# BC ESG • PRACTITIONER BRIEFING

TNFD LEAP Quick Card: Nature-Related Disclosures & 2026 ISSB Transition

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Current version — Oct 31, 2026. Update history: https://bcesg.org/tnfd-nature-related-financial-disclosures-biodiversity-risk-2026/

## 2026 NATURE DISCLOSURE INFLECTION POINT

**730+ committed organisations** managing **$22.4 trillion in AUM** and **$9.4 trillion in market cap** across **56 countries** and **64 of 77 SASB sectors** have committed to TNFD. With the ISSB releasing its Nature Exposure Draft in **October 2026**, voluntary reporting transitions into capital market listing mandates.

## THE LEAP APPROACH AT A GLANCE (Applied flexibly & scoped to materiality)

4-PHASE METHOD

**L — LOCATE — Interface with Nature**
Identify where operations, value chain, and assets interface with nature, establishing geographic footprints in ecologically sensitive priority areas.

**E — EVALUATE — Dependencies & Impacts**
Develop granular understanding of dependencies on ecosystem services (water, pollination, soil) and impacts (pollution, habitat change) at priority locations.

**A — ASSESS — Material Risks & Opportunities**
Translate dependencies and impacts into nature-related risks and opportunities, assessing materiality to corporate strategy, operations, and financial performance.

**P — PREPARE — Respond & Disclose**
Prepare organizational response to material risks and opportunities; set measurable targets; report aligned with 14 recommended disclosures across 4 TCFD pillars.

## 14 RECOMMENDED DISCLOSURES ACROSS 4 TCFD-COMPATIBLE PILLARS

DISCLOSURE FRAMEWORK

| Pillar | Count | Core Disclosure Requirements (September 2023 Final Recommendations) |
|---|---|---|
| **1. Governance** | **2** Disclosures | • **Gov-A:** Board oversight of nature-related dependencies, impacts, risks, and opportunities.<br>• **Gov-B:** Management's role in assessing and managing nature-related issues, including human rights and engagement with Indigenous Peoples, Local Communities, and affected stakeholders. |
| **2. Strategy** | **3** Disclosures | • **Strat-A:** Nature-related risks and opportunities identified across short, medium, and long-term horizons.<br>• **Strat-B:** Effect of nature issues on business model, value chain, strategy, financial planning, and strategy resilience.<br>• **Strat-C:** Disclosure of specific locations of assets and activities interfacing with priority ecosystems. |
| **3. Risk & Impact Management** | **3** Disclosures | • **Risk-A:** Processes used to identify, assess, and prioritise nature dependencies and impacts across direct ops & value chain.<br>• **Risk-B:** Processes used to manage and monitor nature-related risks and opportunities.<br>• **Risk-C:** How nature risk processes are integrated into overall Enterprise Risk Management (ERM). |
| **4. Metrics & Targets** | **3** Disclosures | • **Met-A:** Metrics used to assess and manage material nature-related risks and opportunities.<br>• **Met-B:** Metrics used to assess dependencies and impacts (core global indicators plus sector-specific metrics).<br>• **Met-C:** Targets used by the organization to manage nature-related risks/impacts and performance against them. |

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## 2026–2028 ISSB TRANSITION & REGULATORY TIMELINE

HANDOVER ROADMAP

| Date / Horizon | Milestone / Standard | Strategic Impact & Operational Imperative |
|---|---|---|
| **November 2025** | ISSB Standard-Setting Decision | ISSB officially confirmed it will base its global nature disclosure standard directly on TNFD recommendations, metrics, and LEAP approach. |
| **Q3 2026** | TNFD Technical Work Completion | TNFD finalises remaining sector guidance and pauses new guidance creation, redirecting technical resources to support the ISSB work programme. |
| **H2 2026** | Corporate Governance & Pilot | Adopters complete governance setup (board committee mandate, executive champion, cross-functional team) and execute pilot LEAP assessment. |
| **October 2026** | ISSB Nature Exposure Draft | Targeted release at UN CBD COP17 as IFRS Practice Statement supplementing IFRS Sustainability Standards & SASB; validates methodology choices. |
| **March 2027** | Japan SSBJ Mandatory Regime | Mandatory for largest Prime Market listed companies in Japan (~130 adopters already active; Asia leads global adoption at ~45%). |
| **2027–2028** | UK Mandate & EU CSRD | Potential UK mandatory nature rule for large financial institutions and listed firms; EU CSRD mandates double materiality for 11,500+ entities. |

## BIODIVERSITY RISK 4-PATHWAY QUANTIFICATION

FINANCIAL TRANSLATION

**1. Dependency Mapping**
Identify corporate reliance on ecosystem services: water purification, pollination, pest control, and climate regulation across tiers.

**2. Geographic Exposure Analysis**
Pinpoint operational and supply chain coordinates located in biodiversity-sensitive biomes, protected zones, and fragile habitats.

**3. Scenario Modeling**
Project nature loss pathways and ecological degradation under varying regional policy constraints and capital market scenarios.

**4. Financial Translation**
Quantify monetary exposures: business interruption, asset write-downs/impairments, regulatory compliance costs, and market access bans.

## CORE DATA INFRASTRUCTURE & SCREENING TOOLKIT

DATA ARCHITECTURE

| Screening Tool / Architecture | Authority / Developer | Operational Function in LEAP Pipeline |
|---|---|---|
| **WWF Footprint Assessment** | World Wildlife Fund | Assesses commodity-level and agricultural supply chain ecological footprint and dependency intensity. |
| **Planetary Computer** | Microsoft | High-resolution geospatial analytics, environmental monitoring, and biome vulnerability mapping. |
| **World Database on Protected Areas** | UNEP-WCMC / IUCN (WDPA) | Global authoritative database on terrestrial and marine protected areas for Locate phase boundary checks. |