS 2 and the topical ESRS.</p> <p>TNFD asks to report metrics separately for positive and negative impacts. ESRS 2 MDR-M is not explicit on this (see ESRS 1 para. 56 on the aggregation of information and also ESRS E1 and E4 in relation to offsets; find also non-authoritative guidance on this issue in 'IG 1 – Materiality Assessment'.)</p> <p>Difference in scope.</p> <p>TNFD asks to report metrics with the rate of change, and intensity/efficiency ratio, along with absolute figure. The ESRS do</p>
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	<ul style="list-style-type: none"> • 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 • When appropriate, forward-looking nature-related indicators and metrics, consistent with its business or strategic planning time horizons. 	<p>ESRS E2 E2-4 ESRS E2 E2-5 ESRS E4 E3-4 ESRS E4 E4-5 ESRS E5 E5-4 ESRS E5 E5-5</p> <p>ESRS E2-4 – Pollution of air, water and soil ESRS E2-5 – Substances of concern and substances of very high concern ESRS E3-4 – Water consumption ESRS E4-5 – Impact metrics related to biodiversity and ecosystems change ESRS E5-4 – Resource inflows ESRS E5-5 – Resource outflows</p>	<p>not explicitly require this (this may explicitly be addressed in the sector ESRS).</p>
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Metrics and Targets - C	<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>			
		ESRS 2 MDR-T para.79	<p>79. The objective of this Minimum Disclosure Requirement is to provide for each material sustainability matter an understanding of:</p> <ul style="list-style-type: none"> (a) whether and how the undertaking tracks the effectiveness of its actions to address material impacts, risks and opportunities, including the metrics it uses to do so; (b) measurable time-bound outcome-oriented targets set by the undertaking to meet the policy's objectives, defined in terms of expected results for people, the environment or the undertaking regarding material impacts, risks and opportunities; (c) the overall progress towards the adopted targets over time; (d) in the case that the undertaking has not set measurable time-bound outcome-oriented targets, whether and how it nevertheless tracks the effectiveness of its actions to address material impacts, risks and opportunities and measures the progress in achieving its policy objectives; and (e) whether and how stakeholders have been involved in target setting for each material sustainability matter. 	

		<p>Disclosures for each target should include:</p> <ul style="list-style-type: none"> • 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; • The metric used to quantify the target and monitor performance; • The targeted value of the metric; • The baseline year and level of the metric; • The timeframe for achieving the target; • Short and medium term interim targets or target trajectory for the metric; • 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; • 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; 	<p>ESRS E2 E2-3 ESRS E3 E3-3 ESRS E4 E4-4 ESRS E5 E5-3</p> <p>ESRS E2-3 – Targets related to pollution ESRS E3-3 – Targets related to water and marine resources ESRS E4-4 – Targets related to biodiversity and ecosystems ESRS E5-3 – Targets related to resource use and circular economy ¶</p>
		<p>ESRS 2 MDR-T para. 80</p> <p>80. The undertaking shall disclose the measurable, outcome-oriented and time-bound targets on material sustainability matters it has set to assess progress. For each target, the disclosure shall include the following information:</p> <p>(a) a description of the relationship of the target to the policy objectives;</p> <p>(b) the defined target level to be achieved, including, where applicable, whether the target is absolute or relative and in which unit it is measured;</p> <p>(c) the scope of the target, including the undertaking's activities and/or its upstream and/or downstream value chain where applicable and geographical boundaries;</p> <p>(d) the baseline value and base year from which progress is measured;</p> <p>(e) the period to which the target applies and if applicable, any milestones or interim targets;</p> <p>(f) the methodologies and significant assumptions used to define targets, including where applicable, the selected scenario, data sources, alignment with national, EU or international policy goals and how the targets consider the wider context of sustainable development and/or local situation in which impacts take place;</p> <p>(g) whether the undertaking's targets related to environmental matters are based on conclusive scientific evidence;</p> <p>(h) whether and how stakeholders have been involved in target setting for each material sustainability matter;</p> <p>(i) any changes in targets and corresponding metrics or underlying measurement methodologies, significant assumptions, limitations, sources and processes to collect data adopted within the defined time horizon. This includes an explanation of the rationale for those changes and their effect on comparability (see Disclosure Requirement BP-2 Disclosures in relation to specific circumstances of this Standard); and</p> <p>(j) the performance against its disclosed targets, including information on how the target is monitored and reviewed and the metrics used, whether the progress is in line with what had been initially planned, and an analysis of trends or significant changes in the performance of the undertaking towards achieving the target.</p>	

<ul style="list-style-type: none"> • 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 	ESRS E4 E4-4 para. 32 (b)	<p>32. The disclosure required by paragraph 29 shall include the following information: [...]</p> <p>(b) whether the targets are informed by, and/or aligned with the Kunming-Montreal Global Biodiversity Framework, relevant aspects of the EU Biodiversity Strategy for 2030 and other biodiversity and ecosystem-related national policies and legislation;</p>	
	ESRS E1 E1-1 para. 14-16	<p>14. The undertaking shall disclose its transition plan for climate change mitigation.</p> <p>15. The objective of this Disclosure Requirement is to enable an understanding of the undertaking's past, current, and future mitigation efforts to ensure that its strategy and business model are compatible with the transition to a sustainable economy, and with the limiting of global warming to 1.5 °C in line with the Paris Agreement [...]</p> <p>16. The information required by paragraph 14 shall include:</p> <p>(a) by reference to GHG emission reduction targets (as required by Disclosure Requirement E1-4), an explanation of how the undertaking's targets are compatible with the limiting of global warming to 1.5°C in line with the Paris Agreement;</p>	
<ul style="list-style-type: none"> • 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 	ESRS 2 MDR-T para. 80(j)	<p>80. The undertaking shall disclose the measurable, outcome-oriented and time-bound targets on material sustainability matters it has set to assess progress. For each target, the disclosure shall include the following information:</p> <p>...</p> <p>(j) the performance against its disclosed targets, including information on how the target is monitored and reviewed and the metrics used, whether the progress is in line with what had been initially planned, and an analysis of trends or significant changes in the performance of the undertaking towards achieving the target.</p>	

<p>Targets in scope include:</p> <ul style="list-style-type: none"> • Targets for changes to impact drivers; • Targets to improve or maintain the flow of ecosystem services; • Targets to halt and reverse nature loss and improve or maintain the state of nature; • Targets for changes to business activities and processes correlated with dependencies and impacts; • 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 • Other targets to address nature-related dependencies, impacts, risks or opportunities. <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. Organisations should consider reporting the:</p> <ul style="list-style-type: none"> • Proportion of targets that address short term, medium term and long term risks and opportunities; • Proportion of targets that are time-bound and quantifiable; and • Proportion of geographical sites/priority locations that are covered by targets. 	<p>ESRS E2 E2-3 ESRS E3 E3-3 ESRS E4 E4-4 ESRS E5 E5-3</p>	<p>ESRS E2-3 – Targets related to pollution ESRS E3-3 – Targets related to water and marine resources ESRS E4-4 – Targets related to biodiversity and ecosystems ESRS E5-3 – Targets related to resource use and circular economy</p>	<p>Difference in granularity. TNFD provides specific recommendations on the level of detail and scope of targets in this recommended disclosure. ESRS provide disclosure requirements related to targets in ESRS 2 and the topical ESRS.</p>
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5. TNFD - ESRS Correspondence table - Disclosure metrics

TNFD Metric no.	TNFD			ESRS Paragraph number	ESRS Content	Comment
	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		
C1.0	Land/freshwater/ocean-use change	Total spatial footprint	<p>Total spatial footprint (km²) (sum of):</p> <ul style="list-style-type: none"> • Total surface area controlled/managed by the organisation, where the organisation has control (km²); • Total disturbed area (km²); • Total rehabilitated/restored area (km²). 	ESRS E4 E4-5 para. 38; and para. AR 34	<p>38. If the undertaking has concluded that it directly contributes to the impact drivers of land-use change, freshwater-use change and/or sea-use change, it shall report relevant metrics. The undertaking may disclose metrics that measure: [...] AR. 34 The undertaking may disclose in units of area (e.g., m² or ha) on land-use using guidance provided by the Eco-Management and Audit Scheme (EMAS):</p> <ul style="list-style-type: none"> (a) total use of land; (b) total sealed area; (c) total nature-oriented area on site; and (d) total nature-oriented area off site. 	<p>Difference in semantics.</p> <p>1. TNFD uses "total spatial footprint", while ESRS use "land-use". 2. TNFD uses "rehabilitated/restored area" while ESRS use "nature-oriented".</p> <p>Difference in granularity.</p> <p>ESRS and TNFD require a different breakdown.</p> <p>Difference in scope.</p> <p>TNFD recommends specific metrics. ESRS require reporting "relevant metrics" in this context, not prescribing specific ones. ESRS preparers can use the TNFD metrics, if relevant, for their sustainability statement.</p>
C1.1		Extent of land/freshwater/ocean-use change	Extent of land/freshwater/ocean ecosystem use change (km ²) by:	ESRS E4 E4-5 para. 38 (a)	38. If the undertaking has concluded that it directly contributes to the impact drivers of land-use change, freshwater-use change and/or sea-use change, it shall report relevant metrics. The undertaking may disclose metrics that measure:	<p>Difference in semantics.</p> <p>TNFD uses "land/freshwater/ocean ecosystem use change", while ESRS use "land-use change, freshwater-use change and/or sea-use change".</p> <p>Difference in scope.</p> <p>TNFD recommends specific metrics. ESRS require reporting "relevant metrics" in this context, not prescribing specific ones. ESRS preparers can use the TNFD metrics, if relevant, for their sustainability statement.</p>
		Extent of land/freshwater/ocean ecosystem conserved or restored (km ²), split into:	<ul style="list-style-type: none"> • Voluntary; and • Required by statutes or regulations. 		(a) the conversion over time (e.g. 1 or 5 years) of land cover (e.g. deforestation or mining);	
		Extent of land/freshwater/ocean ecosystem that is sustainably managed (km ²) by:	<ul style="list-style-type: none"> • Type of ecosystem; and • Type of business activity. 	ESRS E4 E4-5 para. 38 (b)	<p>38. If the undertaking has concluded that it directly contributes to the impact drivers of land-use change, freshwater-use change and/or sea-use change, it shall report relevant metrics. The undertaking may disclose metrics that measure:</p> <ul style="list-style-type: none"> (b) changes over time (e.g. 1 or 5 years) in the management of the ecosystem (e.g., through the intensification of agricultural management, or the application of better management practices or forestry harvesting); 	<p>Difference in scope.</p> <p>TNFD recommends specific metrics. ESRS require reporting "relevant metrics" in this context, not prescribing specific ones. ESRS preparers can use the TNFD metrics, if relevant, for their sustainability statement.</p>
C2.0	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	<p>28. The undertaking shall disclose the amounts of:</p> <p>(a) each pollutant listed in Annex II of Regulation (EC) No 166/2006 of the European Parliament and of the Council (European Pollutant Release and Transfer Register "EPRTR Regulation") emitted to air, water and soil, with the exception of emissions of GHGs which are disclosed in accordance with ESRS E1 Climate Change; AR. 21 The volume of pollutants shall be presented in appropriate mass units, for example tonnes or kilograms.</p>	<p>Difference in references.</p> <p>TNFD refers to relevant TNFD additional sector guidance, while ESRS to EPRTR Regulation. The outcome of the disclosure may differ.</p>
C2.1	Wastewater discharged	Volume of water discharged (m ³), split into:	<ul style="list-style-type: none"> • Total; • Freshwater; and • Other. 	ESRS E3 E3-4 para. AR 32	AR. 32 The undertaking may also provide information on its water withdrawals and water discharges.	<p>Difference in granularity.</p> <p>TNFD recommends to disclose water discharges split by total; freshwater; and other, while ESRS ask to provide information on its water withdrawals and water discharges.</p> <p>Difference in scope.</p> <p>TNFD recommends disclosure of this specific metric on water discharged, while ESRS state that the undertaking "may" also provide information on water withdrawals and discharges.</p>

		<p>Including:</p> <ul style="list-style-type: none"> • Concentrations of key pollutants in the wastewater discharged, by type of pollutant, referring to sector-specific guidance for types of pollutants; and 	ESRS E2 E2-4 para. 28 (a)	<p>28. The undertaking shall disclose the amounts of:</p> <p>(a) each pollutant listed in Annex II of Regulation (EC) No 166/2006 of the European Parliament and of the Council (European Pollutant Release and Transfer Register "EPRTR Regulation") emitted to air, water and soil, with the exception of emissions of GHGs which are disclosed in accordance with ESRS E1 Climate Change;</p>	<p>Difference in references. TNFD refers to relevant TNFD additional sector guidance, while ESRS to EPRTR Regulation. The outcome of the disclosure may differ.</p> <p>Difference in scope. TNFD asks for concentrations of key pollutants in receiving water body, ESRS ask for pollution loads.</p>
		• Temperature of water discharged, where relevant			This TNFD metric is not mentioned in ESRS.
C2.2	Waste generation and disposal	Weight of hazardous and non hazardous waste generated by type (tonnes), referring to sector-specific guidance for types of waste. Weight of hazardous and nonhazardous waste (tonnes) disposed of, split into: <ul style="list-style-type: none"> • Waste incinerated (with and without energy recovery); • Waste sent to landfill; and • Other disposal methods. 	ESRS E5 E5-5 para. 37 (a)(c)	<p>37. The undertaking shall disclose the following information on its total amount of waste from its own operations, in tonnes or kilograms:</p> <p>(a) the total amount of waste generated;</p> <p>(c) the amount by weight directed to disposal by waste treatment type and the total amount summing all three types, with a breakdown between hazardous waste and non-hazardous waste. The waste treatment types to be disclosed are:</p> <ul style="list-style-type: none"> i. incineration; ii. landfill; and iii. other disposal operations; 	<p>Difference in references. TNFD refers to relevant TNFD additional sector guidance, while ESRS do not provide any guidance on the type of waste.</p> <p>Difference in granularity. TNFD recommends the disclosure of hazardous waste broken down by waste treatment type and the disclosure of non-hazardous waste, also broken down by waste treatment type (incineration, landfill and other). ESRS require the disclosure of waste broken down by the three types of waste treatment (incineration, landfill and other) and the disclosure of the total amount of waste, broken down by hazardous and non-hazardous waste.</p>
		Weight of hazardous and nonhazardous waste (tonnes) diverted from landfill, split into waste: <ul style="list-style-type: none"> • Reused; • Recycled; and • Other recovery operations. 	ESRS E5 E5-5 para. 37 (b)	<p>37. The undertaking shall disclose the following information on its total amount of waste from its own operations, in tonnes or kilograms:</p> <p>(b) the total amount by weight diverted from disposal, with a breakdown between hazardous waste and non-hazardous waste and a breakdown by the following recovery operation types:</p> <ul style="list-style-type: none"> i. preparation for reuse; ii. recycling; and iii. other recovery operations 	<p>Difference in granularity. TNFD refers to waste diverted from landfill, while ESRS refer to waste diverted from disposal (which includes landfill).</p>
C2.3	Plastic pollution	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.	ESRS E2 E2-4 para. 28 (b)	<p>28. The undertaking shall disclose the amounts of:</p> <p>(b) microplastics generated or used by the undertaking.</p>	
			ESRS E5 E5-4 para. 31	<p>31. When an undertaking assesses that resource inflows is a material sustainability matter, it shall disclose the following information about the materials used to manufacture the undertaking's products and services during the reporting period, in tonnes or kilograms:</p> <p>(a) the overall total weight of products and technical and biological materials used during the reporting period;</p> <p>(b) the percentage of biological materials (and biofuels used for non-energy purposes) used to manufacture the undertaking's products and services (including packaging) that is sustainably sourced, with the information on the certification scheme used and on the application of the cascading principle; and</p> <p>(c) the weight in both absolute value and percentage, of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (including packaging).</p>	<p>Difference in granularity. Both ESRS and TNFD require disclosures on raw material content, but the breakdowns are different.</p> <p>Difference in semantics. TNFD uses "plastic footprint", while ESRS use "microplastics" in E2 and "waste" in E5 which can include plastic as an outflow.</p>

			<p>ESRS E5 E5-5 para. 37 and 38 (b)</p> <p>37. The undertaking shall disclose the following information on its total amount of waste from its own operations, in tonnes or kilogrammes: [...]</p> <p>38. When disclosing the composition of the waste, the undertaking shall specify:</p> <ul style="list-style-type: none"> (b) the materials that are present in the waste (e.g. biomass, metals, non-metallic minerals, plastics, textiles, critical raw materials and rare earths). 	
		<p>For plastic packaging, percentage of plastics that is:</p> <ul style="list-style-type: none"> • Re-usable; • Compostable; • Technically recyclable; and • Recyclable in practice and at scale. 	<p>ESRS E5 E5-5 para. 35 and para. 36 (c)</p> <p>35. The undertaking shall provide a description of the key products and materials that come out of the undertaking's production process and that are designed along circular principles, including durability, reusability, reparability, disassembly, remanufacturing, refurbishment, recycling, recirculation by the biological cycle, or optimisation of the use of the product or material through other circular business models.</p> <p>36. Undertakings for which outflows are material shall disclose:</p> <ul style="list-style-type: none"> (c) The rates of recyclable content in products and their packaging. 	<p>Difference in granularity/presentation.</p> <p>1. TNFD and ESRS use different breakdowns.</p> <p>2. ESRS require narrative data on the outflows that are designed along circular economy principles, while TNFD requires quantitative data, including % of plastic packaging by type.</p>
C2.4	Non-GHG air pollutants	<p>Non-GHG air pollutants (tonnes) by type :</p> <ul style="list-style-type: none"> • Particulate matter (PM2.5 and/or PM10); • Nitrogen oxides (NO₂, NO and NO₃); • Volatile organic compounds (VOC or NMVOC); • Sulphur oxides (SO₂, SO, SO₃, SOX); and • Ammonia (NH₃) 	<p>ESRS E2 E2-4 para. 28(a) and para. AR 21</p> <p>28. The undertaking shall disclose the amounts of:</p> <ul style="list-style-type: none"> (a) each pollutant listed in Annex II of Regulation (EC) No 166/2006 of the European Parliament and of the Council (European Pollutant Release and Transfer Register "EPRTR Regulation") emitted to air, water and soil, with the exception of emissions of GHGs which are disclosed in accordance with ESRS E1 Climate Change; AR.21. The volume of pollutants shall be presented in appropriate mass units, for example tonnes or kilograms. 	<p>Difference in scope / reference.</p> <p>While TNFD does not reference the EU regulation, companies may need to consider regulation relevant to their jurisdiction when reporting in accordance with this TNFD recommendation, which may include EU or other jurisdictions.</p> <p>TNFD additional sector guidance may include reference to this EU regulation, as it is the case for Electric utilities and power generators' sector metrics.</p>
C3.0	Resource use/replenishment	<p>Water withdrawal and consumption (m³) from areas of water scarcity, including identification of water source.</p>	<p>ESRS E3 E3-4 para. 28 (b)(e)</p> <p>28. The disclosure required by paragraph 26 relates to own operations and shall include:</p> <ul style="list-style-type: none"> (b) total water consumption in m³ in areas at water risk, including areas of high-water stress; (e) any contextual information necessary regarding points (a) to (d), including the water basins' water quality and quantity, how the data have been compiled, such as any standards, methodologies, and assumptions used, including whether the information is calculated, estimated, modelled, or sourced from direct measurements, and the approach taken for this, such as the use of any sector-specific factors. <p>ESRS E3 E3-4 para. AR. 32</p> <p>AR. 32 The undertaking may also provide information on its water withdrawals and water discharges.</p>	<p>Difference in scope.</p> <p>1. TNFD recommends specific metrics. ESRS require specific contextual information on water withdrawal and consumption, which can include the TNFD's recommended metrics.</p> <p>2. TNFD recommends identification of water source, which is not explicitly referenced in ESRS.</p>
C3.1	Quantity of high-risk natural commodities sourced from land/ocean/freshwater	<p>Quantity of high-risk natural commodities (tonnes) sourced from land/ocean/freshwater, split into types, including proportion of total natural commodities.</p>	<p>ESRS E3 para. AR 10 and AR 15</p> <p>AR 10. When identifying its marine resources-related dependencies, the undertaking shall consider if it depends upon key marine resources-related commodities, including but not limited to gravels and seafood products.</p> <p>AR 15. When providing information on the outcome of the materiality assessment, the undertaking shall consider:</p> <ul style="list-style-type: none"> (b) a list of marine resources-related commodities used by the undertaking which are material to the good environmental status of marine waters as well as for the protection of marine resources; 	

			<p>ESRS E4 para. AR 8</p> <p>AR 8. In Phase 2, to evaluate its actual or potential impacts and dependencies on biodiversity and ecosystems for relevant sites, the undertaking may:</p> <p>(d) indicate the size and scale of the dependencies on biodiversity and ecosystems, including on raw materials, natural resources and ecosystem services. The undertaking may rely on the international classifications such as the Common International Classification of Ecosystem Services (CICES).</p>	<p>Difference in scope.</p> <p>TNFD focuses on high-risk natural commodities only. In ESRS, high-risk natural commodities if deemed material, would need to be reported on.</p> <p>Difference in granularity.</p> <p>Additionally, TNFD requests more granular information in the quantities and proportions of natural commodities. Aspects on type and quantity of natural commodities would be captured in E5-4 (resource inflows). Organisations may also disclose this as part of Phase 2 of LEAP Approach also under ESRS.</p>	
		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>ESRS E5-4 para. 31 (a), (b)</p> <p>31. When an undertaking assesses that resource inflows is a material sustainability matter, it shall disclose the following information about the materials used to manufacture the undertaking's products and services during the reporting period, in tonnes or kilogrammes:</p> <p>(a) the overall total weight of products and technical and biological materials used during the reporting period;</p> <p>(b) the percentage of biological materials (and biofuels used for non-energy purposes) used to manufacture the undertaking's products and services (including packaging) that is sustainably sourced, with the information on the certification scheme used and on the application of the cascading principle;</p>		
			<p>ESRS E5 E5-4 para. 31 (b) ESRS E4 E4-2 para. AR 12</p> <p>AR 12.</p> <p>The undertaking may also provide information on how the policy refers to the production, sourcing or consumption of raw materials, and in particular how it:</p> <p>(a) limits procurement from suppliers that cannot demonstrate that they are not contributing to significant damage to protected areas or key biodiversity areas (e.g., through certification);</p> <p>(b) refers to recognised standards or third-party certifications overseen by regulators; and</p> <p>(c) addresses raw materials originating from ecosystems that have been managed to maintain or enhance conditions for biodiversity, as demonstrated by regular monitoring and reporting of biodiversity status and gains or losses.</p> <p>31. When an undertaking assesses that resource inflows is a material sustainability matter, it shall disclose the following information about the materials used to manufacture the undertaking's products and services during the reporting period, in tonnes or kilogrammes:</p> <p>(...)</p> <p>(b) the percentage of biological materials (and biofuels used for non-energy purposes) used to manufacture the undertaking's products and services (including packaging) that is sustainably sourced, with the information on the certification scheme used and on the application of the cascading principle; and</p>	<p>Difference in scope.</p> <p>TNFD recommends a specific metric on quantity of high-risk commodities sourced under a sustainable management plan or certification programme, which is not explicitly required by ESRS.</p>	
C4.0	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>ESRS E4 E4-5 para. 39</p> <p>39. If the undertaking concluded that it directly contributes to the accidental or voluntary introduction of invasive alien species, the undertaking may disclose the metrics it uses to manage pathways of introduction and spread of invasive alien species and the risks posed by invasive alien species.</p>	<p>Difference in scope.</p> <p>TNFD and ESRS both address the introduction of invasive alien species, but differ regarding the metrics. TNFD presents a specific metric that ESRS preparers can decide to report on if considered relevant.</p> <p>The TNFD defines this as a "placeholder indicator", which the TNFD encourages organisations to consider and report against where possible.</p>

C5.0	State of nature	Placeholder indicator: Ecosystem condition	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:			
		• Level of ecosystem condition by type of ecosystem and business activity;		ESRS E4 E4-5 para. 41 (b)(i)	41. If the undertaking identified material impacts related to ecosystems, it may disclose: (b) with regard to ecosystems condition: i. metrics that measure the quality of ecosystems relative to a pre-determined reference state;	<p>Difference in granularity.</p> <p>TNFD recommends a breakdown by ecosystem type and activity, which is not mentioned by ESRs.</p> <p>The TNFD defines this as a "placeholder indicator", which the TNFD encourages organisations to consider and report against where possible. These are included because the Taskforce recognises the importance of measurement of all five of the IPBES drivers of nature change (including invasive alien species) and measurement of the state of nature. However, the Taskforce also recognises that there are still many different measurement options for these indicators, there is still no consensus among the scientific community on the best metrics to use. The Taskforce has therefore included these indicators as 'placeholders' to encourage organisations to report on these and to catalyse further alignment and agreement on these indicators and metrics.</p>
		Placeholder indicator: Species extinction risk	• 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.	ESRS E4 E4-5 para. 40 (d)	40. If the undertaking identified material impacts related to the state of species, the undertaking may report metrics it considers relevant. The undertaking may: ... (d) disclose metrics on species at extinction risk that measure: i. the threat status of species and how activities/pressures may affect the threat status; or ii. changes in the relevant habitat for a threatened species as a proxy for the undertaking's impact on the local population's extinction risk.	<p>The TNFD does not currently specify one metric, so the metric required by ESRS can be used to report in accordance with this TNFD indicator.</p> <p>The TNFD defines this as a "placeholder indicator", which the TNFD encourages organisations to consider and report on where possible. These indicators are included because the Taskforce recognises the importance of measurement of all five of the IPBES drivers of nature change (including invasive alien species) and measurement of the state of nature. However, the Taskforce also recognises that there are still many different measurement options for these indicators, and that there is still no consensus in the scientific community on the best metrics to use. The Taskforce has therefore included these indicators as 'placeholders' to encourage organisations to report on these and to catalyse further alignment and agreement on these indicators and metrics.</p>
C7.0	Risk	Value of assets, liabilities, revenue and expenses that are assessed as vulnerable to nature-related transition risks (total and proportion of total).		ESRS E1 E1-9 para. 67	67. The disclosure of anticipated financial effects from material transition risks required by paragraph 64 (b) shall include: (a) the monetary amount and proportion (percentage) of assets at material transition risk over the short-, medium- and long-term before considering climate mitigation actions; (b) the proportion of assets at material transition risk addressed by the climate change mitigation actions; (c) a breakdown of the carrying value of the undertaking's real estate assets by energyefficiency classes; (d) liabilities that may have to be recognised in financial statements over the short-, medium- and long-term; and (e) the monetary amount and proportion (percentage) of net revenue from its business activities at material transition risk over the short-, medium- and long-term including, where relevant, the net revenue from the undertaking's customers operating in coal, oil and gas-related activities.	<p>Difference in semantics.</p> <p>TNFD recommends the disclosure of the 'value of assets, liabilities, revenues and expenses' assessed as 'vulnerable'. The ESRs define 'financial effects' as effects from risks and opportunities that affect the undertaking's 'financial position, financial performance and cash flows.' The ESRs, in this context, also make the distinction between financial effects that do not meet the recognition criteria for inclusion in the financial statement line items ('anticipated financial effects') and those that are recognised in the primary financial statements ('current financial effects'). Amounts 'vulnerable' to nature-related transition risks, as referred to by TNFD, may be included in the ESRs' definition of anticipated financial effects.</p> <p>Difference in granularity</p> <p>TNFD specifically requests to disclose the proportion of total.</p>

		<p>36. The undertaking shall disclose the anticipated financial effects of material pollution-related risks and opportunities.</p> <p>39. The disclosure shall include:</p> <p>(a) a quantification of the anticipated financial effects in monetary terms before considering pollution-related actions, or where not possible without undue cost or effort, qualitative information. For financial effects arising from opportunities, a quantification is not required if it would result in disclosure that does not meet the qualitative characteristics of information (see ESRS 1 Appendix B Qualitative characteristics of information);</p> <p>40. The information provided under paragraph 38(a) shall include:</p> <p>(...)</p> <p>(b) the operating and capital expenditures incurred in the reporting period in conjunction with major incidents and deposits;</p> <p>(c) the provisions for environmental protection and remediation costs, e.g., for rehabilitating contaminated sites, revitalizing landfills, removal of environmental contamination at existing production or storage sites and similar measures.</p>
	ESRS E2 para. AR 7(a)	<p>AR 7. In Phase 3, to assess its material risks and opportunities based on the results of Phases 1 and 2, the undertaking may :</p> <p>(a) identify transition risks and opportunities in its own operations and its upstream and downstream value chain by the categories of:</p> <ul style="list-style-type: none"> i. policy and legal: [...] ii. technology: [...] iii. market: [...] iv. reputation: [...]
	ESRS E3 E3-5 para. 30; 33(a)	<p>30. The undertaking shall disclose the anticipated financial effects of material water and marine resources-related risks and opportunities.</p> <p>33. The disclosure shall include:</p> <p>(a) a quantification of the anticipated financial effects in monetary terms before considering water and marine resources-related actions or where not possible without undue cost or effort, qualitative information. For financial effects arising from opportunities, a quantification is not required if it would result in disclosure that does not meet the qualitative characteristics of information (see ESRS 1 Appendix B Qualitative characteristics of information);</p>
	ESRS E3 para. AR 13(a)	<p>AR 13. In Phase 3, to assess its material risks and opportunities based on the results of Phases 1 and 2, the undertaking may :</p> <p>(a) identify transition risks and opportunities in its own operations and its value chain by the categories of:</p> <ul style="list-style-type: none"> i. policy and legal [...] ii. Technology[...] iii. Market[...] iv. Reputation[...]
	ESRS E4 para. 17 (c)	<p>17. The undertaking shall describe its process to identify material impacts, risks, dependencies and opportunities. The description of the process shall include whether and how the undertaking:</p> <p>(c) identified and assessed transition and physical risks and opportunities related to biodiversity and ecosystems, including assessment criteria applied based on its impacts and dependencies;</p>

C7.1	<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>ESRS E4 E4-6 para. 42; para. 45 (a)</p> <p>42. The undertaking shall disclose its anticipated financial effects of material biodiversity and ecosystem-related risks and opportunities.</p> <p>45. The disclosure shall include:</p> <p>(a) a quantification of the anticipated financial effects in monetary terms before considering biodiversity and ecosystems-related actions or where not possible without undue cost or effort, qualitative information. For financial effects arising from material opportunities, a quantification is not required if it would result in disclosure that does not meet the qualitative characteristics of information (see ESRS 1 Appendix B Qualitative characteristics of information). The quantification of the anticipated financial effects in monetary terms may be a single amount or a range;</p> <p>ESRS E4 para. AR 9(b)</p> <p>AR 9. In Phase 3, to assess its material risks and opportunities based on the results of Phases 1 and 2, the undertaking may consider the following categories:</p> <p>... (b) transition risks, including: i. policy and legal[...] ii. Technology[...] iii. Market[...] iv. Reputation[...]</p> <p>ESRS E5 E5-6 para. 41; para. 43 (a)</p> <p>41. The undertaking shall disclose the anticipated financial effects of material risks and opportunities arising from resource use and circular economy-related impacts.</p> <p>43. The disclosure shall include:</p> <p>(a) a quantification of the anticipated financial effects in monetary terms before considering resource use and circular economy-related actions, or where not possible without undue cost or effort, qualitative information. For financial effects arising from material opportunities, a quantification is not required if it would result in disclosure that does not meet</p> <p>ESRS E5 para. AR 5(a)</p> <p>AR 5. In Phase 3, to assess its material risks and opportunities based on the results of Phases 1 and 2, the undertaking may:</p> <p>(a) identify transition risks and opportunities in its own operations and its upstream and downstream value chain, including the risk of staying in a business-as-usual scenario: i. policy and legal[...] ii. Technology[...] iii. Market[...] iv. Reputation[...]</p>	<p>Difference in semantics. TNFD recommends the disclosure of the 'value of assets, liabilities, revenues and expenses' assessed as 'vulnerable'. The ESRS define 'financial effects' as effects from risks and opportunities that affect the undertaking's 'financial position, financial performance and cash flows.' The ESRS, in this context, also make the distinction between financial effects that do not meet the recognition criteria for inclusion in the financial statement line items ('anticipated financial effects') and those that are recognised in the primary financial statements ('current financial effects'). Amounts 'vulnerable' to nature-related physical risks, as referred to by TNFD, may be included in the ESRS' definition of anticipated financial effects.</p> <p>Difference in granularity TNFD specifically requests to disclose the proportion of total.</p>

		<p>ESRS E4 para. AR 9(a)</p> <p>AR In Phase 3, to assess its material risks and opportunities based on the results of Phases 1 and 2, the undertaking may consider the following categories:</p> <ul style="list-style-type: none"> (a) physical risks: <ul style="list-style-type: none"> i. Acute risks ii. Chronic risks
		<p>ESRS E4 para. 17 (c)</p> <p>17. The undertaking shall describe its process to identify material impacts, risks, dependencies and opportunities. The description of the process shall include whether and how the undertaking:</p> <ul style="list-style-type: none"> (a)... (c) identified and assessed transition and physical risks and opportunities related to biodiversity and ecosystems, including assessment criteria applied based on its impacts and dependencies;
		<p>ESRS E5 para. AR 5(b)</p> <p>AR 5. In Phase 3, to assess its material risks and opportunities based on the results of Phases 1 and 2, the undertaking may:</p> <ul style="list-style-type: none"> (b) identify physical risks including depletion of stock and use of virgin and non-virgin renewable resources, and of non-renewable resources;
		<p>ESRS E1 E1-9 para. 66</p> <p>66. The disclosure of anticipated financial effects from material physical risks required by paragraph 64 (a) shall include:</p> <ul style="list-style-type: none"> (a) the monetary amount and proportion (percentage) of assets at material physical risk over the short-, medium- and long-term before considering climate change adaptation actions; with the monetary amounts of these assets disaggregated by acute and chronic physical risk; (b) the proportion of assets at material physical risk addressed by the climate change adaptation actions; (c) the location of significant assets at material physical risk; and (d) the monetary amount and proportion (percentage) of net revenue from its business activities at material physical risk over the short-, medium- and long-term.
		<p>ESRS E2 E2-6 para. 36; para. 39 (a), 40 (b) (c)</p> <p>36. The undertaking shall disclose the anticipated financial effects of material pollution-related risks and opportunities.</p> <p>39. The disclosure shall include:</p> <ul style="list-style-type: none"> (a) a quantification of the anticipated financial effects in monetary terms before considering pollution-related actions, or where not possible without undue cost or effort, qualitative information. For financial effects arising from opportunities, a quantification is not required if it would result in disclosure that does not meet the qualitative characteristics of information (see ESRS 1 Appendix B Qualitative characteristics of information); <p>40. The information provided under paragraph 38(a) shall include:</p> <ul style="list-style-type: none"> (...) (b) the operating and capital expenditures incurred in the reporting period in conjunction with major incidents and deposits; (c) the provisions for environmental protection and remediation costs, e.g., for rehabilitating contaminated sites, revictinating landfills, removal of environmental contamination at existing production or storage sites and similar measures.

		<p>ESRS E3 E3-5 para. 30; para. 33(a)</p> <p>30. The undertaking shall disclose the anticipated financial effects of material water and marine resources-related risks and opportunities.</p> <p>33. "The disclosure shall include: (a) a quantification of the anticipated financial effects in monetary terms before considering water and marine resources-related actions or where not possible without undue cost or effort, qualitative information. For financial effects arising from opportunities, a quantification is not required if it would result in disclosure that does not meet the qualitative characteristics of information (see ESRS 1 Appendix B Qualitative characteristics of information);"</p>	
		<p>ESRS E4 E4-6; para. 42; para. 45 (a)</p> <p>42. The undertaking shall disclose its anticipated financial effects of material biodiversity and ecosystem-related risks and opportunities.</p> <p>45. The disclosure shall include: (a) a quantification of the anticipated financial effects in monetary terms before considering biodiversity and ecosystems-related actions or where not possible without undue cost or effort, qualitative information. For financial effects arising from material opportunities, a quantification is not required if it would result in disclosure that does not meet the qualitative characteristics of information (see ESRS 1 Appendix B Qualitative characteristics of information). The quantification of the anticipated financial effects in monetary terms may be a single amount or a range;</p>	
		<p>ESRS E5 E5-6 para. 41 ; para. 43(a)</p> <p>41. The undertaking shall disclose the anticipated financial effects of material risks and opportunities arising from resource use and circular economy-related impacts.</p> <p>43. The disclosure shall include: (a) a quantification of the anticipated financial effects in monetary terms before considering resource use and circular economy-related actions, or where not possible without undue cost or effort, qualitative information. For financial effects arising from material opportunities, a quantification is not required if it would result in disclosure that does not meet the qualitative characteristics of information (see ESRS 1 Appendix B Qualitative characteristics of information);</p>	
C7.2	Description and value of significant fines/penalties received/litigation action in the year due to negative nature-related impacts	<p>ESRS E2 E2-6 para. AR 31 (b)</p> <p>AR 31 (b) The operating and capital expenditures related to incidents and deposits may include for instance: (b) damage compensation costs including payment of fines and penalties imposed by regulators or government authorities</p>	<p>Difference in semantics. TNFD specifically recommends disclosure of 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).</p> <p>Difference in granularity. TNFD refers to 'significant' fines, penalties and litigation, while ESRS do not make this distinction.</p>

C7.3		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 or third-party industry or NGO taxonomy, where relevant.	ESRS E4 E4-1 para. AR 1 (f)	AR 1. (f) if it has economic activities that are covered by delegated regulations on biodiversity under the Taxonomy Regulation, explain any objective or plans (CapEx, CapEx plans) that it has for aligning its economic activities (revenues, CapEx) with the criteria established in those delegated regulations;	<p>Difference in granularity.</p> <p>TNFD recommends Capex, financing or investment in connection with opportunities, which is not explicitly required by ESRS.</p>
				ESRS 2 SBM-3 para. 48 (d)	48. The undertaking shall disclose:(d) the current financial effects of the undertaking's material risks and opportunities on its financial position, financial performance and cash flows and the material risks and opportunities for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;	
				ESRS E1 E1-3 para. 29	29. If disclosing a transition plan, the undertaking may: (f) if it has economic activities that are covered by delegated regulations on biodiversity under the Taxonomy Regulation, explain any objective or plans (CapEx, CapEx plans) that it has for aligning its economic activities (revenues, CapEx) with the criteria established in those delegated regulations;	
C7.4			Increase and proportion of revenue from products and services producing demonstrable positive impacts on nature with a description of impacts.	ESRS 2 SBM-1 para 40 (f) and (g)	40. (f) an assessment of its current significant products and/or services, and significant markets and customer groups, in relation to its sustainability-related goals; and (g) the elements of the undertaking's strategy that relate to or impact sustainability matters, including the main challenges ahead, critical solutions or projects to be put in place, when relevant for sustainability reporting.	<p>Difference in granularity.</p> <p>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 corresponds to the TNFD's.</p>
				ESRS 2 SBM-3 para. 48 (b)	48. The undertaking shall disclose: (b) the current and anticipated effects of its material impacts, risks and opportunities on its business model, value chain, strategy and decision-making, and how it has responded or plans to respond to these effects, including any changes it has made or plans to make to its strategy or business model as part of its actions to address particular material impacts or risks, or to pursue particular material opportunities;	
				ESRS E1 E1-9 para. 69	69. For the disclosure of the potential to pursue climate-related opportunities required by paragraph 64 (c) the undertaking shall consider: (b) the potential market size or expected changes to net revenue from low-carbon products and services or adaptation solutions to which the undertaking has or may have access.	