Consultation TNFD

Assessment, disclosure and data

Question: *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?*

Réponse:

WeeFin considers the presentation of the current challenges to be accurate, as it aligns with our own experience to date. To address these challenges, several tools are available to financial institutions.

1. Identifying priority sectors using impact and dependency analysis

As highlighted in a paper published in 2025, *[Identifying the areas to be included in your biodiversity strategy using impact and dependency analysis](#)*, multiple public data sources can help financial institutions identify the sectors with the most significant nature-related impacts and dependencies within their investment universe. For instance,

- The ENCORE tool, for instance, assesses impact and dependency levels across production processes in various sectors and sub-sectors.
- Similarly, the Science Based Targets Network (SBTN) offers the "SBTN Materiality Screening Tool," which evaluates investment impacts and assigns materiality scores to different economic activities.

Based on such data, financial institutions could prioritise the sectors that require the most attention, i.e. that have the biggest impact and/or dependency on biodiversity. A materiality matrix built using ENCORE data can support this prioritisation by visually mapping impact and dependency levels across holdings, thereby forming the basis of a nature-related strategy.

2. Addressing data availability and data quality gaps

To address challenges related to data availability and data quality gaps, several approaches can be applied:

- Use multiple data providers, whether public or private, to broaden data coverage and compare the consistency of their datasets.
- Perform quality checks on all received data to ensure it meets the required standards.
- Ensure that data is regularly updated by setting up automated update processes for data sources.

In addition, institutions should carefully review the methodologies underlying the datasets they rely on. Because methodologies evolve over time, implementing a regular data-monitoring process helps maintain up-to-date insights and ensures the use of the most relevant datasets for portfolio analysis. Beyond improving data coverage, public sources can also be used to complete data-provider outputs and strengthen overall data quality.

3. Granular data at company level
The challenge of attribution is primarily linked to data-related issues. To accurately determine when a company generates an impact on biodiversity, a financial institution would need comprehensive, company-level data. This would allow it to identify which specific activities, or even which suppliers, are responsible for the impact. Such impacts can only be effectively mitigated if granular company-level data is available, particularly asset location data, which remains a significant challenge today.

Question: *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?*

Réponse: Indeed, these challenges of limited biodiversity data such as asset-level location data and the variability among data providers do reflect our experience. However, we strongly believe that the lack of precise data should not justify overlooking biodiversity considerations as some solutions, described below, are available to overcome them:

1/ Prioritize: When dealing with limited asset-level location data, financial institutions can prioritise data collection by focusing on specific financial products or by targeting companies within sectors that are materially exposed to biodiversity risks.

2/ Public sources: At the same time, some partnerships are emerging between private providers and public sources (MSCI x WWF, GIST Impact x Natural History Museum, ICE x NatureAlpha) to improve the accessibility and availability of nature-related data. In addition, as we see public sources as a great solution for accessing specific nature related data, at WeeFin we partnered with the French Forum for Responsible Investment and published an [overview](#) of these initiatives to help financial institutions identify the most relevant public data sources for their needs.

3/ Tech platform and expertise: Nonetheless, whether public and/or private sources are used, an expertise data is required: Financial institutions should carefully examine each provider's methodology to identify key differences and select datasets that offer both strong portfolio coverage and the most appropriate indicators. Because this process is highly time-consuming, data management tools, such as WeeFin's, play a key role in addressing this challenge. They do so by implementing data quality checks that ensure information is reliable enough to be

used, and by providing matching solutions that maximize portfolio coverage. In addition to technological tools, expertise in biodiversity topics, related data, and methodologies is essential to ensure that these elements are integrated into a financial institution's strategy in the most effective way.

4/ Shareholder engagement: One last challenge is the complexity of the regulatory landscape and its evolution. Even though relatively few companies currently disclose nature-related information, especially after the adoption of the Omnibus Directive which reduces the number of companies required to report, financial institutions still have the leverage to encourage continued disclosure. Engagement can serve as a powerful tool to promote broader and more consistent reporting.

Finally, TNFD could continue helping to overcome these challenges by participating in providing data and methodological frameworks, including common methods for proxies.

Question: *Would financed impact driver metrics be useful for internal assessments of dependencies and impacts? Which impact drivers would be the highest priority? What other metrics would be useful for the TNFD to provide?*

Réponse: Financed impact-driver metrics would be extremely valuable, yet difficult to calculate. As highlighted in the six assessment criteria, the methodologies for measuring these impacts are still neither mature nor harmonised. This should not discourage efforts to measure them, even with methods that have certain limitations, but it is essential to remain transparent about the methodologies applied.

Which impact drivers should be prioritised? The impact drivers indicators provided by TNFD are consistent. To identify the ones that should be prioritised largely depends on the composition of the portfolio. Biodiversity impacts vary by sector practices but, above all, by the geographical location of companies' activities. To determine which impact drivers should receive the highest priority, it is necessary to assess the impacts and dependencies of the financial product. Tools such as a materiality matrix or a Sankey diagram can support this analysis. The objective is to strike a balance between the proportion of investments allocated to each sector and the corresponding level of associated impacts.

Additional metrics could also be disclosed to provide greater granularity and a clearer understanding of the impacts of investee companies. For example, considering the example of the agricultural sector, as the growth of different commodities does not have the same impact in terms of intrant pollution or emissions, the type of commodities could be included in addition to the type of ecosystem and the type of business activity. However, this could be considered in a second phase, as the initial priority should likely be to develop the foundational metrics and associated methodologies before expanding further.

Disclosure metrics

Question: *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 the highest priority? What other metrics would be useful to be disclosed by financial institutions?*

Réponse: NA

Question: *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 the highest priority? What other metrics would be useful to be disclosed by financial institutions?*

Réponse: WeeFin is a data-management platform that enables financial institutions to cross-reference a wide range of ESG datasets from multiple providers, assess their quality, and configure customized metrics aligned with their investment strategies.

The disclosure of financed impact-driver metrics by financial institutions would be valuable in two key ways:

1. For our clients who invest in other financial institutions, either directly in listed entities or through fund-of-funds structures, access to this type of information would significantly enhance their understanding of the impacts within their portfolios by improving data coverage on these dimensions.

2. For WeeFin internally, these disclosures would help strengthen our expertise by enabling us to better support our clients using common frameworks, and by raising the visibility of biodiversity issues within the financial sector, notably through the publication of our thematic guides. Greater transparency from market participants on financed impact-driver metrics would enable us to identify emerging best practices and provide more informed strategic recommendations to financial institutions.

Based on nature-related impacts and dependencies, financial institutions should also disclose their biodiversity-related risks. With 72% of European companies critically dependent on ecosystem services, according to the World Bank, financial institutions are significantly exposed to potential losses resulting from biodiversity degradation. This underscores the need for financial institutions to assess and disclose their biodiversity risks and when it is more developed, publish the financial losses associated with these risks.

New terms

Question: *Do you have any comments on the proposed definitions listed in Annex 1?*

Réponse: No comment

What best practice methods and approaches already exist, and could potentially be scaled globally, for the collection, extraction and sharing of asset location data by financial institutions from clients in their portfolios?

Collecting asset location data remains a highly complex challenge. However, a growing ecosystem of tools and initiatives, many of which are strengthened by advances in AI, is emerging to address this issue.

1. **Company level data**
- Companies should continue to disclose ESG information even if it is no longer mandatory. In the context of the CSRD, for example, companies are encouraged to publish their CSRD report (or an equivalent report) on a voluntary basis. Even in the absence of a regulatory obligation, those that do so will gain a competitive advantage, as they will have already identified their material topics, established calculation methodologies, and reduced the risks to which they are exposed.

- In addition, companies should become familiar with biodiversity data sources such as ENCORE and be supported by appropriate frameworks to facilitate this process, in order to access consistent and harmonized data.

2. **Use existing resources available online**

- **Public sources and NGOs**: Nonprofit organisations play an increasingly important role by developing open-source asset databases. Examples include the Global Energy Monitor and Global Plastics Watch, as highlighted in this research paper

- **Academics and researchers.** Research institutions also contribute specialised datasets and methodologies, enhancing the granularity and reliability of asset-level information.

3. Geolocation data through:
- **Data providers.**
- **Satellite and space-based data.** Innovative companies such as QuantCube leverage satellite imagery and analytics to map assets at scale or solutions like GeoSpatial Asset Intelligence from MSCI deliver commercial datasets that integrate geolocation, mapping, and ownership information, helping fill existing data gaps.
- **AI-driven data collection.** Projects like GeoAsset use artificial intelligence to identify, classify, and map industrial assets, significantly accelerating data collection.