

October 31, 2025

Japanese Bankers Association

JBA Comments on Discussion paper on identification, assessment and disclosure of dependencies and impacts on nature in financial portfolios
by the Taskforce on Nature-related Financial Disclosures (TNFD)

#	Question	Comment
	A. Assessment, disclosure and data	
1	Does the presentation of the current methodological challenges to the identification, assessment and disclosure of dependencies and impacts in financial portfolios reflect your experience? How could the TNFD and others best help to overcome some of these challenges?	• The presentation of the current methodological challenges, such as the difficulty in obtaining a comprehensive view of portfolios and a lack of visibility and attribution, reflects our members' experience in loan portfolio analysis. • We particularly recognise the challenges in tracking the clients' value chains due to limited data availability, especially regarding upstream suppliers and downstream buyers for clients. • We request TNFD to provide guidance on how far upstream in the value chain financial institutions should trace to identify nature-related dependencies, impacts, risks and opportunities (DIROs). Given the relative difficulty in tracking downstream, TNFD and others should first focus on enhancing available data for upstream segments in each sector. • Moreover, since obtaining information on all clients, including SMEs that do not disclose related information, is challenging, we believe it is necessary to provide guidance on a standardised estimation methodology.
2	Does the presentation of the current challenges with data quality and coverage for the identification, assessment and disclosure of dependencies and impacts in financial portfolios reflect your experience? How could the TNFD and others best help to overcome some of these challenges?	• The presentation of the current challenges with data quality and coverage reflects our members' experience in loan portfolio analysis. • While direct engagement with clients is essential to understand their specific circumstances, it is important for TNFD and other stakeholders to enhance available data across sectoral value chains to obtain more accurate

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		data. • Furthermore, the provision of recommended scopes and measurement methodologies would facilitate disclosure and enable financial institutions to compare metrics disclosed by clients. • Currently, each financial institution conducts risk assessments using its own logic based on corporate disclosures and available data. Therefore, we request TNFD to propose a unified set of scenarios and methodologies that can be used to inform financial institutions' risk assessments, leveraging a common data platform.
3	Would financed impact driver metrics be useful for internal assessments of dependencies and impacts? Which impact drivers would be highest priority? What other metrics would be useful for the TNFD to provide?	• Financed impact driver metrics are considered to be useful to some extent in enhancing loan portfolio analysis. • However, quantitative values of nature loss drivers tend to be higher for clients with a larger business scale. Therefore, such metrics alone are insufficient to assess the degree of actual impacts on nature. For example, even if a client discharges a large volume of wastewater, if pollutants are thoroughly removed, the impact on nature may be minimal. Therefore, assessments should also consider the status of mitigation measures addressing nature loss drivers, including their linkage with response metrics. • Water-related metrics are relatively easy to measure and already disclosed by many companies, making them suitable for early implementation. Land use should be prioritised due to its significant and long-term environmental impact. • Additionally, as nature loss is likely to affect biodiversity, the relationship with biodiversity footprint metrics should be clarified.
4	What best practice methods and approaches already exist, and could potentially be scaled globally, for the collection, extraction and sharing of asset location data	• We do not currently recognise any best practice methods or approaches for collecting, extracting, and sharing asset location data that could be scaled

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	by financial institutions from clients in their portfolios?	globally. At present, data is sourced from data providers. However, we believe that the public sector involvement is necessary to enable more common and globally standardised data utilisation.
	B. Disclosure metric	
5	Investors: Would disclosure of financed impact driver metrics be decision-useful in your assessments of financial institutions for investment or engagement? Which impact drivers would be highest priority? What other metrics would be useful to be disclosed by financial institutions? Please answer this question if you are an investor.	—
6	Other users of financial institutions' disclosures: Would financial institutions' disclosure of financed impact driver metrics be useful for your work? How would you use them? Which impact drivers would be highest priority? What other metrics would be useful to be disclosed by financial institutions?	—
	C. New terms	
7	Do you have any comments on the proposed definitions listed in Annex 1?	- The purpose and intended use of the definitions proposed in Annex 1 should be explained, as the discussion paper does not clearly describe the expected benefits of classifying data types. For example, it remains unclear whether these definitions are intended to serve a purpose similar to data quality scores in the context of climate change. - Additionally, more concrete examples should be provided to help users understand which types of data correspond to each definition.

(End)