



IN CONVERSATION WITH  
**DAVID CRAIG & ESTHER AN**

**David Craig, Co-Chair of the Taskforce on Nature-related Financial Disclosures (TNFD), and Esther An, Chief Sustainability Officer at City Developments Limited (CDL) and a TNFD Taskforce Member, share their perspectives on the importance of recognising the dialectical relationship between nature and finance.**

# Financing Climate-Resilient Nature-Based Solutions



Image: City Developments Limited

The Taskforce on Nature-related Financial Disclosures (TNFD) equips companies and financial institutions with a set of recommendations and guidance on how to assess, report, and act on their nature-related dependencies, impacts, risks, and opportunities.

**Could you share more about the strategic work that TNFD does, as well as elaborate on the transformative impact that the Taskforce hopes to achieve?**

**David:** TNFD is a market-led, science-based, and government-backed initiative that seeks to support a shift in global financial flows away from nature-negative outcomes and towards nature-positive outcomes, aligned with the Global Biodiversity Framework. We do that by creating recommendations and guidance that enable business and finance to assess their interface with nature, allowing them to understand their dependencies and impacts on nature and the related risks and opportunities. The framework uses a scientifically-robust definition of the natural system to reveal how each actor in the supply chain is both dependent on the flow of nature's inputs (ecosystem services) or impacting them.

**Esther, as a member of this ecosystem, could you share more about the strategic value that TNFD has brought for you and your organisation, CDL?**

**Esther:** CDL has been in the green building development industry for a long time. We started looking at environmental conservation as part of our construction work in 1995, almost 30 years ago—even at a time when there was little pressure from regulators and investors. We also introduced sustainability reporting 17 years ago in 2008 as we saw the importance of setting targets, measuring, and tracking performance.

Hence, when TNFD was launched in 2021, we were keen to jump on board given that it aligned with the work that CDL already does. It was especially useful that TNFD leverages the four pillars of the Task Force on Climate-related Financial Disclosures (TCFD)—namely, governance, strategy, risk management, and metrics and targets—which CDL has adopted since 2017.

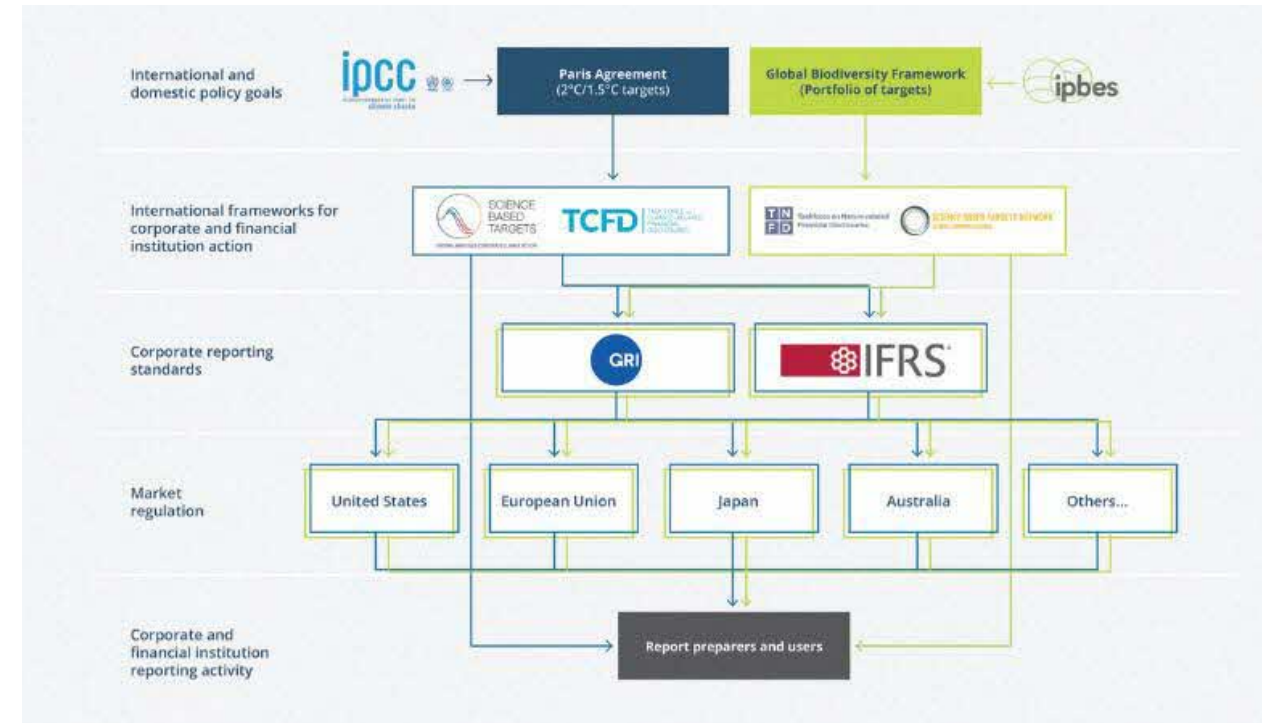
For the built environment sector, which accounts for almost 40% of global greenhouse gas emissions and a huge part of cities, the transition to a low-carbon future goes beyond infrastructure technology or energy solutions. Echoing TNFD's mission, we must learn to harness the benefits of nature, creating nature-based solutions that help lower our carbon footprint.

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**What kind of impact does TNFD envision its work to have in informing the ways business and finance operate?**

**David:** Our goal is to encourage companies and financial institutions to integrate nature into their decision making. To attain this goal, TNFD encourages voluntary adoption among investors, given their influence on expenditure and funding. As of October 2024, over 500 organisations including 129 financial institutions have registered as TNFD Adopters, representing \$17.7 trillion in assets under management—approximately 10% of managed assets in global equities. When investors start to care about businesses’ interface with nature, their choice of investment will follow suit, naturally moving businesses to incorporate nature in their operational decisions. Investors—which includes asset managers and owners—are currently our biggest adopter group by type.

TNFD also has a large group of business adopters that are making changes because they recognise the risks and opportunities of interfacing with nature and climate. While regulation and consumers play a pivotal role, our goal is to lead the way by having science-based recommendations that are practical and pragmatic for the market to implement. To break the cycle of consuming, producing, and living at the pace that we cannot sustain, we have to use all levers of change—the markets, government, and people. Only then can we get it right and reap enormous benefits.



The present reporting architecture.  
 Image: TNFD

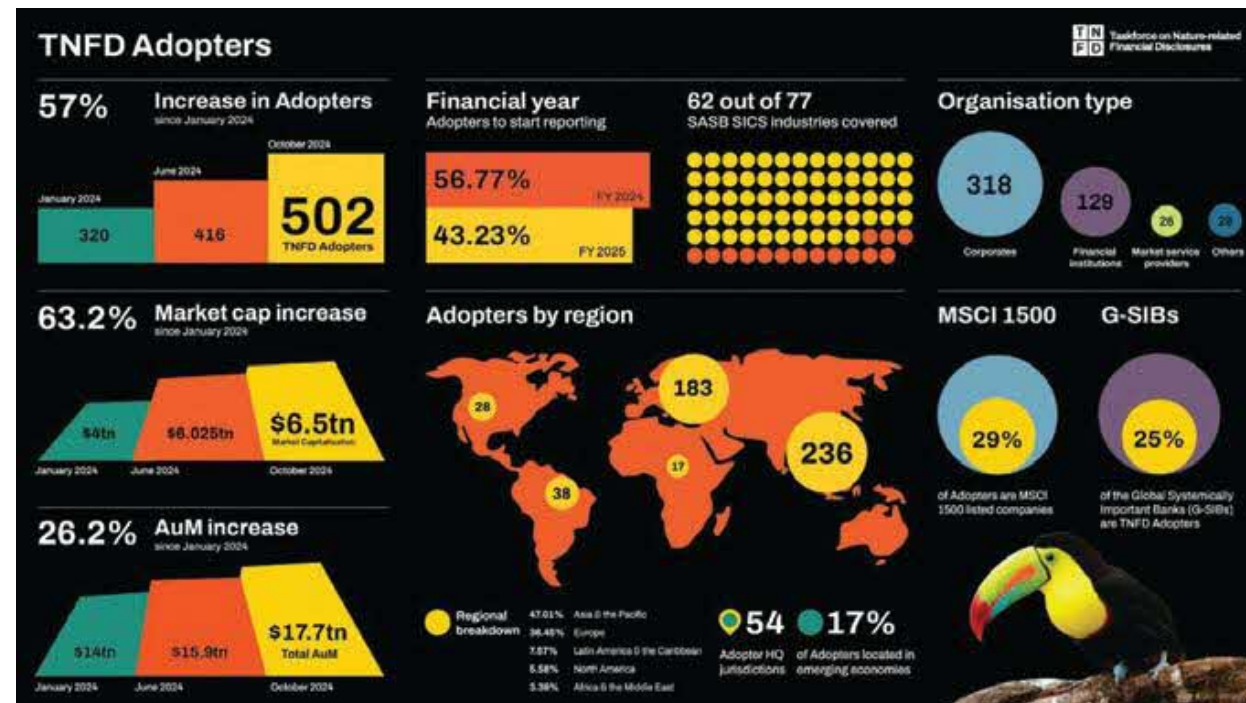
**Esther:** TNFD urges adopters to consider the multi-layered dependencies between the environment, people, and economic prosperity.

From the perspective of the building industry, nature is an integral part of CDL’s operations. This is because buildings extract a lot of raw materials from nature, making it crucial for developers to not only avoid destroying nature but ensure regeneration through nature-based and circular solutions.

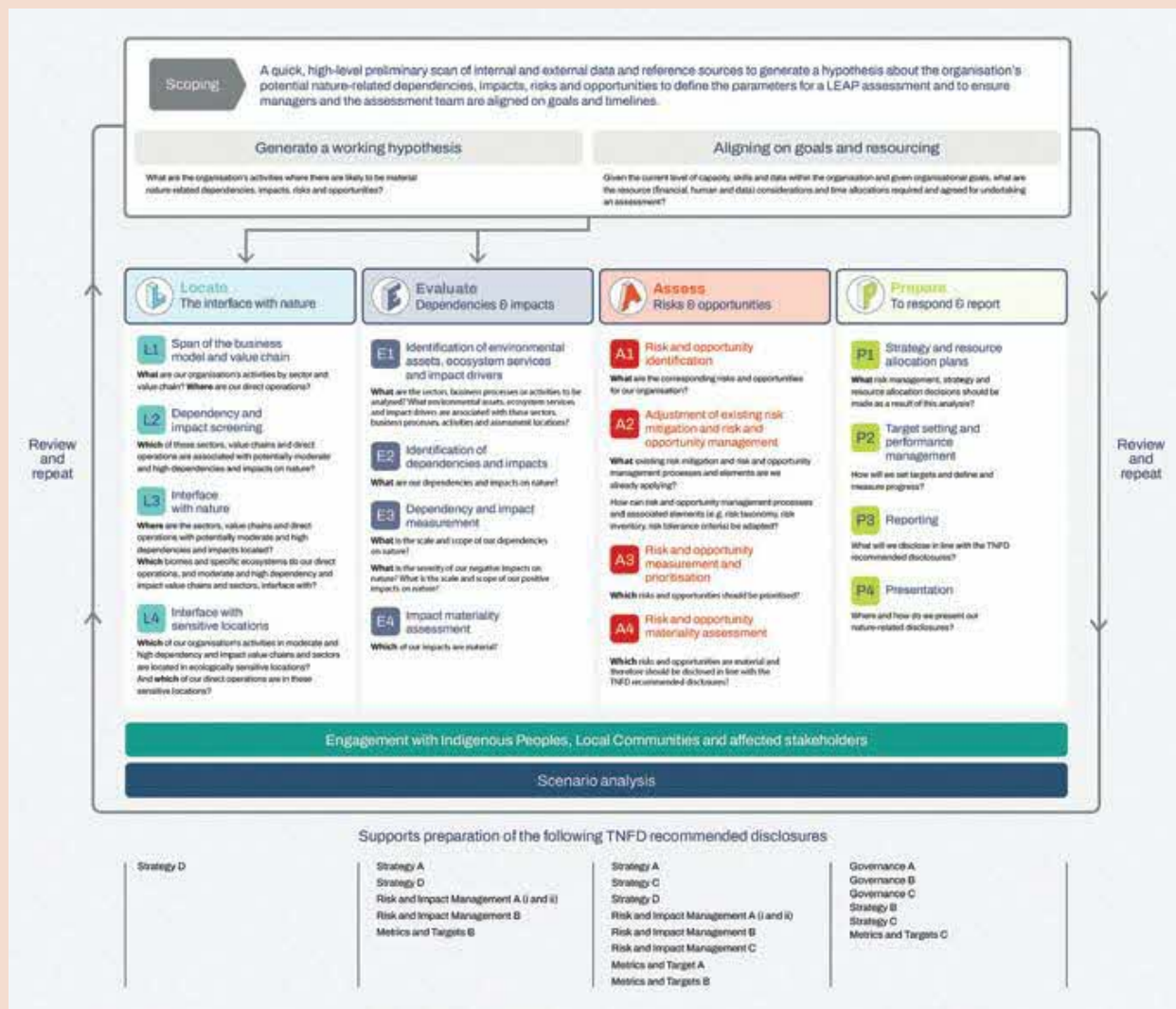
In this light, CDL began adopting Biodiversity impact assessment for sites that are sensitive or near nature since 2010 and the Global Reporting Initiative (GRI) standards, which cover water and waste management, circularity, and biodiversity conservation. In relation to these existing frameworks, TNFD plays a complementary role in guiding CDL to rethink our reciprocal relationship with finance, i.e., how finance can drive positive change, and in turn how positive impact the planet can be created through finance.

**Financial institutions, corporates, and market services, while all operating in the private sector, have differing priorities and goals. How does TNFD balance and synergise these different demands to formulate a disclosure standard?**

**David:** TNFD has created an integrated assessment approach, LEAP, designed for use by organisations of all sizes and across all sectors and geographies. It helps organisations conduct the due diligence necessary to inform disclosure statements aligned with the TNFD recommendations. The LEAP approach guides organisations through four phases: “Locate interface with nature”, “Evaluate dependencies and impacts on nature”,



TNFD Adopters, as of October 2024, announced at COP16 in Cali, Colombia.  
 Image: TNFD



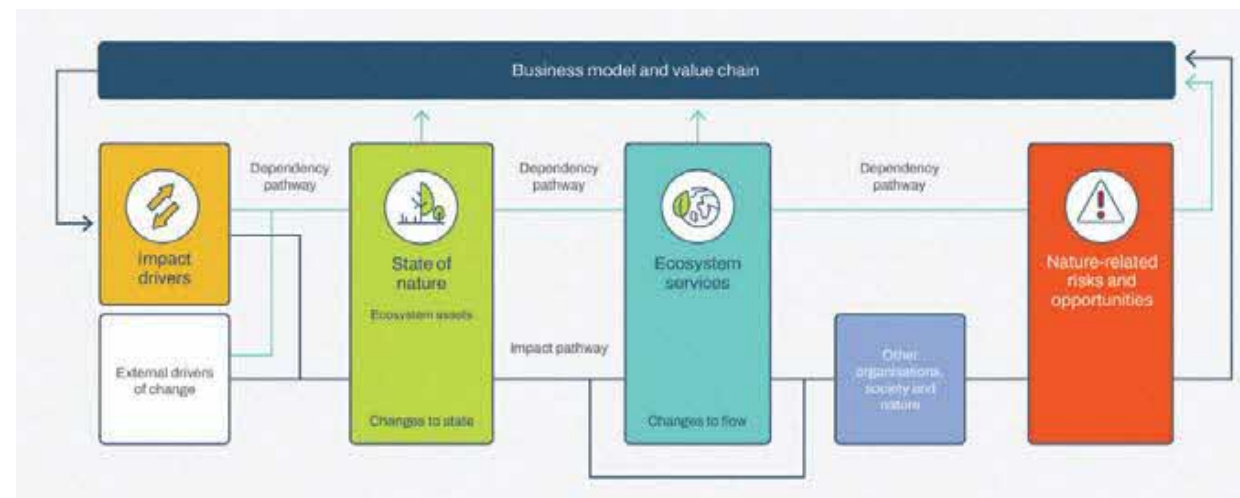
The LEAP approach.  
Image: TNFD

“Assess nature-related risks and opportunities”, and “Prepare to respond to and report on material nature-related issues”, providing organisations with a more granular understanding of their supply chains.

Through the process of establishing our LEAP approach, we found that many organisations looking to report in line with the TNFD recommendations were unaware of the exact location of their supply chain. This can weaken the resilience of businesses, which requires an in-depth understanding of supply chains, whether it is in the knowledge of products used, raw materials sourced, or the communities relied upon and impacted.

**What are the challenges that TNFD faces in getting buy-in from financial institutions, corporates, and market services?**

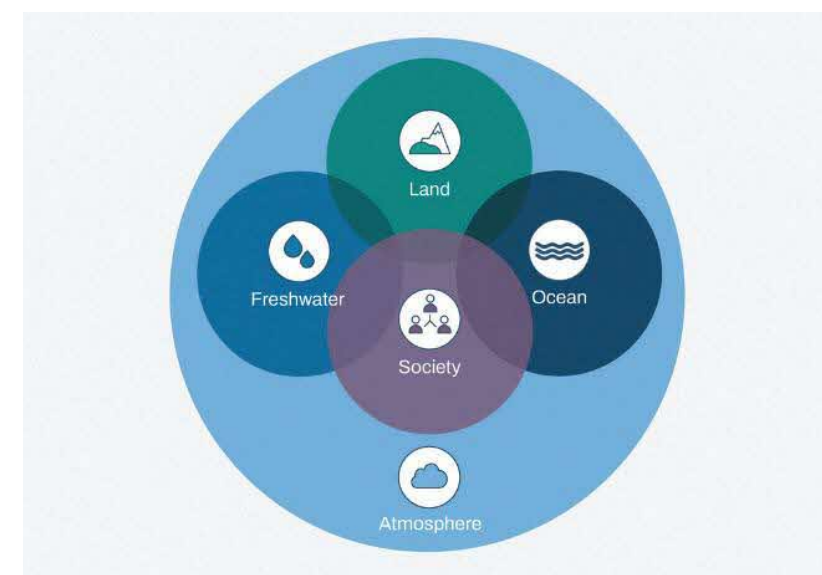
**David:** One of the key challenges lies in the prioritisation of nature over climate. This is underpinned by the fact that the climate is a part of the natural system, and both climate and nature are integrated and interconnected. In this vein, we encourage people to take a holistic view of the natural environment.



Nature-related dependencies of the business model and value chain.  
Image: TNFD

Nature is comprised of four realms—fresh water, oceans, land, and atmosphere—and we rely on not just one of the realms, but the intactness of all four realms. This calls for nature and climate to be embedded into everyday business operations, models, and supply chains; viewed as core to business and a strategic risk management issue, rather than a corporate social responsibility issue.

The answer to this lies in education. We have focused a lot of our work on training and capacity building among market participants. As part of the TNFD's open innovation approach to developing the recommendations, over 200 pilot tests were carried out on the LEAP approach by companies and financial institutions across geographies, sectors, and biomes. Recognising the complexity of assessment and reporting across value chains, the Taskforce has also produced guidance on how organisations can approach the analysis of their upstream and downstream value chains.



Nature's four realms: land, ocean, freshwater, and atmosphere.  
Image: TNFD

Data is another challenge, particularly in finding the right datasets and filling the gaps. At the end of 2024, TNFD launched a roadmap for enhancing market access to high quality nature-related data to improve decision-making informed by nature and biodiversity loss and its concomitant risks.

### How would you propose for nature to be valued in a way that encapsulates its range of benefits, opportunities, risks, and dependencies?

**David:** I believe that government policy plays an important role in regulations, policies, and initiating green financing to ensure that nature is not shortchanged. Having worked in the financial markets for 30 years, it is surprising how good we can be at pricing risk and items, yet attach so little value to what is probably the most valuable asset class we have, nature.

Simultaneously, with the growing recognition that the resilience of business depends on the resilience of nature, the conversation needs to focus on the opportunities presented to businesses; it is in the strong self-interest of businesses to incorporate nature into decision-making processes. Analysis by the BloombergNEF team shows that when nature risk is not managed and resilience is not in place, companies are exposed. The Bloomberg (2023) research highlights 10 companies that have experienced an accumulated loss of value of around US\$80 billion.

**Esther:** Putting a value on greening the built environment and conserving nature requires a long-term view. When we first started green building in the early 2000s and even up till the point where Singapore's Green Mark scheme was introduced (in 2005) and became mandatory (in 2008), it was challenging to quantify the value and even harder to get consumers to share the cost of investments in green building design and features. This is because just as nature takes time to regenerate, people too take time to grow their appreciation for nature. And despite initial resistance, buildings with green ratings are reporting higher capital value for sale or rental in key cities. For instance, Prime Central London office buildings with



CDL Tree House Condominium, completed in 2014, embodies extensive adoption of nature-based solutions.  
Image: City Developments Limited



Straw headed Bulbul at Chestnut Nature Park, which is adjacent to the Tree House.  
Image: Hiking the Green Isle

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a BREEAM Excellent rating enjoy a 10.5% premium on sales price compared to equivalent unrated buildings, while those with a BREEAM Very Good rating enjoy a 10.1% premium (Knight Frank, 2021).

Valuing nature also requires us to recognise its intricacies and in turn create conditions for nature to thrive. For CDL's Tree House condominium, completed in 2014, almost 77% of the site area was dedicated to landscape and nature features. We conducted a biodiversity impact assessment and identified 99 native animals and more than 32 native plants, which we sought to embrace through landscaping. Its iconic 24-storey high green wall was included in the Guinness World Records from April 2014 to June 2015 for the Largest Vertical Garden.

A one-year survey by the then School of Design and Environment, National University Singapore concluded that the green wall was able to cool the indoor space by up to 3°C. The development's other green features were able to achieve both energy and water savings. Its favourable brand and innovative green features are believed to have contributed to a higher investment value for residents.

**David:** To add, we must begin to acknowledge our everyday dependence on nature's value in safeguarding people's lives and our cities. This is especially evident in the many cities around the world dealing with extreme weather. A big part of the solution lies in choosing greenery over concrete. When we allow nature to flourish, we create more resilient and liveable cities against the climate crisis.

### As we advance cities' regenerative agenda, what visions do you have for the role of TNFD and the larger finance and investment industry?

**Esther:** As a practitioner, I am excited about the fast traction that TNFD has gained and look forward to further work in simplifying and streamlining the presentation of TNFD-aligned recommended disclosures in existing voluntary or mandatory corporate reporting. There has been close collaboration with standards bodies such as the European Financial Reporting Advisory Group (EFRAG) and International Sustainability Standards Board (ISSB), to deliver further harmonisation of sustainability reporting framework with TNFD. Given that over half of the world's GDP depends highly or moderately on nature and its services, I believe TNFD is set to become mainstream in global reporting standards.

**David:** To mainstream TNFD, there are a few key values I wish to emphasise for the wider finance and investment landscape. We should start thinking about the natural ecosystem in its entirety rather than in silos. It is also important to appreciate the different roles that government, finance and investment, and business sectors play individually and collectively in the ecosystem; all players need to come together and recognise their roles in this shared interest. I look forward to a world where humanity is built on sustainability and resilience. 🌱