WWF

SOUTH AFRICA

NATURE FINANCE IN SOUTH AFRICA

TAKING THE LEAP FROM FRAMEWORK TO PRACTICE

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About WWF

WWF is one of the world's largest and most experienced independent conservation organisations, with more than 6 million supporters and a global network active in more than 100 countries.

WWF's mission is to stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature by conserving the world's biological diversity, ensuring that the use of renewable natural resources is sustainable, and promoting the reduction of pollution and wasteful consumption.

WWF South Africa is a national office in the global WWF network. Started in South Africa in 1968, it is a local NGO with a vision of building a sustainable and equitable future in which humans and nature thrive. WWF South Africa works to champion the Earth's capacity to provide a source of inspiration, sustainable food, freshwater and clean energy for all. For Nature. For You.

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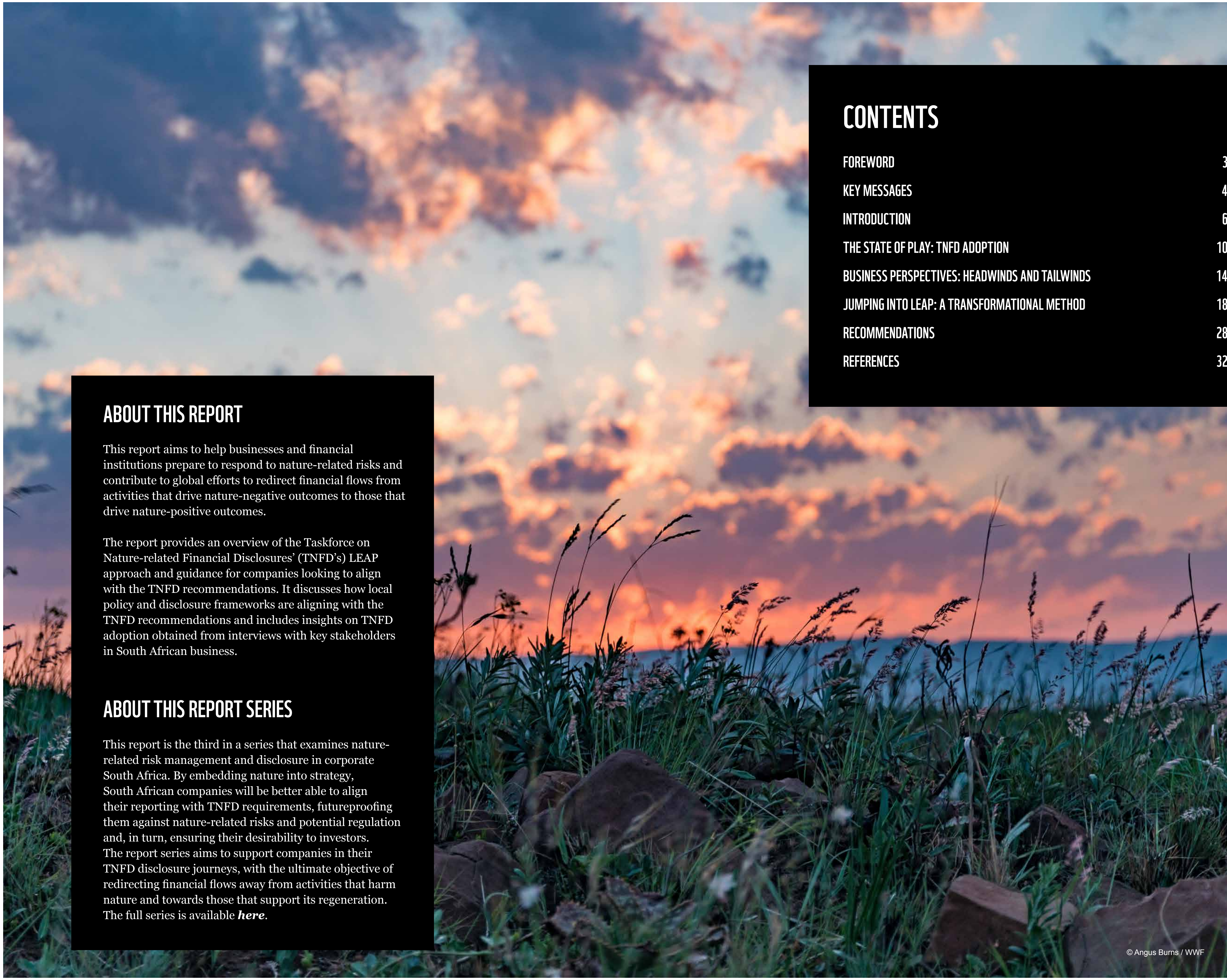

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ABOUT THIS REPORT

This report aims to help businesses and financial institutions prepare to respond to nature-related risks and contribute to global efforts to redirect financial flows from activities that drive nature-negative outcomes to those that drive nature-positive outcomes.

The report provides an overview of the Taskforce on Nature-related Financial Disclosures' (TNFD's) LEAP approach and guidance for companies looking to align with the TNFD recommendations. It discusses how local policy and disclosure frameworks are aligning with the TNFD recommendations and includes insights on TNFD adoption obtained from interviews with key stakeholders in South African business.

ABOUT THIS REPORT SERIES

This report is the third in a series that examines nature-related risk management and disclosure in corporate South Africa. By embedding nature into strategy, South African companies will be better able to align their reporting with TNFD requirements, futureproofing them against nature-related risks and potential regulation and, in turn, ensuring their desirability to investors. The report series aims to support companies in their TNFD disclosure journeys, with the ultimate objective of redirecting financial flows away from activities that harm nature and towards those that support its regeneration. The full series is available ***here***.

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FOREWORD

Humanity has already crossed seven of the nine planetary boundaries identified by the Stockholm Resilience Centre, pushing the Earth system beyond its safe operating space. Yet without a healthy planet, there is no foundation for economic activity. No market return can purchase a stable climate. There is no planet B.

The twin crises of biodiversity loss and climate change pose an unprecedented threat to our way of life. Large parts of the planet are becoming increasingly inhospitable, yet in many regions, business-as-usual continues. This is no longer acceptable. Fortunately, global bodies agree. The Paris Agreement and the Kunming-Montreal Global Biodiversity Framework (GBF) – two landmark global commitments to halt and reverse humanity's negative impacts on nature – have been supported by governments worldwide. But ratifying these agreements is only the first step. Delivering on their ambitious targets is now up to all of us.

One of these targets, GBF Target 15, explicitly calls for strengthened nature-related disclosures. The Taskforce on Nature-related Financial Disclosures' (TNFD's) recommendations form a core mechanism for achieving this goal.

In addition to these global policy drivers, South Africa has its own growing suite of policy instruments that aim to bring the natural environment into sharper focus. These include the National Biodiversity Strategy and Action Plan, the National Bioeconomy Strategy and an expanding set of sustainability disclosure requirements. Despite this attention to nature in policy, progress has been slow and fragmented. Economic, financial and regulatory systems are not shifting at the speed and scale we need, and we continue moving towards breaching even more planetary boundaries. Urgent action is required.

WWF South Africa's TNFD efforts aim to build capacity within the country's finance and corporate sectors. TNFD offers companies a practical way to understand and address their impacts and dependencies on nature, while starting the transition toward nature-positive business models.

WWF views the TNFD's recommendations as a seminal framework for nature. The four TNFD disclosure pillars – governance, strategy, risk and impact management, and metrics and targets – mirror how companies already operate, making integration of the recommendations straightforward. The TNFD framework builds directly on the Task Force on Climate-related Financial Disclosures' (TCFD) reporting framework, meaning companies already familiar with TCFD can easily extend their existing structures to incorporate nature. The TNFD's recommendations also align well with the Global Reporting Initiative (GRI) standards and the International Financial Reporting Standards Foundation's S1 and S2 standards. Developed through extensive consultation across the disclosure ecosystem, the TNFD recommendations offer a robust and practical pathway to bring nature into business decision-making.

A key distinguishing feature of the TNFD is its Locate, Evaluate, Assess and Prepare approach – or LEAP. The LEAP approach has significant potential to help corporates and financial institutions understand their impacts and dependencies, reduce nature-related risks and redirect finance towards nature-positive opportunities. Supporting financial institutions to adopt the TNFD recommendations is an especially important lever for transforming the financial system. The potential benefits for businesses, and for society, of adopting the TNFD recommendations are substantial, offering businesses ways to move back towards operating within planetary boundaries.

This report provides further detail on the TNFD's LEAP approach. It is the third publication in WWF South Africa's *Financing nature* series and supports WWF's strategy to shift an additional R50 billion towards nature-positive outcomes. WWF is working closely with corporates and stakeholders to adopt and prepare for TNFD disclosures because we see the scale of systemic impact it can unlock.

Change can begin small within individual organisations, grow over time and, ultimately, contribute to meaningful collective impact across sectors. We hope this report, along with the broader *Financing nature* series, strengthens the confidence of companies as they adopt the TNFD recommendations and embed nature at the heart of their decision-making.

CERIN MADURAY, ACTING SUSTAINABLE FINANCE LEAD WWF SOUTH AFRICA

KEY MESSAGES

TAKING THE LEAP TO NATURE-RELATED REPORTING

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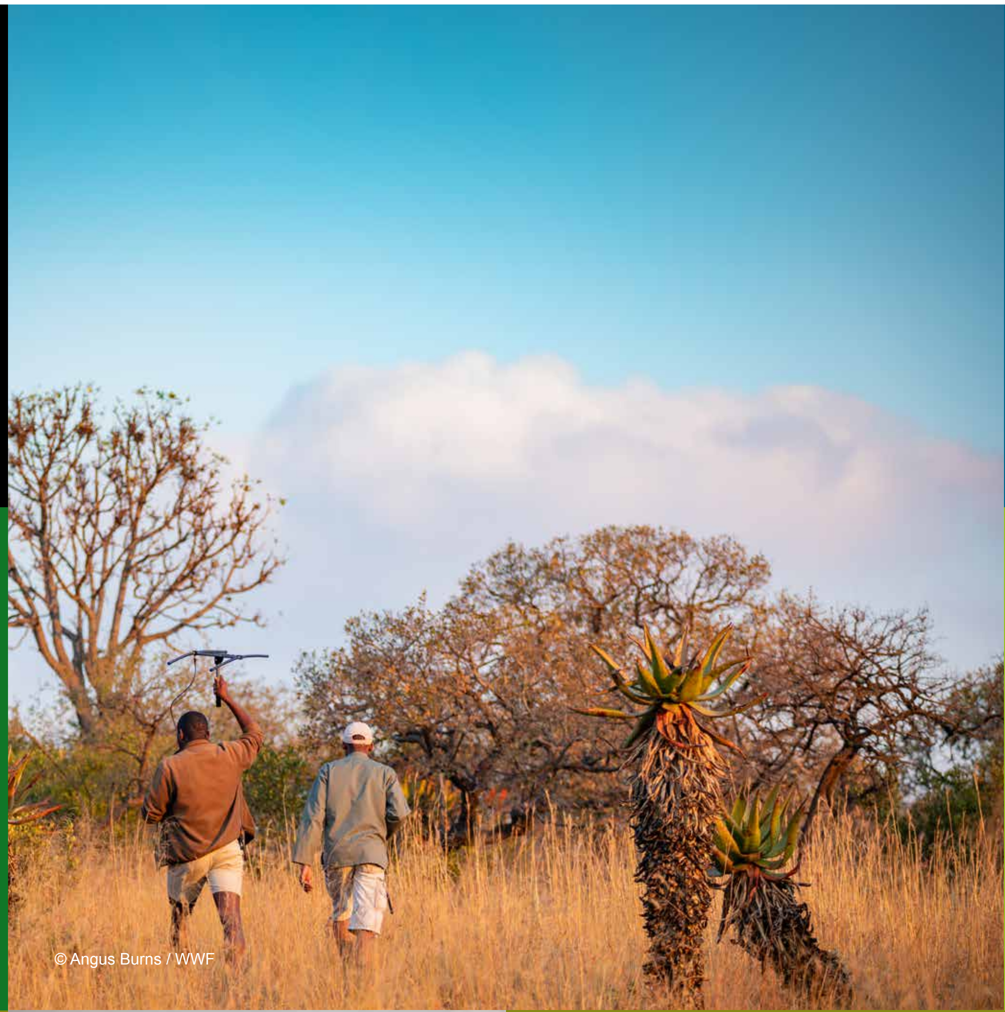
1

South Africa's economy is closely intertwined with nature, with important sectors such as agriculture and tourism relying on healthy ecosystems. Declining ecosystem health therefore threatens economic stability, financial resilience and long-term development goals.



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We must address the most dominant drivers of nature loss. This means changing how companies interact with nature and how financial systems are structured. In doing so, we will be tackling the twin challenges of climate change and biodiversity loss and paving the way for sustainable development. We need to set nature on the path to recovery by 2030.

3

Investing in nature is no longer a nice-to-have, but a business imperative that is necessary for the long-term resilience of companies across all economic sectors.

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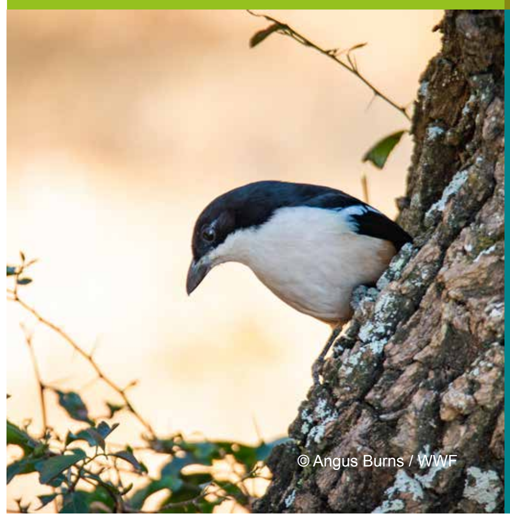

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The Taskforce on Nature-related Financial Disclosures' (TNFD's) Locate, Evaluate, Assess and Prepare approach – or LEAP – is gaining momentum as a practical method for companies to identify their interconnected relationship with nature, manage the risks and impacts related to these touchpoints and improve transparency about how these impacts, dependencies and risks are publicly disclosed. LEAP also helps companies embed nature in their core strategies.

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As of early 2026, only four South African companies had formally adopted the TNFD recommendations, and none had yet fully aligned their reporting with the framework. Public disclosures are required by the end of the 2026 financial year for formal TNFD adopters, so a more complete (or closer-to-complete) set of TNFD-aligned disclosures may soon be published.

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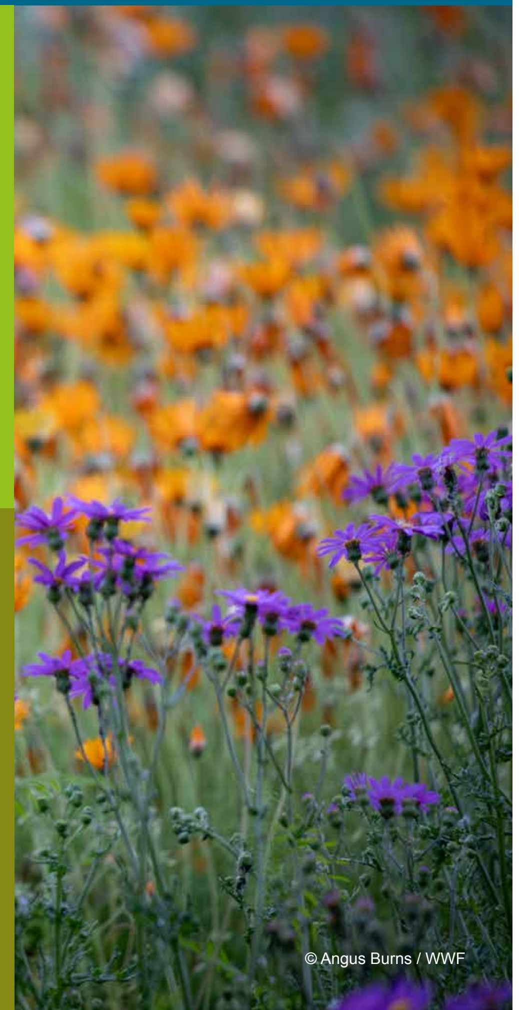
Examples of the LEAP approach in two diverse industries, namely mining and agriculture, show that the model is useful across a mix of businesses and sectors. Financial institutions, in particular, need to pay close attention to the nature-related dependencies and impacts of their portfolio companies.



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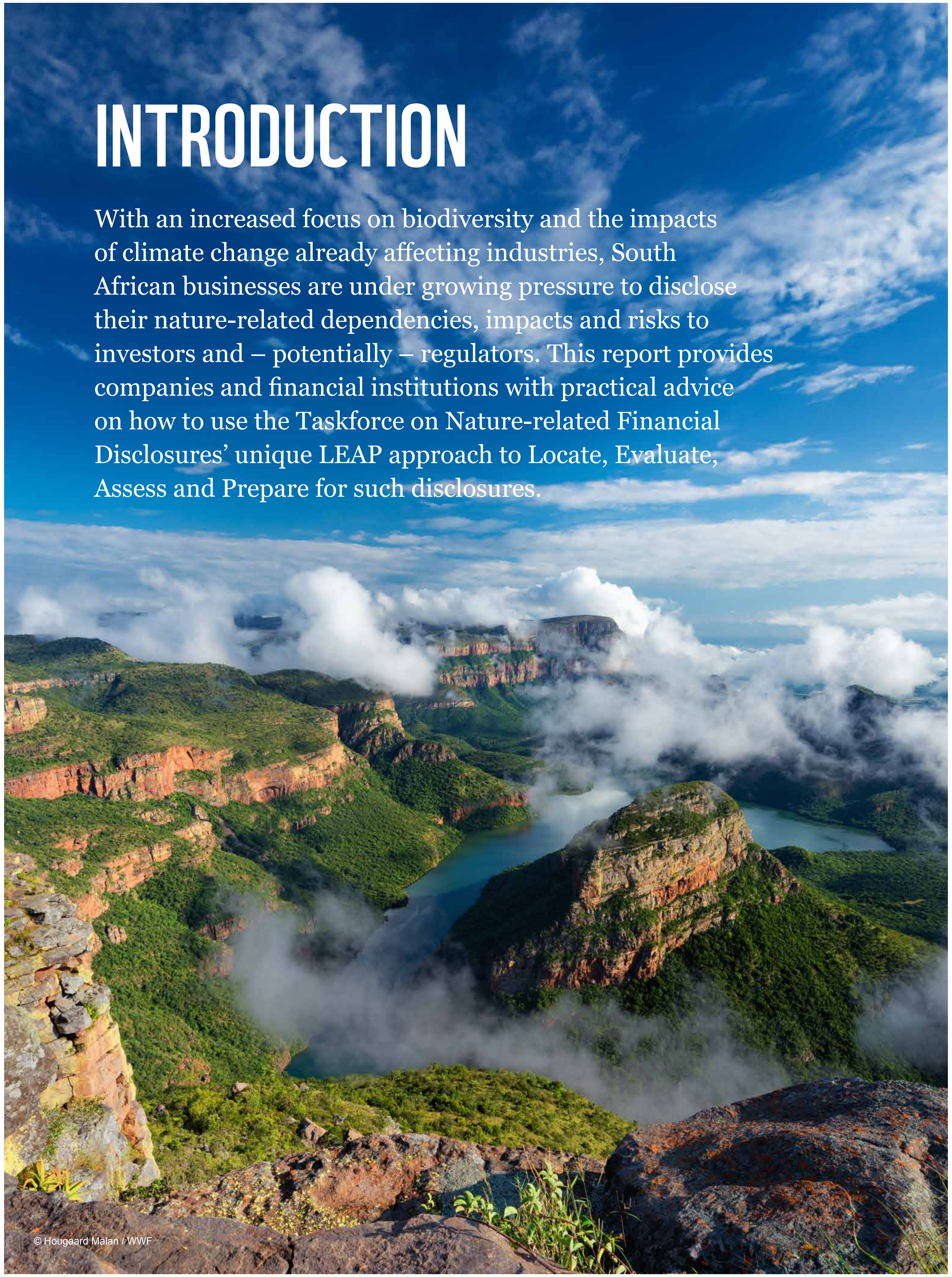
To fully benefit from the LEAP approach, most companies need to strengthen their technical skills. This could be done by partnering with organisations that are able to support the company in implementing LEAP while simultaneously building the company's internal technical capacity and ability to access local, granular ecological data.

8

Maintaining a competitive approach to nature-related matters will limit corporate South Africa's ability to collectively build an inclusive, sustainable and regenerative economy. Instead, collaboration, knowledge-sharing and coordinated policies are essential to achieve positive environmental and social impacts at the scale needed for the benefit of all South Africans and the shared environment.



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INTRODUCTION

With an increased focus on biodiversity and the impacts of climate change already affecting industries, South African businesses are under growing pressure to disclose their nature-related dependencies, impacts and risks to investors and – potentially – regulators. This report provides companies and financial institutions with practical advice on how to use the Taskforce on Nature-related Financial Disclosures' unique LEAP approach to Locate, Evaluate, Assess and Prepare for such disclosures.

THE LINK BETWEEN ECOSYSTEMS AND ECONOMIES

South Africa's economy is closely intertwined with nature, with important sectors such as agriculture and tourism relying on healthy ecosystems. Declining ecosystem health, therefore, threatens economic stability, financial resilience and long-term development goals.

In this context, the Taskforce on Nature-related Financial Disclosures' (TNFD's) LEAP approach is gaining momentum as a practical method for companies to identify their touchpoints with nature, manage the risks and impacts related to these touchpoints and improve transparency in reporting on these dependencies, impacts, risks and opportunities. LEAP – an acronym for "Locate, Evaluate, Assess and Prepare" – is the TNFD's practical methodology to help companies prepare to disclose nature-related impacts and dependencies, while also helping them identify sustainable, nature-related business opportunities that might otherwise never have surfaced.

The TNFD's recommendations were built on the foundations of the Task Force on Climate-related Financial Disclosures' (TCFD's) reporting framework to ensure consistency with existing sustainability reporting systems. The TCFD and the TNFD share the same four disclosure pillars: Governance, Strategy, Risk and Impact Management, and Metrics and Targets. This alignment allows companies already familiar with TCFD to more seamlessly integrate additional TNFD recommendations.

A BRIEF HISTORY OF THE TNFD

WWF is a co-founding partner of the Taskforce on Nature-related Financial Disclosures (TNFD), a market-led global initiative formed in 2021 to develop a voluntary, practical framework for assessing and reporting on nature-related risks and impacts. The TNFD's final recommendations, released in September 2023, give companies a reporting framework that comprehensively captures how nature can be integrated into their financial and strategic decision-making.

In addition to engaging the corporate and financial sectors, WWF South Africa's focused efforts to drive TNFD adoption in the country include the 2024 release of *Financing nature*, a report examining the local financial sector's readiness for nature-related disclosures.

FIVE YEARS OF ADVOCACY FOR NATURE-RELATED DISCLOSURES

Taskforce on Nature-related Financial Disclosures

2021

The TNFD is established with WWF as a co-founding member.

2023

The TNFD releases disclosure recommendations.

WWF South Africa starts socialising the private sector on nature-related disclosures.

2024

The TNFD produces sector-focused guidance notes.

WWF South Africa publishes *Financing nature*.

2026

WWF South Africa releases two additional reports, two case studies and four thought leadership pieces to support companies on their TNFD journeys.

WHY THIS REPORT?

With low uptake of TNFD-aligned reporting in South Africa, there is a need to build the capacity of organisations to identify, assess, manage and report on nature-related issues. This report uses desktop analysis, market experience and an analysis of the current level of disclosures in South Africa to examine how the LEAP approach can build such capacity and, in so doing, support TNFD-aligned disclosures by strengthening organisations' understanding of their nature-related dependencies, impacts, risks and opportunities. Drawing on the TNFD's sector guidance, the report further explores how the LEAP approach can be applied in two key South African sectors: metals and mining, and food and agriculture.

Based on interviews with key stakeholders in the business sector – that is, the Banking Association of South Africa, the National Business Initiative, Earth Inc and the TNFD itself – the report also provides insight into the challenges that companies and financial institutions experience in preparing for TNFD disclosures and identifies leverage points for overcoming these challenges.

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The TNFD's LEAP approach helps companies understand and measure their nature-related dependencies, impacts, risks and opportunities, so preparing them to make robust disclosures on their relationship with nature.

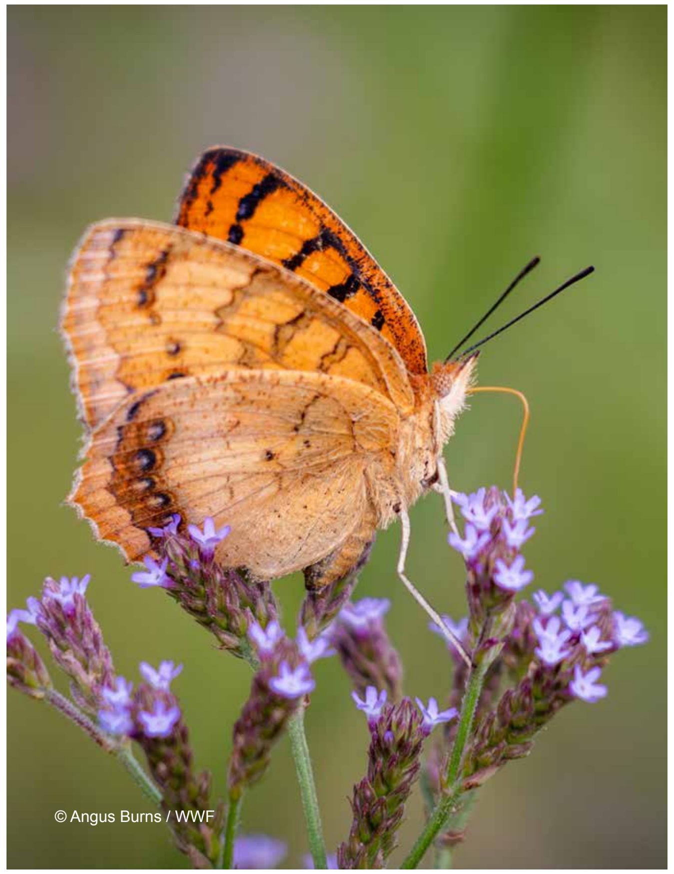
THE STATE OF PLAY

TNFD ADOPTION

For companies active in international markets, TNFD-aligned disclosures is increasingly becoming a market expectation. For the financial sector, it offers a forward-looking lens to anticipate portfolio vulnerabilities. Regulators, meanwhile, view the TNFD recommendations as a roadmap for aligning local sustainability reporting with evolving global expectations.

KEY INSIGHTS

TNFD adoption is growing across the world. However, Africa and the Middle East are lagging in adoption numbers.



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As of early 2026, only four South African companies have formally adopted the TNFD recommendations, according to the TNFD's adopters list. However, none of these companies have, to date, fully aligned their reporting with the TNFD framework.

Globally, disclosure of environmental dependencies, impacts and risk-management strategies is increasingly becoming a regulatory requirement and a priority for investors.

Sustainability reporting standards have become more unified, with the International Financial Reporting Standards Foundation's S1 and S2 emerging as the dominant standards. These are closely aligned with the TNFD's recommendations.

In South Africa, the King V Report on Corporate Governance for South Africa embeds environmental and social considerations at the heart of a company's strategy and business model. The Johannesburg Stock Exchange requires all listed companies to align their disclosures with King V.

Financial regulators in South Africa are working towards requiring the financial system to transition to one that does no harm to nature. However, regulations to stimulate financing for nature-positive actions seem a distant promise.

THE GLOBAL DRIVE TOWARDS NATURE-RELATED DISCLOSURES

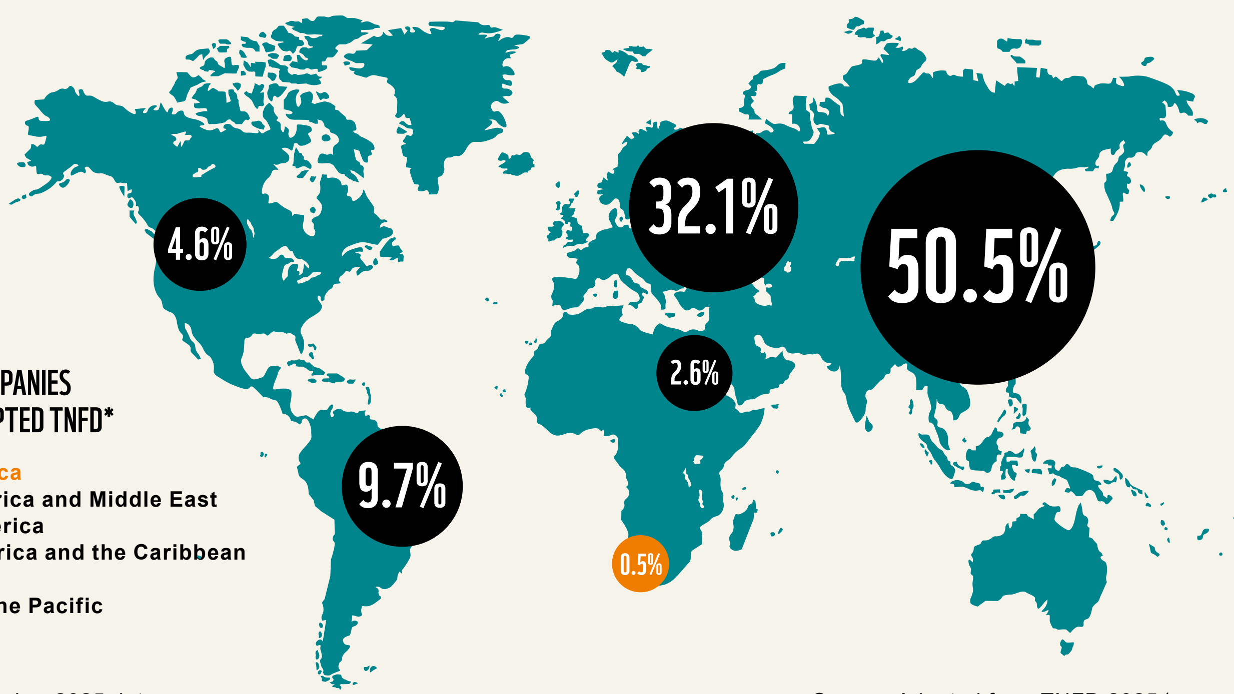
Global uptake of the TNFD recommendations is growing as companies and financial institutions work towards issuing stronger nature-related disclosures. For some organisations, such disclosures are a regulatory requirement: the European Union's (EU's) Corporate Sustainability Reporting Directive, for example, requires companies to disclose comprehensive nature-related information in line with the biodiversity- and water-focused European Sustainability Reporting Standards. For others, stronger nature-related disclosures are a response to growing investor and stakeholder pressure to be more transparent about their understanding of nature-related risks, dependencies and impacts.

Whatever the motive, adopting the TNFD recommendations empowers organisations to identify, manage and report on nature-related risks, dependencies and impacts in a way that is transparent, comprehensive, in line with best practice and in harmony with major global and local reporting standards (See *TNFD: Supporting best practices in nature-related disclosures* on page 12). This broad compatibility has contributed to the number of companies on the TNFD adoptions register increasing from 620 organisations in more than 50 countries (representing assets under management of $20 trillion) to 733 companies in 56 countries (representing $22.4 trillion in assets) between September and November 2025.

By signing up as adopters, these 733 companies – which include multinational corporations, financial institutions and market service providers – have publicly committed to progressively align their reporting with the TNFD's disclosure recommendations. More than half of them are based in the Asia and Pacific region. By comparison, the Africa and Middle East region is lagging (see *TNFD adoption across the world*).

In South Africa, only four companies – GBSH Consult Group, Raubex Group Limited, Sanlam Limited and Sibanye-Stillwater – have formally committed to adopting the TNFD framework, pledging to align their reporting with the TNFD's recommendations by the end of the 2026 financial year. By February 2026, none of the four had produced comprehensive or fully TNFD-structured reporting, although some TNFD-relevant content has been added to existing sustainability and integrated reports. Sanlam Limited is expected to be the first to make TNFD-aligned disclosures in its corporate reports for the 2025 financial year, which ended in December 2025.

TNFD ADOPTION ACROSS THE WORLD



NUMBER OF COMPANIES THAT HAVE ADOPTED TNFD*

4	South Africa
17	Rest of Africa and Middle East
34	North America
71	Latin America and the Caribbean
235	Europe
370	Asia and the Pacific

*Based on November 2025 data.

Source: Adapted from TNFD 2025.[1]

1 TNFD. 2025. TNFD Adopters. Infographic. Taskforce on Nature-related Financial Disclosures, hosted by the Green Finance Institute, London, UK. *https://tnfd.global/wp-content/uploads/2025/11/TNFD-Infographic-V2_1-1-1800x1800.webp*

TNFD: SUPPORTING BEST PRACTICES IN NATURE-RELATED DISCLOSURES

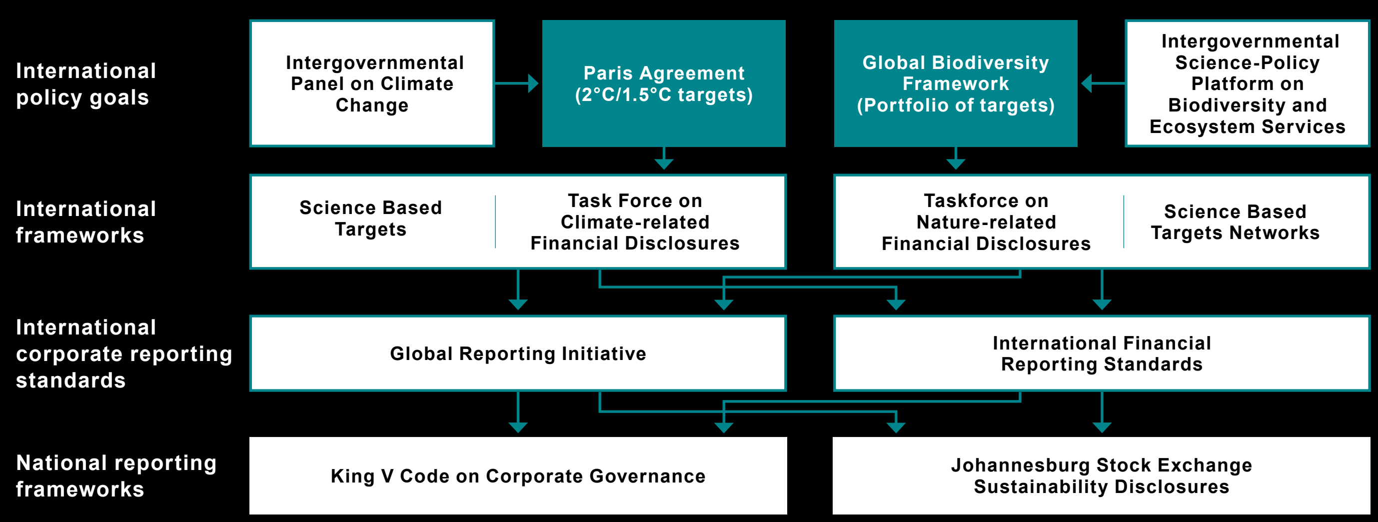
The past decade has seen global sustainability reporting standards evolve towards greater alignment, creating a coherent system that supports transparent and comprehensive nature-related disclosures. This alignment is largely due to the International Financial Reporting Standards (IFRS) Foundation – which has issued international financial reporting standards for companies' financial performance since 2003 – actively working to consolidate historically fragmented sustainability reporting standards. The resulting standards – the IFRS Foundation's S1 General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) and S2 Climate-related Disclosures (IFRS S2) – were published in June 2023. The United Kingdom and Japan have both signalled an interest in aligning their sustainable disclosure requirements with IFRS S1 and IFRS S2, with several other countries indicating that they might follow suit.

While the IFRS standards focus on the financial impacts of sustainability- and climate-related risks, the TNFD's recommendations remain the best practice for reporting on nature-related risks. Recognising the compatibility of the two frameworks, in April 2025 the TNFD and IFRS Foundation formally entered into an agreement under which the IFRS Foundation continues to build on the TNFD's recommendations while the TNFD supports the IFRS in developing a unified global standard for nature-related disclosures. The TNFD recommendations are complemented by the work of the Science Based Targets Network, which provides the robust environmental performance metrics needed to translate nature-related risk into actionable, time-bound targets. The Science Based Targets initiative, by comparison, focuses on climate metrics.

Within South Africa, the King Code remains the cornerstone of South Africa's corporate governance landscape. The King V Report on Corporate Governance for South Africa (2025) (King V) came into effect on 1 January 2026 and builds on King IV, which was released in 2016. Principle 4 of King IV calls for sustainability to be viewed as an integral part of an organisation's value creation over the short, medium and long term, recognising that an organisation's governance and performance are closely tied to the health of the broader economic, social and ecological systems in which it operates. King V represents a maturing of this principle, deepening the integration of sustainability into strategic decision-making. It also closely aligns corporate reporting in South Africa with TCFD and TNFD recommendations.

All companies listed on the Johannesburg Stock Exchange (JSE) are required to report against King V. Companies that wish to voluntarily align their reporting with the IFRS S1 and IFRS S2 standards have a resource in the JSE Sustainability Disclosure Guidance and the JSE Climate Change Disclosure Guidance, which were published in 2022 to help companies start with gathering the data needed for such disclosures. At present, IFRS S1 and IFRS S2 disclosures remain voluntary for South African companies listed on the JSE. Regardless of which reporting standard a company or financial institution aims to report under, the TNFD's LEAP approach provides a structured process for locating their touchpoints with nature and evaluating how nature-related factors influence both business performance and risk. The TNFD's LEAP approach also supports nature-related reporting under various global and local standards (see below).

THE TNFD'S ALIGNMENT WITH LOCAL AND GLOBAL STANDARDS



Source: Adapted from TNFD 2023.[2]

2 TNFD. 2023. Recommendations of the Taskforce on Nature-related Financial Disclosures. Taskforce on Nature-related Financial Disclosures, hosted by the Green Finance Institute, London, UK. *https://tnfd.global/wp-content/uploads/2023/08/Recommendations-of-the-Taskforce-on-Nature-related-Financial-Disclosures.pdf?v=1734112245*

NATIONAL POLICY UNDERPINS TNFD DISCLOSURES

National frameworks and strategies are increasingly reinforcing the relevance of the TNFD's recommendations. The Department of Forestry, Fisheries and the Environment's (DFFE) draft *National Biodiversity Economy Strategy* (NBES), which WWF made submissions to, and the *National Biodiversity Framework* 2019–2024 call for the integration of nature-related considerations into business and finance. The *National Biodiversity Strategy and Action Plan* (NBSAP) is a national report used to monitor and review implementation of the 2022 Kunming-Montreal Global Biodiversity Framework (GBF). South Africa is in the process of revising its NBSAP targets. These efforts, alongside the Department of Science and Innovation's *White Paper on Science, Technology and Innovation* (2019), which advocates for improved environmental data systems, all contribute to an emerging ecosystem of practice that supports TNFD implementation.

FINANCIAL REGULATION AIMS FOR A NO-HARM APPROACH

South African financial regulators – which already closely track climate reporting – have started taking important steps to integrate nature-related risks into financial regulations. The National Treasury, the South African Reserve Bank (SARB) and the Financial Sector Conduct Authority (FSCA) are leading efforts to shape policy and regulatory frameworks that will enable a transition towards a low-carbon, climate-friendly financial system. However, efforts towards integrating nature-positive goals still lag behind climate initiatives.

The National Treasury's *Financing a Sustainable Economy* (2021) technical paper laid the groundwork for South Africa's sustainable finance agenda. It called for clear taxonomies, disclosure frameworks and investment principles aligned with international standards.

The South African Green Finance Taxonomy, released in 2022, was developed with the support of the International Finance Corporation and establishes a classification system for environmentally sustainable activities. Expanding this taxonomy to include biodiversity and nature-positive outcomes would strengthen alignment with TNFD objectives and guide capital flows towards activities that support ecosystem resilience.

Through its Prudential Authority, SARB has published the *Climate Risk Practices Observations Report* and four guidance notices, providing essential guidelines on climate-related disclosures, governance and risk practices for banks and insurers. The guidance notices seek to provide consistency in evolving practices, promote transparency and ensure international alignment on current climate-related risk practices and voluntary disclosures. As the understanding of nature-related financial risks grows, SARB's engagement with the financial sector will be instrumental in driving consistent methodologies for assessing and disclosing these risks.

Similarly, the FSCA has taken steps to strengthen the sustainability disclosures landscape. The *FSCA Sustainable Finance Update Report 2025* highlights the role of transparency in promoting responsible investment and building trust in the financial system.

The FSCA has indicated its support for TCFD, IFRS S1 and IFRS S2, and intends to focus on climate-related reporting first, with plans to extend to the reporting of other sustainability-related matters in the future. Working alongside the National Treasury and SARB, the FSCA can help create a coordinated regulatory approach that promotes consistent reporting and creates incentives for the adoption of nature-positive investment practices.

FERTILE SOIL FOR TNFD ADOPTION

Together, these policy, market and regulatory developments demonstrate that South Africa is well positioned to integrate TNFD principles into its broader sustainability and financial reporting ecosystem. While the groundwork on climate-related risk disclosures has gained traction in South Africa, regulatory momentum on nature-related risk disclosures is still lagging. The WWF *2025 SUSREG Annual Report*, which assesses the sustainability of financial regulations and central bank activities across the world, found this to be a global pattern. Financial regulators' expectations for disclosures of nature risk are largely high-level and lag the integration found in climate reporting.

Building coherence between local governance frameworks, disclosure standards and supervisory expectations will be critical for mainstreaming nature-related risk management. By embracing the TNFD framework, South Africa can strengthen its environmental governance, enhance access to sustainable finance and support a transition toward a resilient, nature-positive economy.

South Africa is well positioned to integrate TNFD principles into its broader sustainability and financial reporting ecosystem.

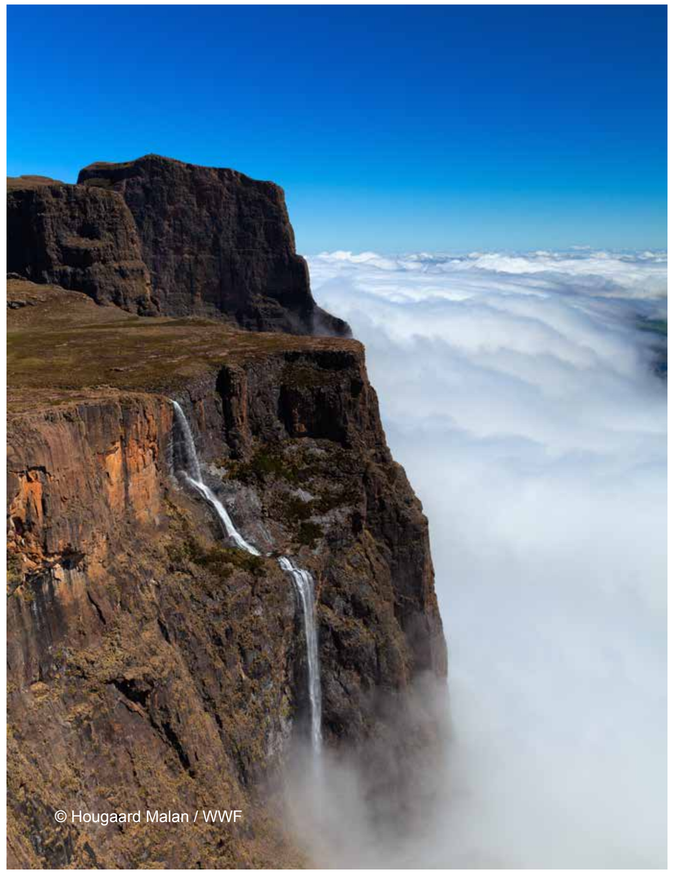
BUSINESS PERSPECTIVES

HEADWINDS AND TAILWINDS

Companies in South Africa are increasingly aware of nature-related financial risks but remain uncertain on how to navigate the complexities of assessing, managing and disclosing their exposure, according to a series of interviews conducted for this report.

KEY INSIGHTS

Lack of regulatory pressure to disclose nature-related risks, the technical nature of assessing and managing nature risk, and lack of awareness about where to obtain, granular ecological data create obstacles to TNFD adoption in South Africa.



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The competitiveness of private companies is limiting collaboration and knowledge-sharing about nature-related risks, resulting in a missed opportunity to collectively contribute to positive, impactful change.

Globally, regulations and investor expectations are driving multinational companies and those with foreign buyers or investors to prepare for nature-related disclosures.

The convergence of reporting standards, coupled with the interoperability of the standards that remain, is making it easier for companies to embed nature in their strategies, plans and reporting.

The TNFD's LEAP approach provides a practical method for identifying, assessing, managing and disclosing nature-related risks, impacts and opportunities.

The LEAP approach is especially useful for banks and asset managers, who need to assess nature-related risks across clients that operate in a range of sectors and geographies.

HEADWINDS: CHALLENGES IN MANAGING NATURE-RELATED RISKS

Interviews with key stakeholders in the business sector – The Banking Association of South Africa, the National Business Initiative, Earth Inc and the TNFD itself – pointed to a national environment that is increasingly aware of nature-related risks but still working through significant gaps in regulatory direction, the integration of nature risk within broader risk management, technical capacity, data and collaboration.

LACK OF REGULATORY PRESSURE TO DISCLOSE NATURE-RELATED RISKS

Most current reporting obligations in South Africa – such as those from the FSCA and SARB's Prudential Authority – focus on climate, leaving nature-related risk addressed only by voluntary frameworks such as the Johannesburg Stock Exchange's (JSE's) Sustainability Disclosure Guidance and Climate Change Disclosure Guidance.

Interviewees repeatedly noted that a clear regulatory signal that aligns with international developments such as the EU's Corporate Sustainability Reporting Directive would accelerate TNFD adoption by providing direction and incentivising investment in internal technical capacity.

NATURE-RELATED RISK IS A TECHNICALLY COMPLEX AREA REQUIRING SPECIALIST KNOWLEDGE

The stakeholders consistently identified complexity as one of the biggest hurdles to adopting the TNFD recommendations. Nature-related risks are inherently multifaceted, spanning ecosystems, geographies and a wide variety of environmental drivers. As such, the analytical process requires specialist knowledge. However, according to a survey of financial institutions conducted for the first report in this TNFD reporting series, *Financing nature*, less than 30% of respondents have the expertise needed to conduct such analysis and implement strategies to positively address the impacts of nature loss.

Interviewees noted that capacity-building efforts have begun, but that training needs to be more scientific and focused on implementing LEAP, accessing and interpreting data, and navigating the reporting processes. A top-down approach from leadership will be important to embed nature into organisational risk frameworks.

ACCESSING RELEVANT, GRANULAR DATA IS CHALLENGING

Access to nature-related data remains a challenge. Although regional and national datasets are available, these resources are not always accessible, user-friendly or widely known to companies.

COMPETITION IS SLOWING PROGRESS

Many companies seem more comfortable keeping work on nature-related assessments internal. Interviewees pointed out that a lack of collaboration within sectors is slowing progress. Even though nature-related risks such as water scarcity, biodiversity loss and ecosystem degradation are systemic issues requiring joint action, the competitive aspect of business, when applied to managing nature risks, is preventing shared learning and collective problem-solving.

Interviewees emphasised that collaboration, knowledge-sharing and coordinated policies are essential to achieve positive impacts at the scale that is needed.

NATURE-RELATED RISKS ARE NOT INTEGRATED INTO BROADER RISK MANAGEMENT

Many organisations still view nature as an "add-on" to climate reporting, rather than an integral part of risk management. Nature and climate risks are part of the same risk system, influencing one another through shared physical channels. Climate change accelerates nature loss by raising temperatures, shifting rainfall patterns and increasing the incidence of extreme weather events. At the same time, the degradation of ecosystems – from desertification to wetland loss – intensifies climate change by weakening natural carbon sinks and disrupting ecological processes.

Climate change and ecosystem degradation operate through shared pathways to directly undermine business resilience, financial stability and long-term value creation. Nature loss is a material risk to companies' operations and supply chains. The TNFD should therefore not be viewed merely as another disclosure framework, but rather as central to the risk-management process.

Stakeholders consistently identified complexity as one of the biggest hurdles to adopting the TNFD recommendations.

TAILWINDS: ACCELERATORS OF NATURE-RELATED DISCLOSURES

The interviews identified various drivers of TNFD adoption and alignment, including increasing investor expectations, international reporting requirements such as the EU's Corporate Sustainability Reporting Directive, and organisations wanting to keep pace with global trends.

GREATER INTEROPERABILITY BETWEEN SUSTAINABILITY STANDARDS

As discussed earlier in this section, interviewees noted that there is a growing move towards convergence and interoperability across sustainability standards, with broad alignment noted between the Global Reporting Initiative (GRI) sustainability standards, IFRS S1 and IFRS S2 on the global stage. This shift will support organisations in integrating climate, nature and broader environmental, social and governance considerations within a unified reporting approach.

GROWING INVESTOR PRESSURE

Investors, already well versed in climate-related issues, are broadening their focus to include ecological dependencies and impacts. This is becoming a significant driver of TNFD adoption, as nature is now seen as an extension of climate risk – a perspective that may help organisations justify integrating TNFD into existing climate and sustainability processes. South African banks, recognised globally for the maturity of their risk frameworks, are especially sensitive to non-financial risks, which can lead to significant financial impacts such as reputational damage, operational disruptions and regulatory penalties. Banks are therefore keen to stay aligned with global investor trends and anticipate future policy requirements.

THE LEAP APPROACH AS A TRANSFORMATIONAL DIFFERENTIATOR

The TNFD's LEAP approach is a methodological framework for identifying, assessing, managing and disclosing nature-related risks, impacts and opportunities. Applying this methodology enables management to make informed decisions that have the potential to futureproof operations while positioning the company to seize emerging opportunities. The LEAP approach is especially useful for banks and asset managers, who need to assess nature-related risks across diverse clients, sectors and geographies.

The chapter that follows unpacks the different steps in the LEAP methodology, provides practical insights into how to get started with using it and introduces tools that work in conjunction with it.

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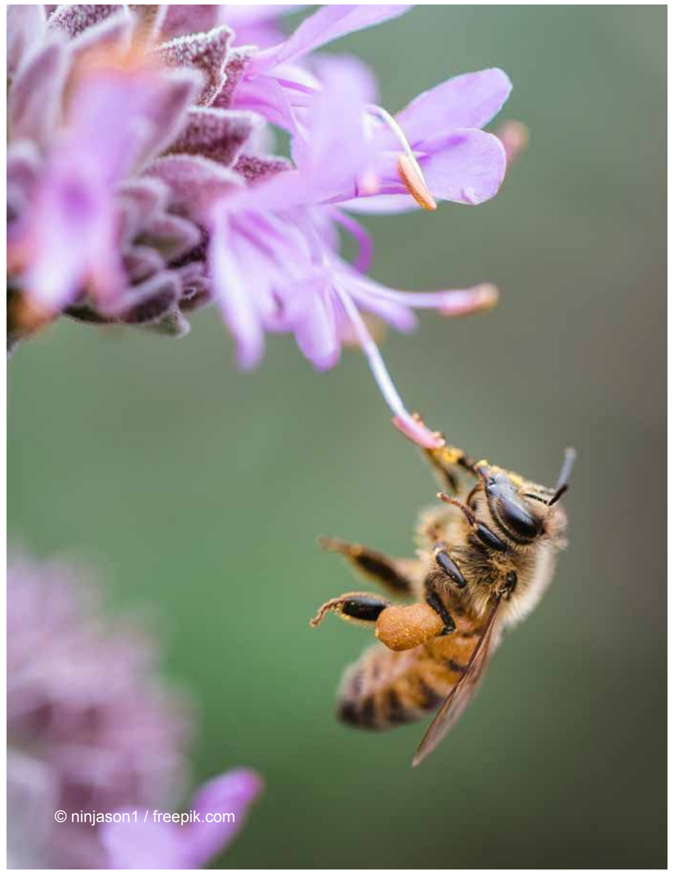
A TRANSFORMATIONAL METHOD

The LEAP approach provides a structured, step-by-step method for organisations to locate, evaluate, assess and prepare for nature-related risks and opportunities, generating the insights needed for TNFD-aligned disclosures. Its four phases offer a practical roadmap for integrating nature into strategy, risk management and reporting.

KEY INSIGHTS

The LEAP approach can provide users with unique insights on nature-related risks, impacts and opportunities.



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The first phase requires companies to "Locate" interactions with nature along their value chains and determine which of these interactions are associated with moderate or high dependencies or impacts on nature, as well as which biomes, ecosystems and locations are affected.

In the second phase, companies "Evaluate" which environmental assets are affected by business activities, how these interactions might impact drivers of nature or ecosystem services, and the severity and scale of such impacts. This exercise reveals which of the company's impacts are material.

The third phase aims to "Assess" the risks and opportunities inherent in the company's interactions with nature and maps these against existing risk-mitigation processes to identify potential opportunities where existing mitigation measures can be adapted to include the newly identified risks. Risks are also ranked by severity, likelihood and other criteria to assess overall exposure to nature-related risks.

In the fourth phase, companies "Prepare" strategies and resource-allocation plans – with associated metrics and time-bound targets – to manage identified risks and seize emerging opportunities.

Worked examples of the LEAP approach shed light on how the method can strengthen nature-related disclosures in the mining and agriculture sectors.

THE FOUR PHASES OF LEAP

Each phase of LEAP has four guiding questions, providing organisations with a clear, step-by-step structure to follow. Ultimately, the LEAP approach is intended to be repeated and refined over time. Organisations can begin a LEAP assessment with a smaller, focused scope and then broaden it over time as they build experience and understanding. The starting point for a such an assessment can also vary based on the company's priorities, resources and specific needs.

Before undertaking a LEAP assessment, organisations should first complete a scoping exercise to assess possible constraints related to costs, timelines and data availability. This involves a quick, high-level review of relevant information to develop an initial hypothesis about potential material nature-related dependencies, impacts, risks and opportunities. At the same time, organisations should align on their goals and resourcing requirements by considering existing capacity, skills and data to do the assessment, together with overall organisational objectives.

L LOCATE THE COMPANY'S INTERFACE WITH NATURE

The purpose of this phase is to build a clear, location-specific understanding of where the organisation interacts with nature. Since nature-related impacts and dependencies can vary from place to place, knowing where a company's operations and value chains meet with nature is key for managing the related risks and opportunities.

This phase allows the company to focus on the most important (material) areas of impact and dependency. Defining the business scope across sectors, value chains and geography allows for the organisation's overall footprint to be determined.

E EVALUATE THE COMPANY'S DEPENDENCIES AND IMPACT

In this phase, organisations assess and describe their dependencies and impacts on nature. Because nature-related risks and opportunities stem from these connections, generating a deep, detailed understanding of them is essential. As an example, a business that depends on clean water would be negatively affected by either an increase in the cost of water or a reduction in the quantity or quality of water due to the deterioration of water source areas where the company operates. Simultaneously, the same company's own activities may drive land-use changes or cause water pollution, which would further affect the amount and quality of water that an ecosystem is able to deliver. Clarifying and quantifying both dependencies and impacts allow organisations to understand where they are most vulnerable and where they have the greatest influence on nature outcomes.

Nature-related risks cannot be evaluated in the same manner as climate risks, where global data and modelling can be used. Ecological dependencies and biodiversity impacts vary significantly between regions, economic sectors and even similar facilities in different locations. The LEAP methodology therefore needs location-specific, granular data to inform detailed, context-specific analyses. Various tools and databases, such as the WWF Water Risk Filter and the WWF Biodiversity Filter, exist to provide such data.

The Evaluate phase may look different for various sectors. Multinational corporations would look at key environmental assets within the company's areas of operation, its value chains and activities that affect nature and society. For financial institutions, the focus would be on portfolio companies and their dependencies and impacts, especially when these companies work in high-impact sectors or ecologically sensitive areas.

A ASSESS THE ORGANISATION'S MATERIAL RISKS AND OPPORTUNITIES

In this phase, organisations assess the significance of the nature-related risks, impacts and opportunities identified in the evaluation phase. These risks may be financial, operational, regulatory or reputational. Assessing them requires adapting existing risk-management processes to include nature-related considerations and identifying how risks will be measured (that is, which metrics will be used) and how these metrics will be prioritised. There is growing recognition that nature-related risks are financially material, and methods for estimating the financial implications of identified risks may need to be developed. This process enables companies to determine which risks and opportunities are material and should therefore be disclosed.

P PREPARE TO RESPOND AND REPORT

The final phase of LEAP is to translate the company's understanding of its nature-related risks, impacts and opportunities into practical strategies with transparent, relevant and comprehensive disclosures. Based on insights from earlier stages and considering the sector, biome and geographic context, the company may choose to update its corporate strategy to introduce useful management actions or revise its governance and reporting practices, including setting meaningful targets for relevant metrics, to support disclosures that align with TNFD recommendations.

See LEAP questions on pages 20–23

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L LOCATE THE COMPANY'S INTERFACE WITH NATURE

TIPS AND TOOLS FOR LOCATING INTERACTIONS

GUIDING QUESTIONS	TIPS AND TOOLS
L1 Span of the business model and value chain	
• What are our organisation's activities by sector and value chain? • Where are our direct operations?	• The TNFD advises using the Sustainability Accounting Standards Board's sector classification to promote consistency when defining sectors. • Value chains include upstream and downstream activities and related commodities, products and processes. • Geographic locations of direct operations should be identified using internal asset-level data and recorded as precisely as possible.
L2 Dependency and impact screening	
• Which of these sectors, value chains and direct operations are associated with potentially moderate and high dependencies and impacts on nature?	• Compare the company's L1 findings with credible references for establishing nature-related risk levels. • A range of data sources and tools is available, including the ENCORE tool, the WWF Biodiversity Risk Filter and resources provided by the Science Based Target Network.
L3 Interfaces with nature	
• Where are the sectors, value chains and direct operations with potentially moderate and high dependencies and impacts located? • Which biomes and specific ecosystems do our direct operations, and moderate and high dependency and impact value chains, interface with?	• High-level heatmapping of where direct operations and value chains interact with nature may initially be sufficient if detailed data is unavailable. • Companies should strive to improve the precision of location data and understanding of their ability to influence nature interactions over time. • Whereas corporations will focus on the location of nature interactions from direct operations and higher-impact value chains, financial institutions will identify ecosystems and biomes associated with medium- and high-impact sectors within their portfolios.
L4 Interfaces with sensitive locations	
• Which of our organisation's activities in moderate and high dependency and impact value chains and sectors are located in ecologically sensitive locations? • Which of our direct operations are in these sensitive locations?	• Overlaps between a company's direct operations, higher-impact value chains or financed activities and ecologically sensitive locations increase nature-related risks and impacts. • Financial institutions would need to obtain their client or investees' location data to evaluate whether these operations intersect with sensitive locations. • Useful resources for this phase include the ENCORE tool and the WWF Water Risk Filter. • External scientific expertise may be needed to complete this phase.

E EVALUATE THE COMPANY'S DEPENDENCIES AND IMPACT

TIPS AND TOOLS FOR EVALUATING INTERACTIONS

GUIDING QUESTIONS	TIPS AND TOOLS
E1 Identification of environmental assets, ecosystem services and impact drivers	
• What are the sectors, business processes or activities to be analysed? • What environmental assets, ecosystem services and impact drivers are associated with these sectors, business processes, and activities and locations?	• Relevant internal and external stakeholders should be engaged to identify key business activities, associated impact drivers and the environmental assets and ecosystem services affected. • Corporations should evaluate their direct operations and high-impact value chains, while financial institutions should evaluate their portfolio companies in priority sectors. • This step of the analysis should progressively become more location-specific.
E2 Identification of dependencies and impacts	
• What are our dependencies and impacts on nature?	• Consider how the company's activities and relevant external factors can affect the drivers of nature and provision of ecosystem services. • Assess how changes in the provision of ecosystem services might affect the company's operations.
E3 Dependency and impact measurement	
• What is the scale and scope of our dependencies on nature? • What is the severity of our negative impacts on nature? • What is the scale of our positive impacts on nature?	• Quantify the dependencies and impacts identified in E2 by assessing impact drivers and changes in nature and ecosystem services at relevant locations. • Financial institutions would assess the scale of portfolio companies' dependencies and impacts by consulting company data, engaging the companies for further information and, where needed, consulting external datasets. • These measurements may be qualitative or quantitative.
E4 Impact materiality assessment	
• Which of our impacts are material?	• The likelihood of a risk taking place and the severity of its impacts on the company or nature are assessed to identify the company's most significant (material) impacts. • Financial institutions may apply this process to investment strategies, products and client engagement.

A ASSESS THE ORGANISATION'S MATERIAL RISKS AND OPPORTUNITIES

TIPS AND TOOLS FOR ASSESSING RISKS AND OPPORTUNITIES

GUIDING QUESTIONS	TIPS AND TOOLS
A1 Risk and opportunity identification	
• What are the corresponding risks and opportunities for our organisation?	• Risk identification should include nature-related physical risks, nature-related transition risks and nature-related systemic risks. • Financial institutions need to consider whether nature-related risks should be treated as new categories or integrated into existing prudential risk categories such as credit, market or operational risks. • Nature-related opportunities may include new financial products and services such as nature-related indices, nature bond offerings, biodiversity credits and nature-positive funds.
A2 Adjustment of existing risk mitigation and risk and opportunity management	
• What existing risk mitigation and risk and opportunity management processes and elements are we already applying? • How can risk and opportunity management processes and associated elements (such as risk taxonomy, risk inventory and risk tolerance criteria) be adapted?	• Review the company's current risk-management framework to identify where adjustments are needed. • Recommend improvements to senior management while recognising that implementation will involve coordination across multiple teams and functions. • Elements of the organisation's risk management system that may need updating include the organisation's risk inventory, risk taxonomy, metrics and data, risk assessment tools, risk responses, tolerance criteria and reporting processes.
A3 Risk and opportunity measurement and prioritisation	
• Which risks and opportunities should be prioritised?	• Assess and measure the severity of nature-related risks and opportunities that have been identified. • Severity is determined by evaluating the magnitude, likelihood and other criteria (such as impact to society) of the risk or opportunity. • Methods for measuring the magnitude of nature-related risks include heatmapping, asset tagging and scenario-based risk assessment. • Financial institutions typically evaluate nature-related risks within specific sectors or individual companies where they hold financial exposure. • Corporations generally assess their exposure to nature-related dependencies, impacts and risks arising from the sectors in which they operate, as well as from their products, services and the geographic areas in which they do business.
A4 Risk and opportunity materiality assessment	
• Which risks and opportunities are material and therefore should be disclosed in line with the TNFD recommended disclosures?	• Determine which nature-related risks and opportunities could reasonably be expected to affect the organisation's financial position, performance and prospects. • Integrate risks and opportunities that are sufficiently significant into enterprise risk management and strategic decision-making processes. • Work towards disclosing these risks and how the company is managing them.

P PREPARE TO RESPOND AND REPORT

TIPS AND TOOLS FOR DISCLOSING RISKS AND OPPORTUNITIES

GUIDING QUESTIONS	TIPS AND TOOLS
P1 Strategy and resource allocation plans	
• What risk management, strategy and resource-allocation decisions should be made as a result of the analysis?	• Embed nature-related considerations into core business planning, using the findings of the previous three steps. • Financial institutions should allocate resources to monitor nature-related dependencies across key business functions. This may include risk functions, underwriting units, lending teams and investment teams. • The TNFD recommends following the Science Based Targets Network's Action Framework for risk mitigation (AR3T), which focuses on the following actions: avoid and reduce pressure on nature loss, regenerate and restore so that nature can recover, and transform underlying systems in which companies are embedded to address the drivers of nature loss.
P2 Target-setting and performance management	
• How will we set targets and define and measure progress?	• Establish clear, time-bound targets to address priority nature-related issues, reduce negative impacts, strengthen resilience and capture identified opportunities. • Targets may relate to reducing specific impact drivers (such as water use, pollution or land conversion), restoring ecosystems, increasing resource efficiency or shifting capital towards nature-positive activities. • Performance management systems should be used to monitor progress against these targets. This includes selecting relevant indicators and metrics generated through the "Evaluate" and "Assess" phases, embedding them into internal reporting systems and linking them to management incentives, where appropriate. • For financial institutions, this may involve setting portfolio-level targets, sectoral exposure limits or commitments to increase financing for nature-based solutions.
P3 Reporting	
• What will we disclose in line with the TNFD recommended disclosures?	• Based on the materiality assessment conducted in A4 and the strategic responses defined in P1 and P2, determine which material nature-related dependencies, impacts, risks and opportunities should be reported. • Explain how nature-related issues affect the organisation's financial position and prospects, how they are integrated into enterprise risk management, and what actions are being taken to manage them.
P4 Presentation	
• Where and how do we report our nature-related disclosures?	• Nature-related disclosures should be accessible, decision-useful and connected to mainstream financial reporting rather than isolated in standalone sustainability documents. • Select the most appropriate reporting format (for example, annual financial reports, integrated reports, sustainability reports or regulatory submissions). • Report contents should align with TNFD's recommended disclosure structure (Governance, Strategy, Risk and Impact Management, and Metrics and Targets) and the presentation should be consistent with the IFRS S1 standard.

LEAP IN PRACTICE: APPLYING LEAP IN KEY SOUTH AFRICAN SECTORS

Recognising that the LEAP approach will vary from sector to sector, the TNFD has developed additional sector guidance to help organisations in 16 sectors, including the financial sector, the metals and mining sector, and the food and agriculture sectors. Two further draft guidance notes – for the alternative fuels sector and the technology and communications sector – are open for consultation. For financial institutions, the *Case Study of Nedbank's nature-risk assessment journey* and *Global Canopy's assessment of nature-related risk and prudential policy in the South African banking sector* may provide additional context.

On pages 26 and 27, we delve into how the LEAP approach can be used in the metals and mining sector and food and agriculture sector. While both sectors depend heavily on natural systems, their interactions with nature differ significantly: mining directly impacts land, water and ecosystems, while agriculture depends on and heavily impacts soil and water while involving complex supply chains.

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Several large global organisations have tested LEAP within their organisations and shared their experiences. These include Allianz, Barclays and Iberdrola. In South Africa, Nedbank also recently applied the LEAP approach to assess nature-related impacts and dependencies in its credit portfolio. The LEAP case study library further demonstrates how organisations can practically apply the approach and builds collective learning around managing and disclosing nature-related risks and opportunities.

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APPLYING LEAP IN THE METALS AND MINING SECTOR

This sector involves large, site-based operations with complex, often international footprints and long project life cycles. It relies on strong baseline data such as environmental studies, biodiversity assessments and water models. The social context is important for the metals and mining sector, and it therefore also relies on meaningful engagement with Indigenous Peoples and local communities. This is essential because mining uses significant land areas and can have considerable environmental impacts.

L – LOCATE

At this stage, companies in the metals and mining sector would focus on how each of their mining sites interact with the natural environment, for example, through water use, waste management and land use. These interactions should be examined for the full mining life cycle, from exploration to closure. Related infrastructure, waste sites and transport routes would also be considered. Operations in high-risk areas, such as protected habitats, would receive particular attention due to their greater potential for negative environmental impacts.

E – EVALUATE

Here, companies would measure the physical impacts of mining activities (including erosion, pollution and biodiversity loss) and consider the effects these impacts might have on their licence to operate. Key dependencies to examine include access to a reliable water supply and stable land conditions. Mining companies would typically rely on site-level data (such as water balance reports or tailings management records) to monitor local impacts.

A – ASSESS

Declining water supply, tailings storage failures, stricter environmental regulations (together with the potential loss of licence to operate) and community disputes are key risks for this sector. At the same time, there are opportunities to improve performance by reducing water use, recycling waste and restoring ecosystems. These risks and opportunities are generally managed through environmental assessments and company-wide risk management systems that help ensure responsible operations.

P – PREPARE

Sectoral guidance for the metal and mining sector provides a framework to help companies navigate nature-related dependencies, impacts, risks and opportunities across their different spheres of influence. It also underscores the importance of applying the mitigation hierarchy: a framework approach to managing and reducing environmental harm by avoiding and minimising impacts, restoring any damage caused and, as a last resort, offsetting the remaining impacts. Avoiding impacts is especially important for the mining sector, not only when selecting a project but also throughout the project's life cycle.

Progress under this phase of LEAP can be measured through specific land, water and biodiversity targets, which are reported under GRI Sector Standard for Mining (GRI 14) and shared on global platforms such as the Global Biodiversity Information Facility and the World Benchmarking Alliance's Nature Benchmark.

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APPLYING LEAP IN THE FOOD AND AGRICULTURE SECTOR

Organisations in the food and agriculture sector should first identify where material nature-related issues are likely to arise and ensure that they have the capacity and resources to assess them. Although most impacts and dependencies in the food and agriculture sector occur in primary production, the complexity of food value chains makes it challenging to exhaustively identify and manage all interactions with nature. A phased approach, supported by better supplier data and collaboration across the value chain, may help build assessment capability over time.

L – LOCATE

The food and agriculture sector depends on healthy soil, clean water and pollination, while key environmental impacts include deforestation, excessive fertilizer use and the production of food waste. A company in the food and agriculture sector would need to examine the full journey of food products, from farms to retailers, to understand where sourcing interacts with natural ecosystems.

E – EVALUATE

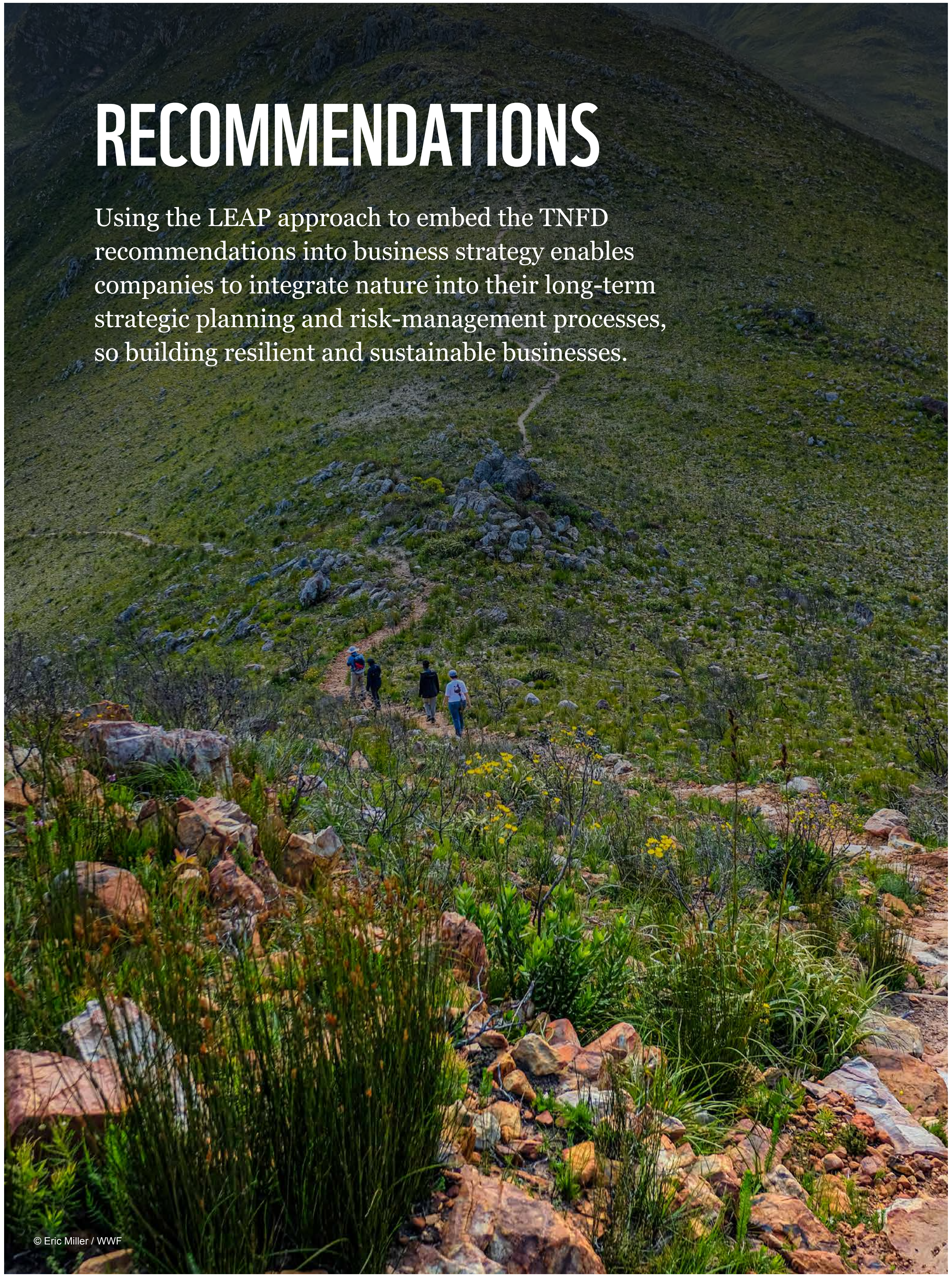
This sector would need to examine how farming depends on – and affects – nature through factors such as soil quality, water use and pollination. Satellite imagery, data on fertilizer and pesticide use, and pollution records may be used to monitor and manage impacts on nature, helping to improve environmental performance and strengthen ecosystem resilience.

A – ASSESS

The food and agriculture sector is vulnerable to a range of interrelated risks, including climate change, water stress and changing consumer expectations. Opportunities to manage these risks while benefiting the business include adopting regenerative farming practices, recycling nutrients and securing sustainability certifications. Environmental risks could also be managed through supplier engagement programmes and implementing sustainability policies and traceability systems.

P – PREPARE

This sector could make production and supply chains more sustainable by setting clear nature-positive targets – such as ending deforestation, improving soil and water health, restoring biodiversity and reducing food waste – and focusing efforts on regenerative farming practices and collaborating with smallholder farmers and Indigenous Peoples. Progress could be disclosed using established reporting frameworks such as those from the Global Reporting Initiative to ensure transparency and accountability.



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The following recommendations aim to help companies position themselves for the successful application of the LEAP approach and adoption of the TNFD recommendations.

1 START WITH UNDERSTANDING TOUCHPOINTS WITH NATURE

To align company strategy with material nature-related considerations, companies first need to understand their interactions with nature through their direct operations and their value chains.

2 PLACE NATURE AT THE HEART OF STRATEGY

Many organisations still treat nature as a secondary consideration rather than a core priority. Integrating TNFD into the heart of strategy helps a company identify and manage nature-related risks and dependencies, in effect securing the company's long-term value and resilience and creating a truly futureproof organisation.

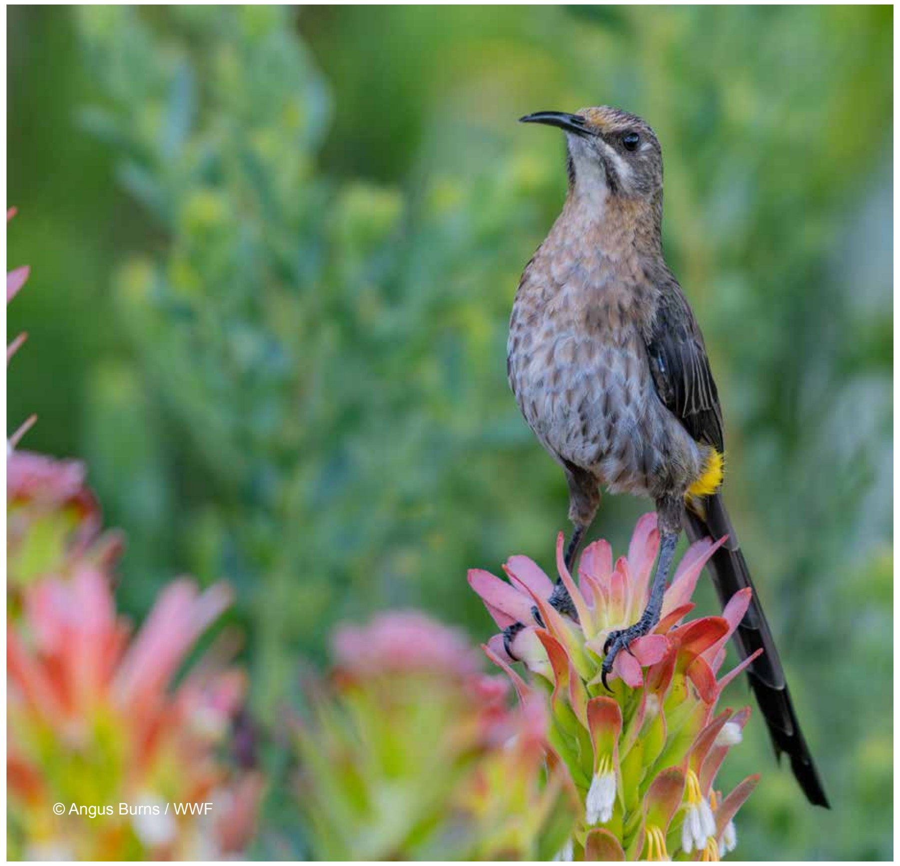
3 REGARD NATURE RISK AS A BUSINESS RISK

Bringing nature-related issues into a company's risk-management process helps identify how changes in the natural environment could affect operations, including supply chains. Once nature-related risks are properly understood, the next step is to effectively manage them.

4 MEASURE, MANAGE, IMPROVE

Setting clear and measurable targets is important for managing nature-related dependencies, risks and impacts. The TNFD's metrics architecture provides sector-specific guidance for companies to measure and report how their operations interact with nature. It is designed to be flexible, allowing companies to choose which metrics are most relevant and material to their business. Companies typically focus on the metrics that align with their sector, location and nature-related dependencies or impacts.

TNFD metrics are closely aligned with those provided by IFRS S1, IFRS S2 and the Science Based Targets Network's science-based targets for nature, so work done towards those metrics also enhances TNFD disclosures.



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5 FOCUS ON TRANSPARENCY AND ALIGNMENT WITH CHOSEN REPORTING STANDARDS

Effective reporting is the final step in embedding TNFD into business practice. Companies should disclose how nature-related risks, dependencies and opportunities are managed within their strategy, governance and risk frameworks.

Aligning disclosures with frameworks such as TNFD, IFRS S1 and IFRS S2, and the Science Based Targets Network's science-based targets for nature ensures consistency and comparability across markets. Clear, credible reporting not only builds trust with investors and stakeholders but also demonstrates accountability and progress towards a more nature-positive and sustainable future.

6 DRAW ON THE STRENGTHS OF TECHNICAL PARTNERS

Companies and financial institutions should not feel restricted by a lack of in-house scientific skills to conduct environmental impact assessments and similar analyses that feed into the LEAP methodology. In addition to the wealth of resources and guidance available online, several local organisations such as WWF and others are able to provide guidance on using technical tools and making nature-related disclosures.

THE FUTURE OF NATURE-RELATED REPORTING

As global financial systems come to grips with accelerating biodiversity loss, nature-related reporting is entering a period of rapid evolution. The momentum created by the TNFD marks a decisive shift towards recognising nature as a material financial consideration – one that directly influences economic stability, investment resilience and long-term value creation. Looking ahead, the future of nature-related reporting will be shaped by rising stakeholder expectations, increasing regulatory alignment, and the growing recognition that climate and nature risks are inseparable.

Globally, early adopters are demonstrating how TNFD can be integrated into strategic decision-making, risk management and disclosure systems. The structural alignment between TNFD, TCFD and IFRS sustainability standards positions nature-related reporting to become a mainstream expectation across markets. Organisations familiar with climate disclosures will find that the TNFD recommendations offer a logical extension of existing practices, expanding the lens from greenhouse gas emissions to broader ecosystem dependencies and impacts. As investors and regulators sharpen their focus on biodiversity, water risk and land-use change, TNFD's LEAP approach provides a practical pathway for identifying location-specific risks and opportunities that cannot be captured through climate metrics alone.

In South Africa, awareness of nature-related risks is rising, and sectors such as mining, agriculture and finance are emerging as early leaders. Yet widespread implementation remains in its early stages. However, the direction of travel is clear. Regulatory and policy developments – from the National Treasury's sustainable finance work to supervisory efforts by SARB and the FSCA – signal that nature-related risk management will increasingly become an expectation rather than an optional enhancement. And as international frameworks such as the EU's Corporate Sustainability Reporting Directive strengthen biodiversity-related disclosures requirements, South African companies participating in global markets will face growing pressure to align with TNFD principles. Domestic frameworks such as King V and the JSE Sustainability Disclosure Guidance further reinforce integrated thinking and provide a governance foundation for elevating nature within strategic decision-making.

The future of nature-related reporting will also be defined by collaboration. Because nature loss is systemic, progress requires shared tools, common taxonomies, open data and knowledge-exchange across sectors. Interoperability between standards is improving, reducing duplication and making it easier for organisations to integrate climate, nature and broader sustainability considerations into a unified reporting approach.

The evolution of nature-related reporting is underway. What lies ahead is an opportunity to transform how organisations understand their relationship with nature and to create a financial system that recognises the natural world not as an externality, but as a foundational asset on which all economic prosperity depends.

> The TNFD recommendations represent a chance for companies to rethink how they engage with the natural world and to help shape an economic system that treats nature not as an external factor, but as a core asset that underpins all economic prosperity.

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