

JBA Comments on Taskforce on Nature-related Finance Disclosure (TNFD) Discussion paper on state of nature measurement

#	Questions	Comments
TNFD questions:		
1.	<p>Familiarity with the TNFD framework:</p> <p>Has your organisation used the TNFD's LEAP approach to assess nature-related issues, and/or prepared a disclosure aligned with the TNFD recommendations? (Multiple choice)</p>	<ul style="list-style-type: none"> ● My organisation has applied the LEAP approach ● My organisation has prepared a disclosure aligned with the TNFD recommendations

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2.	<p>Core global indicators:</p> <p>Do you agree with the TNFD proposal to make ecosystem condition and species extinction risk TNFD core global disclosure indicators, removing their current status as ‘placeholder’ indicators (C5.0)? Please explain your answer.</p>	<p>We respectfully do not support the proposal.</p> <p>As a financial institution expected to support investees and clients in advancing Nature Positive outcomes, we recognise the value of establishing a set of common metrics to enhance comparability in nature-related issues. However, at this stage, we do not consider it appropriate to designate “ecosystem condition” and “species extinction risk” as TNFD core global disclosure metrics.</p> <p>For financial institutions, particularly those with diversified financial portfolios across sectors and geographies, applying such metrics at a consistent level of granularity and data quality on a global basis presents significant operational challenges. Assessments of “ecosystem condition” and “species extinction risk” vary considerably depending on regional context, land-use history, ecosystem type, conservation frameworks, and data availability. In addition, the methodologies for measurement are inherently very complex. Furthermore, the spillover effect to physical and transition risks have not yet been sufficiently clarified. Therefore, their practical applicability of these metrics to strategic planning, target-setting, and the assessment of individual financing decisions by banks remains limited at present.</p> <p>Financial institutions are also characterised by predominantly indirect relationships with nature through investees, clients and their value chains. This creates structural limitations in access to site-level primary and monitoring data.</p> <p>In light of the above considerations, these metrics should not be treated as core global disclosure metrics at this stage. Instead, it would be more appropriate to emphasise a phased approach to implementation, the use of alternative or proxy metrics where appropriate, and ensuring transparency with respect to data quality and estimation methodologies.</p>

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3.	<p>Priority locations with material nature-related dependencies and impacts:</p> <p>Do you agree with the TNFD proposal to keep the location requirements for state of nature disclosure consistent with the existing approach to priority locations with material nature-related impacts and dependencies, as required under Metrics and Targets B (see TNFD recommendations) – requesting state of nature information be disclosed for material locations in the value chain, as well as in direct operations? Please explain your answer.</p>	<p>We respectfully do not support the proposal.</p> <p>For banks, State of Nature metrics may, over the longer term, serve as useful reference information for analysing nature-related impacts across priority sectors and individual companies within loan portfolios from multiple perspectives. However, the reliability and practicality of the assessment results under the proposed framework have not yet been sufficiently demonstrated. It is therefore difficult, at this stage, to envisage concrete use cases for these metrics in “developing strategies or initiatives” or “financial/investment decision-making” for banks.</p> <p>Furthermore, requiring disclosure of state of nature information for priority locations across the value chain presents significant challenges in light of the operational characteristics of financial institutions. Investment and lending portfolios typically span across multiple geographies, sectors and jurisdictions, making it difficult to accurately identify and trace the supply chains and sourcing locations of individual companies. In addition, available data are often subject to limitations, including the coarse resolution of the analytical grids, which may result in discrepancies between modelled outputs and actual on-site data. This raises concerns regarding the precision and reliability of the resulting analyses. Taken together, these constraints also undermine the comparability of disclosures. Requiring location-specific information at a value chain-level and state of nature metrics at a level comparable to that expected for the direct operations of companies would impose an excessive burden on financial institutions.</p> <p>In light of the above, a uniform disclosure requirement on priority locations across the value chain should be avoided. Instead, a risk-based approach should be adopted, focusing on high-risk sectors and nature-sensitive geographies. In addition, disclosures should place greater emphasise on transparency regarding the scope of the analysis, data sources, estimation methodologies, and associated uncertainties.</p>

4.	<p>Proposed NPI outcome metrics:</p> <p>Do you agree with the TNFD proposal to include the final Nature Positive Initiative (NPI) state of nature metrics and measurement guidance as TNFD core global disclosure metrics for ecosystem extent, ecosystem condition and species extinction risk site outcomes and landscape/seascape context, and signpost to the accompanying NPI measurement guidance? Please explain your answer.</p>	<p>We respectfully do not support the proposal.</p> <p>From the perspective of banks, these metrics may, to some extent, serve as useful reference information for analysing nature-related impacts across priority sectors and individual companies within loan portfolios. We also recognise their potential value as a common language for capturing nature-related outcomes.</p> <p>However, it is not appropriate to adopt these metrics uniformly and immediately as TNFD core global disclosure metrics.</p> <p>First, there are significant constraints on their application at the portfolio level for financial institutions, including limitations related to data availability, measurement boundaries, the ability to obtain information from investees and clients, the accuracy of secondary data, and differences in regulatory and institutional frameworks across jurisdictions. In addition, the reliability and practicality of the assessment results of these metrics have not yet been sufficiently demonstrated, making it difficult to envisage their concrete application in developing strategies or initiatives, setting targets, or financial / investment decision making.</p> <p>Second, challenges remain with respect to their alignment with local and regional characteristics. In particular, in contexts such as Japan, where land use is highly diverse and characterised by a fine-grained landscape mosaic, it remains uncertain whether a universal metrics framework can adequately capture underlying ecological conditions. Furthermore, there is a lack of sufficiently developed examples demonstrating the application of these metrics, and the comprehensiveness of impact coverage and robustness of assessment frameworks have not yet been fully validated. We believe the framework should be subject to further update as needed in the future.</p> <p>In light of the above, NPI metrics should not be immediately regarded as core global disclosure metrics. Instead, they should initially be treated as reference or recommended metrics within guidance, with a phased approach to implementation that allows for testing their applicability across</p>
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		sectors and geographies. In particular, for financial institutions, it is important to clearly distinguish between site-level observed data and investment and loan portfolio-level estimates derived from models or proxies.

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5.	<p>Measurement scale:</p> <p>Do you agree with the TNFD proposals to recommend disclosure of site outcomes, landscape/seascape context and location sensitivity (screening) metrics for priority locations with material impacts and dependencies, under Metrics and Targets B as follows? Please explain your answer.</p>	<p>We do not oppose the approach of combining site-level, landscape/seascape-level, and location sensitivity metrics for disclosure.</p> <p>However, from a feasibility perspective, it is not appropriate to require disclosures at a uniform measurement scale and level of granularity across all priority locations, particularly for financial institutions. Banks are exposed to multi-layered and indirect relationships through the value chains of their investees and clients, and significant constraints remain in obtaining and analysing data across these value chains.</p> <p>In practice, it is more appropriate to select the measurement scale according to the nature of the activity. For example, site-level assessment is meaningful in cases where there is a clear geographic linkage, such as direct operations or project finance transactions. In contrast, for general corporate lending, investments, and indirect upstream exposures in supply chains, broader units of analysis—such as landscapes, river basins, administrative areas, or sourcing regions—are more suitable for screening purposes.</p> <p>Accordingly, disclosure requirements should not impose a single uniform scale. Instead, they should allow for the flexible selection of spatial scale based on the nature of activities, data availability, the materiality of impacts and dependencies, and the degree of proximity between financial institutions and the underlying activities.</p>

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6.	<p>Species populations:</p> <p>Do you agree with the TNFD proposal to retain species population size as a TNFD additional disclosure metric (A5.4) and not change it to be a core metric? Please explain your answer.</p>	<p>We support the proposal to retain species population size as an additional disclosure metric, rather than elevating it to a core metric.</p> <p>While species population size is an important indicator for understanding the state of biodiversity, there are significant challenges in its consistent application. Monitoring approaches, frequency, seasonality, regional variation, and data quality differ substantially across species, making it difficult for financial institutions to collect and compare such data consistently across their investment and loan portfolios.</p> <p>In addition, species population data requires a high level of scientific expertise. In many cases, it is more appropriate for non-financial companies and financial institutions to rely on robust data infrastructures developed by public authorities, research institutions, international organisations, and civil society, rather than attempting to independently collect and validate such data.</p> <p>In light of these considerations, it is appropriate at this stage to retain population size as an additional disclosure metric, to be reported only where it is material and where reliable data are available.</p>

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7.	<p>Updates to assessment guidance:</p> <p>Do you agree with the TNFD proposal to update content on state of nature measurement in its guidance in the LEAP approach (as set out in Section 5.1.1)? Please explain your answer.</p>	<p>We support the proposal to update the guidance on the measurement of state of nature within the LEAP approach. Specifying concrete metrics and measurement methodologies is expected to enhance the practicality and operational usability of data collection.</p> <p>At the same time, it is important to recognise the limitations of adopting a uniform and standardised framework. The application of state of nature metrics varies significantly across different types of entities—including companies with direct operations, corporate value chains, and the investment and loan portfolios of financial institutions—in terms of data availability, approaches to impact assessment, and the scope of responsibility. If these differences are not adequately taken into account, there is a risk that assessment results may not accurately reflect the actual conditions of banks’ investees and clients. Moreover, a key challenge is that, as data sources and tools for measuring environmental conditions become increasingly generic and standardised, they may homogenise company-specific characteristics. This may in turn lead to results that do not accurately reflect the actual conditions of banks’ investees and clients.</p> <p>Accordingly, it is essential that the updated guidance explicitly reflect these differences across user types. Moreover, the guidance should not be limited to presenting ideal measurement approaches, but should also provide practical and flexible options, including screening approaches in cases where data availability is limited, the use of secondary data, the treatment of estimated values, the disclosure of uncertainties, and a framework for phased refinement over time.</p> <p>In particular, for financial institutions, the guidance should not assume that consistent, site-level state of nature data can be obtained for all investees and clients. Instead, it should enable a practical approach based on materiality-driven prioritisation.</p>

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8.	<p>Further suggestions:</p> <p>Do you have any further suggestions for how the TNFD should proceed with embedding state of nature metrics in its framework?</p>	<p>In integrating state of nature metrics into its framework, it is important for TNFD to design an approach that strikes an appropriate balance between global comparability and regional specificity. In particular, rather than applying a single set of global metrics uniformly across all non-financial companies and financial institutions, TNFD should establish a common conceptual framework while allowing flexibility in the selection of metrics based on regional context, sectoral characteristics, and data availability.</p> <p>Nature-related impacts can vary significantly across companies even within the same sector, and given current data constraints, there are inherent limits to the level of comparability that can be achieved through a single set of standardised metrics.</p> <p>Therefore, non-financial companies and financial institutions should be allowed an appropriate degree of discretion in determining whether to adopt this framework and selecting metrics. Treating such metrics as mandatory or prescriptive disclosure requirements should be carefully considered.</p> <p>In addition, if financial institutions are to be positioned as one of the initial focus users of these metrics, it is essential to clarify how they are expected to be applied at the portfolio level. Given that use cases and application contexts differ across financial sectors—including banking, insurance, and asset management—there is a need for tailored, practice-oriented guidance reflecting these distinctions.</p> <p>Specifically, it would be useful to provide clear guidance on matters such as the screening of high-risk sectors, the identification of priority geographies, information to be considered in engagement with investees and clients, the conditions for the use of secondary data, and approaches to the disclosure of uncertainty.</p> <p>Ultimately, rather than focusing solely on the precision or complexity of the metrics themselves, priority should be given to developing a practical framework that effectively supports changes in corporate behaviour and informs decision-making by financial institutions.</p>

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GRI questions:		
1.	<p>Familiarity with the GRI Standards:</p> <p>Has your organisation used GRI standards for its reporting on nature-related issues? (Multiple choice)</p>	<ul style="list-style-type: none"> ● My organisation uses the GRI Standards for its reporting ● My organisation has not used the GRI Standards, and does not plan to do so in the near future
2.	<p>Identification of impacts:</p> <p>While the NPI state of nature metrics are designed for assessing outcomes, do they have additional utility in supporting the earlier steps of identifying an organisation's most significant impacts (Disclosure 101-4), especially when measured at preparatory granularity level?</p>	<p>NPI State of Nature metrics are primarily designed to assess outcomes. Given the current limitations associated with data collection and analysis, their practical utility and direct relevance for decision-making remain limited at this stage.</p> <p>That said, at a preparatory granularity level, these metrics may be used as supplementary information to support the initial identification of significant impacts. In particular, indicators such as ecosystem extent, ecosystem condition, and species extinction risk may be used as screening inputs to help identify patterns and concentrations of nature-related risks across geographies and activities.</p> <p>However, such use should be approached with caution, and the results should not be treated as overly precise. At the preparatory stage, uncertainties arising from data granularity, spatial resolution, and differences in estimation methodologies are significant. Accordingly, these metrics should be used only as indicative tools to support the identification of potential impacts and prioritisation directions, rather than as definitive measures.</p> <p>Therefore, the application of these metrics at the preparatory stage should not be subject to uniform requirements. Instead, their use should be left to the discretion of individual non-financial companies and financial institutions, taking into account sector-specific characteristics, regional context, the nature of business activities, and information obtained from stakeholders.</p>

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3.	<p>Site and landscape/seascape-level disclosure:</p> <p>GRI 101 disclosures focus on ecosystems affected by organisational activities, typically at operational sites, while also encouraging consideration of the broader ecosystem affected beyond the site where relevant. Given the focus on reporting an organisation's most significant impacts, what considerations should guide the choice of spatial scale for disclosure? In particular, in what situations would it be most relevant to disclose state of nature metrics at:</p> <ul style="list-style-type: none"> - Site level (e.g. sites owned, leased or managed by the organisation) and - Landscape/seascape level (e.g. sourcing regions or areas of influence)? 	<p>The appropriate spatial scale for disclosure should be determined in a manner that reflects the clarity of the relationship between an organisation's activities and its impacts and dependencies on nature, the extent of those impacts, data availability, and the usefulness of the information for decision-making.</p> <p>Site-level disclosure is appropriate and effective in cases where geographical boundaries and impact areas are relatively well defined, such as for sites owned, leased, or managed by the organisation, or in the context of project finance activities. However, limiting disclosure solely to the site-level risks may result in material impacts and dependencies on nature being overlooked, including those arising across supply chains, such as deforestation.</p> <p>Accordingly, in order to capture the overall nature-related footprint of business activities, it is important to conduct assessments at the landscape or seascape level in relation to sourcing regions, river basins, supply chains for agricultural, forestry and mineral commodities, and areas where cumulative impacts from multiple actors may arise.</p> <p>For financial institutions, particularly banks, a substantial proportion of exposures is indirect, through investees and clients. As a result, there are practical constraints on obtaining and using detailed site-level information across all exposures. Furthermore, even where landscape-level information is disclosed, methodologies and analytical capabilities are not yet sufficiently developed, making it challenging to incorporate such information into investment and lending decisions, as well as strategic planning.</p> <p>In light of the above, a single, uniform spatial scale should not be applied across all disclosures. Instead, a practical and flexible approach should be adopted, prioritising high-risk sectors and geographies, and incorporating landscape or seascape-level assessments where appropriate.</p>

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4.	<p>Applicability across value chains:</p> <p>GRI 101-7 requirements focus on reporting biodiversity impacts at an organisation's sites, while reporting on supply chains and downstream value chains is recommended but not required.</p> <p>Are the proposed NPI state of nature metrics suitable for application in supply chain and downstream value chain contexts where site-level data may not be available? Please explain your answer.</p> <p>If so, which spatial scale (site, landscape, seascape) is most relevant and feasible in these contexts, and why?</p>	<p>While there is some value in applying NPI State of Nature metrics to supply chains and downstream value chains, their applicability is significantly constrained where site-level data are not sufficiently available.</p> <p>This is particularly the case for banks, where it is difficult to obtain an accurate and comprehensive view of entire value chains, including upstream and downstream activities of investees and clients. In situations where traceability is limited, the interpretation and comparability of metrics—as well as the overall effectiveness of analysis—are also constrained. As a result, where comprehensive and reliable data cannot be secured, the practical utility of disclosed information is limited.</p> <p>In such contexts, screening at broader spatial scales—such as landscape, river basin, seascape, sourcing regions, or national and regional levels—is likely to be more feasible than site-level assessments.</p> <p>However, it should be noted that such assessments are often based on estimates or secondary data rather than direct measurements. It is therefore essential to clearly disclose the underlying assumptions and limitations. Accordingly, these metrics are more appropriately used as supplementary tools for identifying areas of nature-related risk and prioritising engagement scope, rather than for detailed outcome measurement.</p>

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5.	<p>Species metrics:</p> <p>GRI 101 currently recommends, but does not require, organisations to report information on affected species, with species extinction risk and population size included as optional metrics.</p> <p>Would it be relevant to feature species-based metrics (species extinction risk and/or species population) more prominently in biodiversity disclosures, particularly as a recommendation or requirement under GRI Disclosure 101-7? Please explain your answer.</p>	<p>We acknowledge the importance of placing greater emphasis on species-based metrics in biodiversity disclosures, including metrics related to species extinction risk and population size. However, we do not consider it appropriate to mandate these metrics as requirements under GRI Disclosure 101-7.</p> <p>While these metrics are ecologically meaningful, their applicability varies significantly across regions, taxonomic groups, and assessment methodologies. In addition, considerable challenges remain in terms of data availability and data quality. As a result, for many companies, it is operationally burdensome and resource-intensive to independently collect and validate such data and to disclose them with a consistent level of quality.</p> <p>These challenges are particularly pronounced for banks, for which it is not feasible to comprehensively capture data on affected species and population dynamics at the level of individual sites or across value chains. Furthermore, discrepancies may arise between global average data derived from generic tools and the actual conditions of individual companies.</p> <p>In light of these considerations, these metrics should not be designated as core or mandatory disclosure items. Instead, they should be treated as additional or voluntary metrics. Species extinction risk may be used as a supplementary indicator for screening priority areas and high-risk sectors, engagement with investees and clients, and risk management. Population size should only be disclosed where reliable data is available and where there is a clear relevance to the business activities.</p>

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6.	<p>Overall alignment:</p> <p>Are there aspects of the proposed NPI state of nature metrics that could introduce implementation challenges for organisations reporting under GRI 101?</p> <p>Please explain your answer.</p>	<p>There are several practical challenges associated with incorporating the NPI State of Nature metrics into reporting under GRI 101.</p> <p>First, the data required to measure these metrics varies significantly across regions, sectors, and the relevant species and ecosystems concerned, resulting in substantial differences in data availability and quality. As noted above, for many companies, independently collecting and validating data on species extinction risk and population size can be challenging and may involve considerable operational effort.</p> <p>Second, technical challenges arise in ensuring consistent interpretation and presentation of assessment results across different spatial scales, including site-level, landscape-level, and value chain-level assessments.</p> <p>Third, there is a risk that results derived from secondary data or modelled estimates may be interpreted in the same way as observed data, potentially creating misunderstandings or unrealistic expectations regarding precision.</p> <p>In addition, particularly for banks, it is difficult to obtain comprehensive information covering the full value chain of investees and clients, and it is necessary to take into account the inherently indirect nature of their exposures.</p> <p>In light of these considerations, the alignment of the NPI metrics with GRI 101 should not result in mandatory, one-size-fits-all disclosure requirements. Instead, a phased approach based on materiality should be adopted. Such a framework should require clear differentiation between estimated and observed data, transparency regarding data quality, and grounds for choosing spatial scale. In particular, for financial institutions, it is essential to develop practical guidance that reflects their specific characteristics and constraints.</p>

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SBTN questions:		
1.	Engagement with SBTN methods and progress toward SBTs for nature	<ul style="list-style-type: none">● My organisation is familiar with the SBTN methods● My organisation has applied the SBTN methods● My organisation has not applied the SBTN methods or set SBTs for nature and does not plan to do so in the near future

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2.	<p>Integration of terrestrial metrics in Steps 1 and 2:</p> <p>While the NPI state of nature metrics are designed for assessing outcomes, do you believe they have additional value in supporting the assessment (SBTN Step 1) and prioritisation (Step 2) of science-based targets, especially when measured at preparatory granularity level?</p>	<p>The NPI State of Nature metrics are inherently designed as outcome-oriented metrics. However, given that the reliability of their results and the underlying data foundations are not yet sufficiently established, their usefulness as tools to directly support SBTN Step 1 (assessment) and Step 2 (prioritisation) remains limited at this stage.</p> <p>This is particularly relevant for banks, where there are significant variations across investees in terms of business activities, regional characteristics, levels of value chain visibility, and the precision of available data. As a result, applying these metrics consistently across an entire portfolio is challenging, and constraints remain in terms of interpretation and comparability of assessment results.</p> <p>That said, at a preparatory granularity level, information such as ecosystem condition, ecosystem extent, and species extinction risk may offer some limited usefulness as indicative inputs to support a high-level understanding of the distribution of nature-related risks.</p> <p>However, such use should remain strictly supplementary, and results should not be treated as overly precise. Significant uncertainties arising from differences in data granularity, spatial resolution, and estimation methodologies must be carefully taken into account. Accordingly, final assessments and prioritisation decisions should be made based on a comprehensive consideration of sector-specific characteristics, regional context, the nature of business activities, and relevant stakeholder information.</p>

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3.	<p>Species metrics:</p> <p>Do you agree with maintaining SBTN’s current use of species richness and extinction risk metrics to support assessment and prioritisation of targets as well as species population data, where available, to set Ocean science-based targets? Please explain why.</p>	<p>We support maintaining SBTN’s current approach of using species richness and extinction risk metrics to inform assessment and prioritisation, and, where available, using species population data for setting ocean-related science-based targets.</p> <p>These species-based metrics are useful in identifying areas and activities of high biodiversity importance, particularly where significant impacts on threatened or endemic species may arise, and can therefore serve as important inputs for decision-making.</p> <p>At the same time, these metrics are subject to considerable variation across regions, taxonomic groups, and monitoring methodologies, resulting in significant differences in data availability and quality. For individual companies, it can be challenging to independently collect and assess such data with sufficient accuracy. Financial institutions, particularly banks, may also face practical constraints in continuously obtaining comprehensive and consistent data on investees and clients.</p> <p>In light of these challenges, the use of these metrics should be limited to situations where data reliability is ensured and where the metrics are clearly relevant to related business activities. Accordingly, it is appropriate to maintain the current approach of applying these metrics only “where data is available,” particularly in the context of Ocean science-based targets.</p> <p>For financial institutions in particular, it is more practical to prioritise the use of species-related information—such as extinction risk and indicators of biodiversity-important areas—for screening purposes, rather than conducting detailed assessments at the level of individual species.</p>

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4.	<p>Spatial scale:</p> <p>Do you agree with SBTN’s approach of incorporating NPI state of nature metrics primarily at the landscape/basin/seascape level, consistent with the scale of most science-based targets, with the possible exception of site-level monitoring data (discussed below)?</p>	<p>Based on highly reliable data, we support SBTN’s approach of primarily applying NPI State of Nature metrics at the landscape, basin, and seascape levels. Many nature-related issues are not limited to individual sites, but are closely linked to broader ecosystem processes operating across river basins, landscapes and marine areas. Therefore, assessments at these broader scales are appropriate for capturing underlying ecological conditions.</p> <p>From the perspective of financial institutions, assessments conducted at the regional, basin, or sourcing-area level are also more practical than relying solely on site-level information, in light of data availability and interpretability considerations.</p> <p>At the same time, in cases such as project finance, large-scale infrastructure, and resource extraction—where locations are clearly defined and impacts are relatively localised—site-level monitoring based on reliable data remains important.</p> <p>In light of the above, it would be appropriate to adopt a flexible approach that centres on landscape, basin, and seascape-level assessments, while incorporating site-level information where relevant, depending on the nature of the activities and the characteristics of the impacts.</p>

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5.	<p>Value chain applications:</p> <p>Which types of state of nature metrics are most feasible and interpretable for use across a company's value chain? What challenges do you see in utilising the NPI state of nature metrics in contexts of lower traceability?</p>	<p>Across a company's value chain, the most feasible and interpretable state of nature metrics are likely to be screening-type metrics that can be derived, to some extent, from secondary data. These include metrics such as location sensitivity, proximity to protected areas and Key Biodiversity Areas (KBAs), the degree of ecosystem transformation, basin-level stress, deforestation, and land-use change. Such indicators are useful not for detailed outcome measurement, but can serve as useful starting point for initial analysis to identify geographies and activities with elevated nature-related risks.</p> <p>However, in contexts of low traceability, there are significant constraints in applying NPI State of Nature metrics in a granular and precise manner. In particular, where sourcing or production locations cannot be clearly identified, it becomes difficult to determine which ecosystems may be affected, thereby reducing the reliability and interpretability of the analysis. In addition, challenges may arise in accounting for cumulative impacts from multiple actors and in attributing impacts to individual companies.</p> <p>In such contexts, it is therefore more realistic to treat these metrics not as tools for precise outcome measurement, but as supplementary tools for risk screening and the prioritisation of engagement.</p> <p>This is especially relevant for banks, for which it is difficult to obtain comprehensive and consistent data across the full value chains of investees and clients. As a result, there are inherent limitations in conducting detailed, entity-level assessments based on these metrics, which should be appropriately taken into account.</p>

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6.	<p>State of nature metrics in MRV:</p> <p>SBTN considers monitoring, reporting and verification of progress (MRV) a shared responsibility. To what extent are the NPI state of nature metrics important for companies to incorporate into their plans for monitoring progress and achieving SBTs? Which data are feasible or desirable for companies to collect themselves versus civil society or public sector actors?</p>	<p>The NPI State of Nature metrics have the potential to serve as an important component of monitoring, reporting and verification (MRV) for tracking progress against SBTN. However, their effective use depends on ensuring that the selected metrics appropriately represent the state of nature at the relevant site or landscape level, and that framework for continuous data collection and monitoring are in place.</p> <p>It is not realistic for companies to independently collect all relevant state of nature data. It is therefore essential to clearly define the division of roles and responsibilities for data provision within MRV frameworks.</p> <p>Data that companies collect include information directly linked to their operations, such as operational sites, land use, water abstraction and discharge, volumes of raw material sourcing, certification status, environmental management measures, and site-level monitoring results.</p> <p>By contrast, data relating to the state of ecosystem, species extinction risk, population dynamics, and broader ecosystem changes are often more appropriately sourced from robust data infrastructures developed and provided by public authorities, research institutions, civil society organisations, and international bodies. This is particularly important for financial institutions, for which access to reliable, shared data infrastructures covering investees and broader geographies are essential.</p> <p>In light of the above, effective MRV implementation should be based on a clear distinction between data that companies are expected to collect and manage directly, and data that should be sourced from public and scientific data systems. Such a framework should ensure that each type of data is utilised appropriately in light of its characteristics.</p>

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7.	<p>Opportunities and challenges:</p> <p>Do you see any opportunities or challenges associated with the integration of NPI state-of-nature metrics in SBTN when it comes to enhancing corporate action for nature?</p>	<p>Given the wide diversity of environmental metrics, the introduction of standardised indicators has the potential to enhance the consistency of comparative analysis and progress tracking by non-financial companies and financial institutions. From this perspective, integrating the NPI State of Nature metrics into SBTN may provide an opportunity to make corporate action on nature more outcome-oriented.</p> <p>At the same time, it remains uncertain to what extent such metrics will effectively contribute to the transition to nature-positive practices or drive tangible behavioural change. Significant practical challenges also remain.</p> <p>These challenges include potential discrepancies arising from the uniform application of global metrics to regionally specific ecosystems; the treatment of regions and sectors with limited data availability; the development of appropriate estimation methodologies where site-level data is unavailable; the distinction between company-specific contributions and broader ecosystem changes; and the applicability of these metrics to investment and financing decisions.</p> <p>In light of these considerations, the integration of NPI metrics into SBTN should not focus solely on increasing methodological rigour. Rather, emphasis should be placed on a phased approach to implementation, the application of metrics based on materiality, transparency regarding data quality and underlying assumptions, and the development of practical guidance tailored to the characteristics of different users, including financial institutions.</p> <p>Ultimately, it is essential to establish a framework that meaningfully informs decision-making by non-financial companies and financial institutions, thereby facilitating the effective identification and management of nature-related risks and opportunities.</p>

#	Questions	Comments
Other Comments		
Other Comments	<p>1. While we agree with the overarching direction of this framework—namely, enhancing the visibility of nature-related risks and opportunities and encouraging nature-positive corporate behaviour—we do not consider it appropriate to establish as a standardised metric. This is because the available data, methodologies, and operational environment are insufficient, raising concerns regarding the reliability of assessment results and their usefulness for decision-making. In particular, for banks with a broad client bases, comparability is inadequate and it is difficult to measure the direct impact on credit decisions. Therefore, it may not be appropriate to use this as a metric for evaluation in credit assessments.</p> <p>2. We believe that the perceived value of nature-related metrics varies among financial institutions depending on their business model. In this regard, it is important to acknowledge that use cases differ across financial sectors, including insurance, securities, asset management, and banking.</p>	

(End)