



## **IS Ratings Alignment Note**

### **TNFD Disclosures and Metrics (Taskforce for Nature-based Financial Disclosures)**

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## Background: ESG reporting requirements **What is the TNFD?**

In recent years, financial reporting requirements have increasingly incorporated climate and nature-based disclosures, reflecting the heightened awareness of environmental risks in the global economy. This development is driven by the recognition that the escalating impacts of climate change, biodiversity loss, and the depletion of natural resources pose substantial risks to businesses and economies. Regulators, investors, and stakeholders are demanding greater transparency on how companies assess, manage and respond to these risks. International frameworks, such as the Taskforce on Climate-related Financial Disclosures (TCFD), along with newer guidelines like the Taskforce on Nature-related Financial Disclosures (TNFD), are instrumental in integrating environmental factors into financial reporting. These disclosures aim to enhance accountability, mitigate risks, and align financial practices and flows with global sustainability objectives, including the Paris Agreement and the Global Biodiversity Framework (GBF).

The Taskforce on Nature-related Financial Disclosures (TNFD) framework is a set of guidelines aimed at helping organisations assess, report and manage their nature-related risks, dependencies and opportunities. The objective is to integrate these considerations into corporate financial reporting, helping companies and investors make informed decisions regarding the impact of their activities on nature, and the risks and dependencies they have on natural ecosystems.

The TNFD recommendations and accompanying additional guidance are consistent with the recommendations of the TCFD, the ISSB (International Sustainability Standards Board) and GRI (Global Reporting Initiative) Standards. It also specifically aligns with the global policy goals and targets of the GBF to enable corporate reporting as required by Target 15.

The TNFD guidelines contain 14 disclosure recommendations focusing on governance, strategy, risk and impact management initiatives, and metrics and targets to manage nature risks and opportunities. The TNFD has also published a number of sector specific guidance documents.



## Relevance for the Infrastructure Sector

The TNFD recommendations are designed for organisations of all geographies and sizes, across all sectors and along value chains, including small and medium-sized enterprises (SMEs). The initiative has published sector guidance for Engineering, construction and real estate, Construction materials, and Electric utilities and power generators, to address infrastructure specific reporting considerations.

The TNFD requirements have several key implications for the infrastructure sector:

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### 1. Risk Assessment and Management:

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**Biodiversity Impact:** Infrastructure projects often lead to significant changes in land use, which can affect biodiversity. Under TNFD, companies will need to assess and disclose how their operations impact ecosystems and species.

**Resource Dependency:** Infrastructure development and operations often depends on natural resources like water, minerals, and timber. TNFD encourages companies to assess how changes in the availability of these resources could affect their projects.

**Regulatory Risks:** As governments introduce stricter regulations to protect natural environments, infrastructure companies could face increased compliance costs and project delays. TNFD disclosures will need to reflect these risks and how they are managed.

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### 2. Financial Reporting and Disclosure:

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**Incorporation of Nature-related Risks:** Companies in the infrastructure sector will need to include nature-related risks in their financial disclosures. This could affect asset valuations, particularly for projects that are heavily dependent on natural resources and ecosystems services or that impact sensitive environments.

**Investor Expectations:** Investors are increasingly looking for companies to disclose how they are managing environmental risks. TNFD-aligned reporting could become a key factor in investment decisions, with potential implications for capital costs.

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### 3. Strategic Planning and Project Design:

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**Sustainable Infrastructure:** TNFD requirements will drive infrastructure companies to adopt more sustainable practices, such as using sustainable construction methods and materials, reducing water and energy consumption, and protecting natural habitats.

**Long-term Resilience:** Infrastructure projects are often long-term investments. TNFD encourages companies to consider the long-term environmental risks that could impact the viability of their assets, such as climate change and loss of ecosystem provisioning services.

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### 4. Stakeholder Engagement:

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**Community Impact:** Infrastructure projects can significantly impact local communities and first nations people, especially those dependent on natural resources. TNFD emphasizes the need for companies to engage with stakeholders to understand and mitigate these impacts.

**Transparency:** TNFD encourages greater transparency in how companies manage nature-related risks, which could lead to increased interest from NGOs, local communities, and the public.

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## 5. Compliance and Reporting

**Reporting Requirements:** Compliance with TNFD will require organisations to build capacity, systems and processes that enable reporting against key nature-related dependencies, impacts, risks and opportunities.

**Metrics and Data:** Access to and interpretation of high-quality metrics and data is the foundation of accurate reporting. Compared to climate reporting, which is largely focussed on a single aggregated metric, nature-related reporting is considerably more extensive and complex. Due to the localised character of nature-related impact, gaining insights and gathering metrics on a project/asset level is paramount.

In summary, the TNFD framework puts a focus on how the infrastructure sector manages nature-related risks and opportunities. By aligning with TNFD guidelines, companies can identify and manage their risks more effectively and position themselves as leaders in sustainability. However, this requires adequate systems, processes, practices and aligned organisational culture.

### Mapping TNFD requirements to IS ratings

The Infrastructure Sustainability Council (ISC) certifies sustainability performance of infrastructure assets throughout their entire lifecycle. The ISC's sustainability framework, the IS Rating Scheme, is a third-party verified credits-based framework that measures the impact of an asset across the quadruple bottom line: economic, environmental, social, and governance performance. The scheme is applicable for all types of infrastructure (including rail, road, water, energy, ports, airports and social infrastructure). IS Ratings are available for the Planning, Design, Construction (As-Built) and Operations phase of an infrastructure asset.

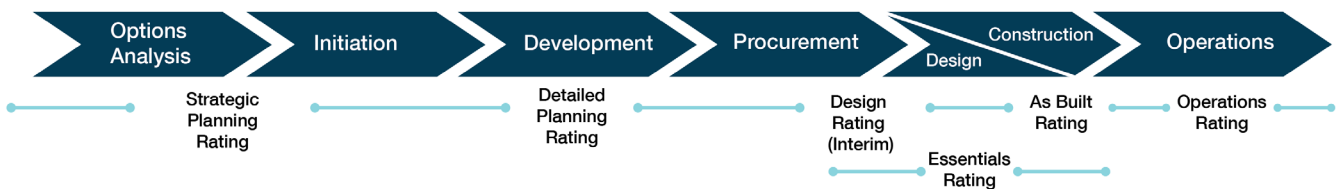


Fig. 1. IS Ratings tools coverage

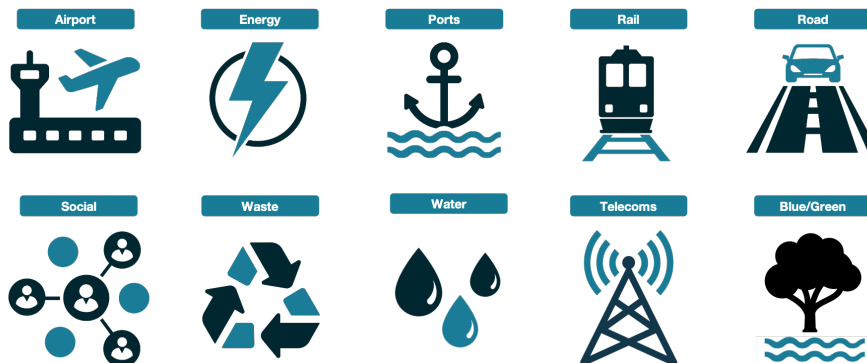


Fig. 2. Types of Infrastructure applicable to IS Rating tool

The following sections map the links between the TNFD disclosure recommendations and metrics and the IS Ratings tools.

## Points of Alignment

This section covers the general points of alignment between the TNFD methodology and IS Ratings.

## TNFD Disclosure Recommendations

The TNFD provides **14 recommendations** to help organisations report and manage nature-related risks and opportunities. These disclosures are grouped into four key categories: **Governance, Strategy, Risk & impact management, Metrics and targets**.

The IS Rating Scheme offers a structured framework that can support reporting aligned with the TNFD recommended disclosures, across the four categories.

The IS Rating tools embed nature-related risks and opportunities into project and asset **governance**, ensuring sustainability is central to decision-making. They emphasize managing risks like climate hazards and supply chain vulnerabilities while promoting active stakeholder engagement, including local communities and First Nations people. The governance related credits in the tools, in particular the Leadership and Management credits, underpin all other credits.

The IS Rating tools integrate sustainability into

project **strategies** by assessing environmental impacts and enhancing resilience, aligning, on an asset level, with TNFD's guidance on addressing nature-related risks in organisational strategy. Credits on place and context, options assessment, energy and carbon, resource management, and biodiversity, support strategic planning to mitigate nature-related risks. The materiality assessment and location-based footprint disclosures help organisations prioritise key nature-related risks and understand the impact of individual assets.

The IS Rating tools help **evaluate and manage risks** to ecosystems and resources through credits in areas like water quality, noise, air quality, vibration and light pollution. Resilience planning and climate risk assessments further ensure infrastructure can withstand environmental stresses, aligning with TNFD's focus on managing nature-related risks. The IS Rating tools provide frameworks for identifying relevant metrics and setting measurable sustainability targets, such as reducing energy, water and materials use and avoiding or reducing carbon and ecological impacts. Higher benchmark levels focus on restoration and regenerative practices and metrics. A compulsory Materiality Assessment tailors the IS Rating to focus on the most relevant sustainability issues, ensuring that metrics reflect the highest risks and opportunities for each project and its stakeholders.





## TNFD recommended disclosures

Disclose the organisation's governance of nature-related dependencies, impacts, risks and opportunities.

Recommended disclosures

- A.** Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.
- B.** Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.
- C.** Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.

Disclose the effects of nature-related dependencies, impacts, risks and opportunities on the organisation's business model, strategy and financial planning where such information is material.

Recommended disclosures

- A.** Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.
- B.** Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.
- C.** Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.
- D.** Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.

Describe the processes used by the organisation to identify, assess, prioritise and monitor nature-related dependencies, impacts, risks and opportunities.

Recommended disclosures

- A(i)** Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.
- A(ii)** Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).
- B.** Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities.
- C.** Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.

Disclose the metrics and targets used to assess and manage material nature-related dependencies, impacts, risks and opportunities.

Recommended disclosures

- A.** Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.
- B.** Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.
- C.** Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.

Fig. 2. TNFD recommended disclosures. Source: Recommendations of the Taskforce on Nature-related Financial Disclosures, p.9.

Note: For a detailed mapping of the TNFD recommended disclosures against the IS Rating components, see [“Correspondence Map: TNFD Recommended Disclosures and IS Ratings Credits” on page 12](#)

## Materiality

The TNFD framework is designed to accommodate two approaches to materiality:

**Financial Materiality Approach:** material information needs of capital providers, consistent with the ISSB's IFRS Standards and TCFD recommendations;

and

**Double Materiality Approach:** material information needs of stakeholders focused on impacts, aligned with a broader materiality approach, consistent with the GRI Standards.

The TNFD recommends that report preparers use ISSB's definition of material information as a baseline (lens 1) and an impact materiality definition (lens 2) in addition should they choose or need to do so.

The IS Ratings Scheme contains a Materiality Assessment that is aligned with the non-financial elements of lens 2. The Materiality Assessment is a compulsory component of an IS Rating and identifies the most important (material) sustainability issues for each individual infrastructure project and program. It results in adjustments to weightings within the IS Rating tools to tailor and focus tool use to the specific project/asset stakeholders and context. For example, if an asset uses significant energy in operation (e.g. a railway) and also in construction (e.g. due to earth moving and tunnelling) then 'Energy and Carbon' is likely to be an issue of high Materiality and therefore results in a higher weighting of the Energy and Carbon credits compared to less material issues. Similarly, where a project / asset is being built or operating in an ecologically sensitive area (e.g. providing species habitat) the 'Ecology' credits would be rated highly respectively.

Once the Materiality Assessment is completed, the IS Scorecard calculates a Materiality Score from 0 (not material) to 4 (very high materiality). The Materiality Assessment in the IS Rating Scheme is recommended to be undertaken in collaboration with key stakeholders and is independently verified for each project or program.

## TNFD Metrics and targets

### Need for asset level considerations

The TNFD guidelines state that "Nature-related impacts and dependencies are location specific, and therefore require local, context-specific assessment and responses. Understanding where interactions with nature occur is of paramount importance to the identification, assessment and management of nature-related issues." Therefore, whilst the TNFD is a framework for organisational reporting, a thorough understanding of localised, asset level impacts is required to provide an adequate and comprehensive picture.

The IS Ratings Scheme is designed to capture asset level data and manage and verify impact of an asset during its full lifecycle. These asset level data can be aggregated and feed into the ESG report at the organisational level.

### Impact drivers and metrics

In the TNFD framework, impact drivers are the forces, like deforestation or pollution, that cause changes in nature, while metrics quantify these impacts, helping organisations assess nature-related risks and dependencies. Metrics track environmental performance and guide decision-making, enabling businesses to manage or mitigate their impacts. Data availability is crucial because accurate, reliable data informs these metrics. Without sufficient and robust data, organisations cannot measure their impact drivers effectively, leading to incomplete risk assessments and poor decision-making.

### The TNFD recommends reporting against

1. a set of core global metrics (applicable across all sectors),
2. sector specific metrics and
3. additional metrics (context specific), across a large set of nature-related categories.

These include water, climate, biodiversity and waste related metrics.



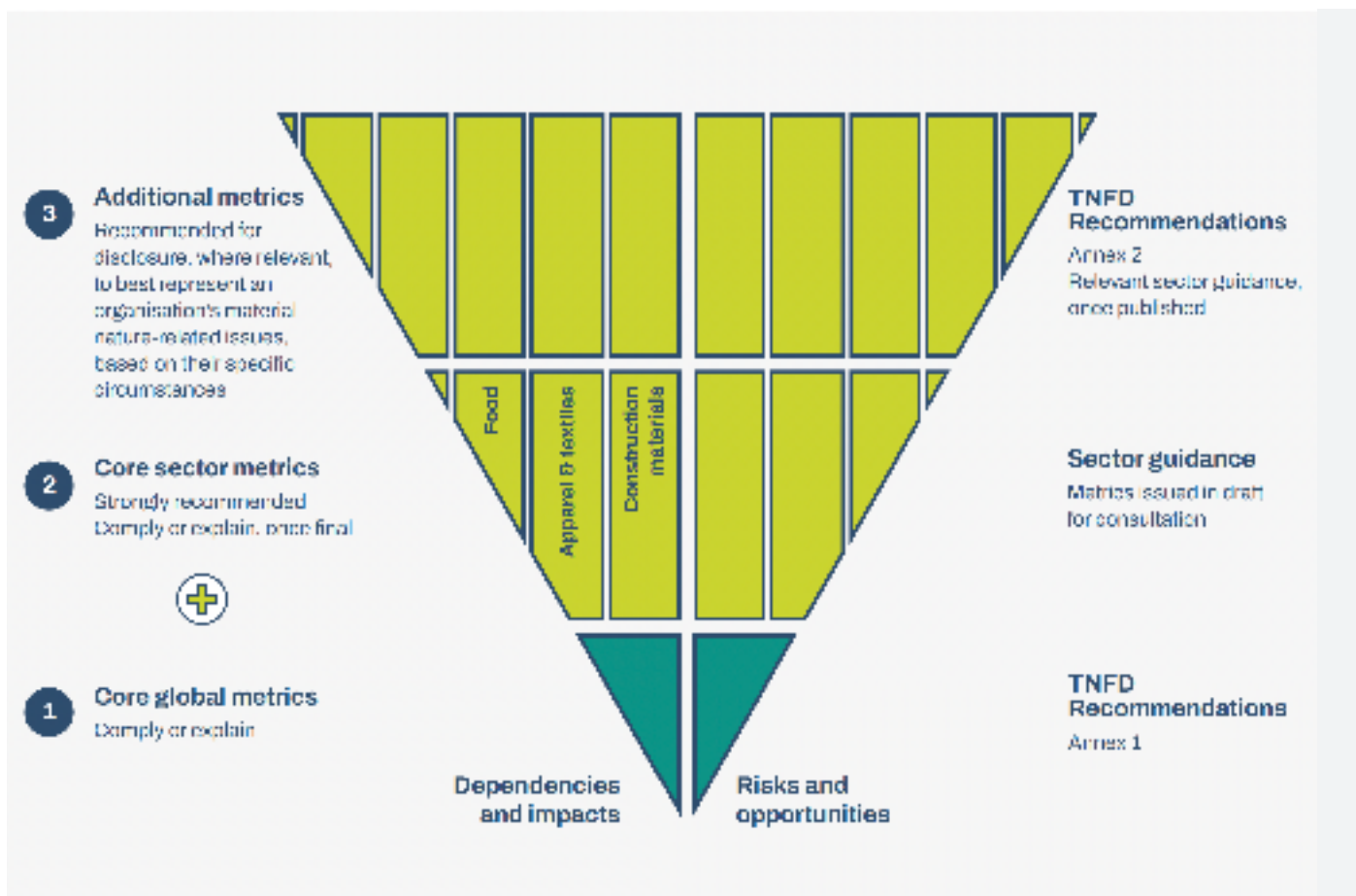


Fig. 3.: Metrics for disclosure. Source: Recommendations of the Taskforce on Nature-related Financial Disclosures, p.65.

## Relation between IS Operations Rating and TNFD recommended metrics

The IS Rating tools enable users to capture metrics, set targets and manage performance on an asset level across four themes: Governance, Economic, Environmental and Social impact. Each theme has one or more categories and each category has one or more credits. Each credit addresses a specific aspect of sustainability performance and (other than Innovation) has up to three levels of performance. Credits contain criteria for each performance level with associated requirements that need to be met. Evidence is required for the verification of performance requirements and metrics.

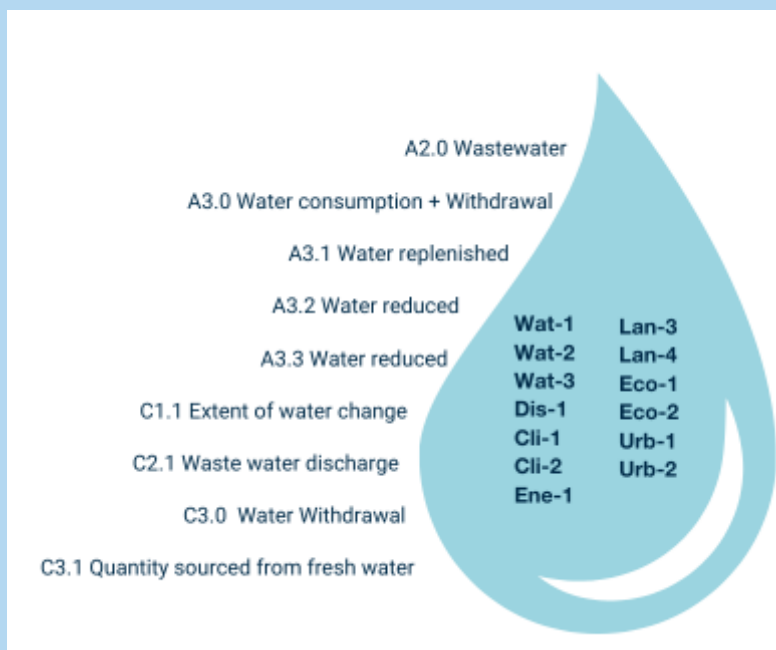


Fig 4: Example of water-related credits in IS Operations rating and their relation to TNFD recommended metrics.

TNFD core impact driver	TNFD suggested global and financial institution-specific metrics <sup>1</sup>	IS Operations Tool Category	Example IS Operations tool data outputs
GHG emissions	GHG Emissions (Scope 1, 2, 3)	Energy & Carbon AND Materials Lifecycle Impact	<ul style="list-style-type: none"> <li>Energy use and carbon emissions data including: All capital and operational carbon sources related to energy (Scope 1 and 2), significant Scope 3 source</li> <li>Materials related carbon emissions</li> </ul>
Terrestrial ecosystem use	Total spatial footprint and land/freshwater/ocean use, conserved or restored	Ecology	<ul style="list-style-type: none"> <li>Ecological impact study / assessment and management plan including description and maps of ecological features and values to be protected</li> </ul>
Soil pollution	Pollutants released to soil by type	Land	<ul style="list-style-type: none"> <li>Contamination reports</li> <li>Remediation Action Plan</li> </ul>
Water pollution	Wastewater discharged and emissions to water generated by investee companies per \$m EUR invested	Discharges to Air,	<ul style="list-style-type: none"> <li>Construction and operations water quality monitoring and modelling results</li> </ul>
Waste	Hazardous and non-hazardous waste generated by type, disposed of, and diverted to landfill; and plastic footprint	Waste AND Land	<ul style="list-style-type: none"> <li>Resource output monitoring and modelling, including % of waste types diverted from landfill</li> <li>Remediation Action Plan / Audit Report</li> </ul>
Non-GHG air pollution	Non-GHG air pollutants by type	Discharges to Air, Land & Water	<ul style="list-style-type: none"> <li>Monitored and modelled air quality impacts for construction and operations</li> </ul>
Water use	Water withdrawal and consumption from areas of water scarcity, with water source identification	Water	<ul style="list-style-type: none"> <li>Monitoring and modelling of water use across the infrastructure lifecycle including a base case and actual case</li> <li>Assessment of alternative water sources</li> </ul>
Other resource use	Quantity of high-risk natural commodities sourced from land/ocean/freshwater; or sourced under a sustainable management plan or certification program	Materials	<ul style="list-style-type: none"> <li>Materials lifecycle assessment</li> <li>Report comparing actual and modelled materials use to a base case footprint</li> <li>Use of sustainability-labelled materials</li> </ul>

Tab.1: Example of TNFD core impact drivers and their correspondence with IS Operations rating data outputs.

## TNFD LEAP Approach

The LEAP approach in the TNFD framework is an optional, structured methodology that guides organisations in assessing, managing, and disclosing their nature-related risks and opportunities.

The IS Rating tools align well with the LEAP approach by applying a structured framework for nature-related disclosures and metrics at the project / asset level.

### Locate

The interface with nature: IS Rating helps asset owners and project delivery teams to identify at an asset level where nature-related impacts are most significant, guiding organisations to map key environmental dependencies and risks.

### Evaluate

Dependencies & impacts: It provides a materiality assessment and nature-related credit requirements and outputs to evaluate the severity of these risks and their potential impact.

### Assess

Risks & opportunities: IS Rating offers a deeper understanding of a project's exposure to nature-related risks and opportunities, supporting a comprehensive assessment of vulnerabilities and the identification of mitigation options and restorative actions.

### Prepare

To respond & report: It helps businesses develop strategies to mitigate risks, build resilience, align with sustainability objectives and report on outcomes.

## Additional Remarks

Neither TNFD nor IS Ratings provide guidance on detailed methodologies for translating nature-related risk and opportunities into financial risk/ opportunities. However, the IS Rating does help identify, quantify and manage those risks. This data can be used as a basis for corporate ESG management and reporting.

The TNFD disclosures apply to an organisation as a whole / rather than a project. It is important to note that IS Ratings cover a part of an organisation's nature-related impacts by assessing them at the infrastructure project and asset level – for the asset types listed above. Other nature-related impacts, risks and opportunities that a company is affected by would need to be captured separately.

## Driving outcomes with the IS Rating Scheme

### Correspondence Map: TNFD Recommended Disclosures and IS Ratings Credits

There is high overlap between the TNFD recommendations and IS Rating Tools, providing an opportunity for IS Ratings data and insights to be used to support more asset specific TNFD reporting. The table below outlines the correspondence of TNFD recommendations to the relevant IS Ratings sections.

TNFD Disclosure recommendation (Organisation Level)	IS Rating alignment (Project/ Program Level)	Relevant IS Rating Credits	
		IS Design & As-Built V2.1 IS Essentials	IS Operations
<b>Governance</b>			
A. Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.	The IS Ratings tools offer a robust framework that ensures nature-related risks and opportunities are embedded firmly within a project's governance structures.	Lea-1: Integrating Sustainability Lea-2: Risks and Opportunities Spr-1: Sustainable Procurement Strategy Ecn-1: Options Assessment Res-1: Climate & Natural Hazard Risks Res-2: Resilience Planning Sta-1: Stakeholder engagement strategy	Man-1: Sustainability Leadership and Commitment Man-2: Risk and Opportunity Management Man-7: Decision Making Pro-1: Commitment to Sustainable Procurement Cli-1: Climate change risk assessment Cli-2: Adaptation measures Sta-1: Stakeholder engagement strategy
B. Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	<b>Integration of Sustainability into Decision-Making:</b> The IS tools' Leadership and Management categories emphasise the need to integrate sustainability throughout the organisation Credits such as Lea-1 (Integrating Sustainability) ensure that sustainability is not an afterthought but central to governance. This aligns with TNFD's focus on ensuring nature-related consideration into strategic decision-making.		
C. Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, local communities, affected and	<b>Risk Management and Oversight:</b> The IS Rating tools' governance focus also includes the Resilience and Sustainable		

<p>other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.</p>	<p>Procurement categories, which address sustainability-related risks like climate hazards and supply chain vulnerabilities. Lea-2 (Risks and Opportunities) requires projects to actively assess sustainability risks and integrate them into management processes. This aligns with TNFD's call for comprehensive oversight of nature-related risks, including biodiversity and ecosystem dependencies.</p> <p><b>Stakeholder Engagement, Including Local Communities and First Nations:</b> The IS Rating tools emphasise engaging with stakeholders, including local communities and First Nations groups, which is critical to the governance of sustainability and nature-related risks. Through credits like Sta-1 (Stakeholder Engagement Strategy) and Sta-2 (Stakeholder Engagement and Impacts), projects are required to actively involve local communities in the decision-making process. This includes respecting and integrating the knowledge and priorities of Indigenous peoples, ensuring that their perspectives on environmental stewardship and nature-related issues are incorporated into project governance. This directly supports TNFD's recommendation to engage with relevant stakeholders and rights holders, ensuring that nature-related risks and opportunities are addressed in a culturally sensitive and inclusive manner.</p>		
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Strategy			
<p>A. Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.</p>	<p><b>Integrating sustainability in strategy:</b> IS Rating tools encourage the integration of sustainability strategies on a project level, particularly through its Leadership, Management and Resilience categories. IS Ratings require projects to evaluate strategic sustainability outcomes, such as reducing environmental impacts and enhancing resilience to natural hazards, aligning with TNFD’s recommendation to consider nature-related issues in the organisation’s overall strategy. Credits focused on energy efficiency, resource management, and biodiversity enhancement also align with strategic planning to mitigate nature-related risks.</p> <p>The IS Ratings’ materiality assessment help understand the relative materiality of nature-related impacts for each individual infrastructure asset, thereby enabling a focus on the most important risks and opportunities.</p>	<p>Rso-1: Resource Strategy Development            Env-1: Receiving water quality            Env-2: Noise            Env-3: Vibration            Env-4: Air quality            Env-5: Light pollution            Eco-1: Ecological Protection and Enhancement</p>	<p>Dis-1: Receiving water quality            Dis-2: Noise            Dis-3: Vibration            Dis-4: Air quality            Dis-5: Light pollution            Eco-1: Ecological value</p>
<p>B. Describe the effect nature-related dependencies, impacts, risks and opportunities (identified in Strategy A) have had on the organisation’s business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.</p>			
<p>C. Describe the resilience of the organisation’s strategy to nature-related risks and opportunities, taking into consideration different scenarios.</p>			
<p>D. Disclose the locations of assets and/or activities in the organisation’s direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.</p>			

## Risk and impact management

<p>A. i Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.</p> <p>ii Identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).</p>	<p><b>Evaluating and managing risks to ecosystems and resources:</b> The IS Ratings tools provide credits for evaluating and managing risks to ecosystems and resources. For instance, the Environmental Impacts theme covers aspects such as receiving water quality, noise, air quality, and vibration (Env-1 to Env-5) and the Ecology theme identifies risks and opportunities related to ecological value. Additionally, Res-1 Climate and Natural Hazards Risks and Res-2 Resilience Planning emphasize risk assessments and planning to ensure infrastructure can withstand environmental stresses. Resource use risk and opportunities including greenhouse gas impacts during construction and over the asset lifecycle are assessed and optimised through the Resource Strategy Development and the Energy, Materials and Water Use credits. On a project level, these align well with TNFD's focus on assessing and managing nature-related risks and opportunities, encouraging organisations to integrate comprehensive nature-risk management across their operations.</p>	<p>Lea-2: Risks and Opportunities  Res-1: Climate &amp; Natural Hazard Risks  Res-2: Resilience Planning  Rso-1: Resource Strategy Development  Ene-1: Energy Efficiency and Carbon Reductions  Wat-1: Avoiding Water Use  Rso-6: Material Life Cycle Impact Measurement and Management  Env-1: Receiving water quality  Env-2: Noise  Env-3: Vibration  Env-4: Air quality  Env-5: Light pollution  Eco-1: Ecological Protection and Enhancement</p>	<p>Man-2: Risk and Opportunity Management  Cli-1: Climate change risk assessment  Lan-4 Flooding mitigation  Ene-1 &amp; 2: Energy and carbon reduction  Wat-1 &amp; 2: Water use and reduction  Mat-1 &amp; 2: Materials footprint measurement and reduction  Dis-1: Receiving water quality  Dis-2: Noise  Dis-3: Vibration  Dis-4: Air quality  Dis-5: Light pollution  Eco-1: Ecological value</p>
<p>B. Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities.</p>			
<p>C. Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes</p>			

Metrics and Targets			
<p>A. Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.</p>	<p><b>Focus on material metrics and targets:</b> The IS Ratings tools provide frameworks and guidance for assessing sustainability performance through setting targets and goals and measuring outcomes in categories like environmental impacts, energy, water, carbon, materials and biodiversity. For example, credits like Wat-1 (Avoiding Water Use) and Ene-1 (Energy Efficiency and Carbon Reductions) encourage measurable reductions in water use and greenhouse gas emissions, requiring targets to be set and then monitoring and reporting on relevant nature-related metrics.</p>	<p>Lea-1: Integrating Sustainability Res-1: Climate &amp; Natural Hazard Risks Res-2: Resilience Planning Pla-2: Urban and Landscape Design Ene-1: Energy Efficiency and Carbon Reductions Ene-2: Renewable Energy Env-1: Receiving water quality Env-2: Noise Env-3: Vibration Env-4: Air quality Env-5: Light pollution Rso-2: Management of Contaminated Material Rso-4: Resource Recovery and Management Rso-6: Material Life Cycle Impact Measurement and Management Wat-1: Avoiding Water Use Eco-1: Ecological Protection and Enhancement</p>	<p>Man-1: Sustainability Leadership and Commitment Man-5 Reporting and review Cli-1: Climate change risk assessment Urb-1 &amp; 2: Urban Design Implementation Ene-1 &amp; 2: Energy and carbon reduction Ene-3: Renewable Energy Dis-1: Receiving water quality Dis-2: Noise Dis-3: Vibration Dis-4: Air quality Dis-5 Light pollution Lan-3: Contamination and remediation Mat-1 &amp; 2: Materials footprint measurement and reduction Was-1: Waste Management Was-2: Diversion from landfill Wat-1 &amp; 2: Water use and reduction Eco-1: Ecological value Eco-2: Habitat connectivity</p>
<p>B. Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.</p>	<p>The Materiality Assessment as a compulsory component of an IS Rating identifies the most important (material) sustainability issues for each individual infrastructure project and program. It results in adjustments to weightings within the IS rating tool to tailor and focus tool use on the specific priorities of project/asset stakeholders and context. This supports a focus on the metrics that are most relevant to a project's context and stakeholders and as such carry the highest risks and opportunities.</p>		
<p>C. Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.</p>			

Tab. 2: Example of TNFD Disclosure Recommendations and their correspondence with IS rating tools.





Special thanks to the Oliver Wyman team whose generous contribution of time has helped shape this alignment note.

For more information, please contact [info@iscouncil.org](mailto:info@iscouncil.org) or visit our [website](#)

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