



Forestry England

Taskforce

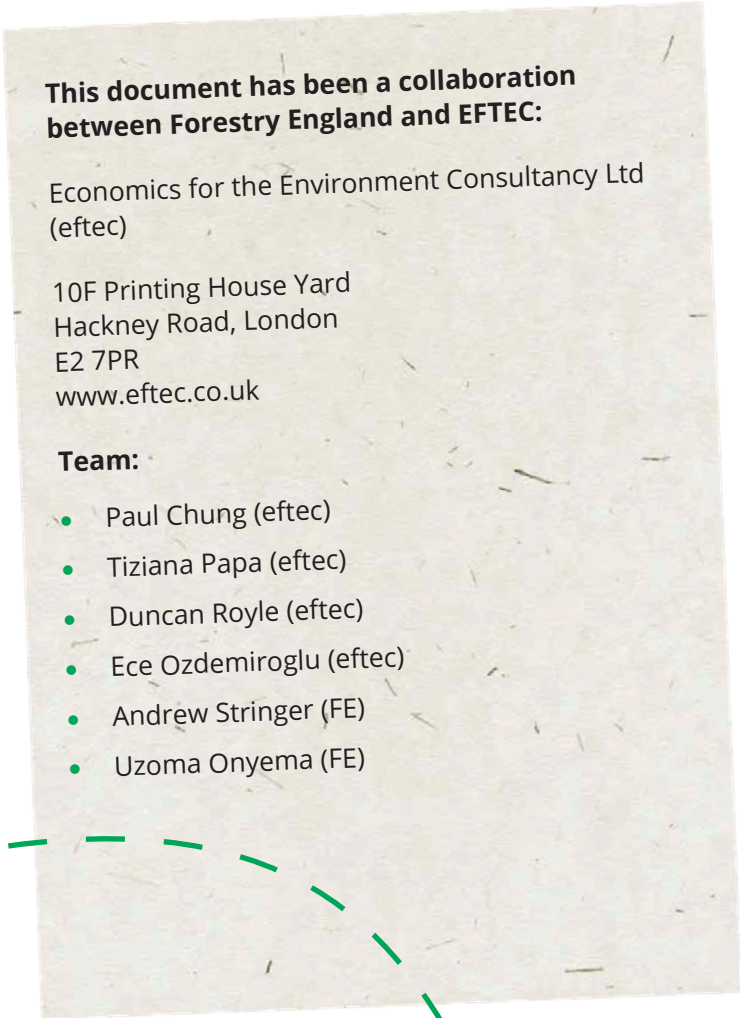
On Nature-Related Financial Disclosures

(TNFD)
Report – 2025



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Summary

This is our first TNFD disclosure, and it gives us a new way to talk about something that sits at the heart of everything we do. Our relationship with nature. While our Natural Capital Accounts show the value the nation’s forests create, this report looks at why that value exists in the first place, because healthy, resilient ecosystems make it possible. Nature makes our work possible.

Timber relies on good soils, clean water and natural resilience. Recreation depends on fresh air, stable climates and the rich landscapes people come to enjoy. And in turn, what we do shapes nature. Through restoration and recovery, but also through the pressures that come with managing land at scale.

This assessment shows the risks we face if nature continues to decline, from pests and diseases to reduced carbon storage and falling timber volume.

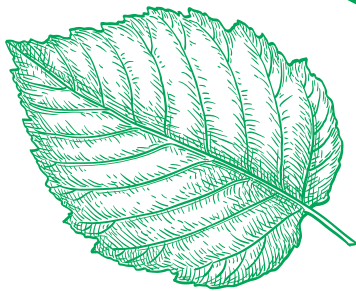
But it also highlights real opportunities. Healthier ecosystems strengthen resilience, boost productivity and open doors to new ways of investing in the natural world.

Adopting the TNFD framework helps us explain all of this more clearly. It brings nature into sharper focus in our decisions and helps us share the bigger picture behind our choices. Most importantly, it reinforces why we do what we do. To create resilient forests, support thriving communities and leave nature stronger for the future.



TNFD recommended disclosures

Governance	Strategy	Risk & impact management	Metrics & targets
Disclose the organisation's governance of 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.	Describe the processes used by the organisation to identify, assess, prioritise and monitor nature-related dependencies, impacts, risk and opportunities.	Disclose the metrics and targets used to assess and manage material nature-related dependencies, impacts, risks and opportunities.
Recommended disclosures	Recommended disclosures	Recommended disclosures	Recommended disclosures
A. Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.	A. Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.	A(i). Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.	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. Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	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.	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. Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.
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.	C. Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.	B. Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities.	C. Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.
	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.	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.	



Governance

A) The Forestry England Board, appointed by the Forestry Commissioners, provides strategic oversight of nature-related dependencies, impacts, risks, and opportunities. It approves key initiatives like Growing the Future and the Biodiversity Plan, guiding efforts in biodiversity and sustainability. Through regular review and guidance, the Board ensures alignment with long-term environmental goals.

B) At Forestry England, management plays a central role in assessing and managing nature-related dependencies, impacts, risks, and opportunities. The Executive Team, led by the Chief Executive, oversees strategy implementation and performance, receiving annual updates on Biodiversity Plan delivery from the Biodiversity Programme Board. The Head of Environment and Nature Recovery leads this work, ensuring biodiversity is embedded in decision-making. This coordinated approach drives sustainability and environmental stewardship across the organisation.

C) Forestry England is committed to respecting human rights and engaging meaningfully with Indigenous Peoples, Local Communities, and other stakeholders in assessing and responding to nature-related dependencies, impacts, risks, and opportunities. The Board oversees policies that uphold these commitments, while management leads stakeholder engagement and consultation activities. A key focus is our local consultation on forest plans—our primary means of involving communities in shaping the future of their local forests. Hosted on our consultation hub, these engagements ensure local voices are heard, with outcomes published to maintain transparency. This approach helps align our environmental strategies with the needs and values of the communities we serve.



Strategy

A) Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.

Dependencies

Where Forestry England depends on nature:

Key: VL L M H VH

Forestry England's activities dependency on nature		Commercial forestry	Recreation
Provisioning services	Water supply	H	L
	Biomass provisioning	VH	n/a
	Genetic material	VH	n/a
Regulating & maintenance services	Solid waste remediation	VL	n/a
	Soil retention	H	n/a
	Water purification	VL	n/a
	Soil quality regulation	VH	n/a
	Biological/Pest control	VH	M
	Air filtration	n/a	VH
	Flood control	L to VH	L to VH
	Global climate regulation	VH	VH
	Nursery population and habitat maintenance	VH	n/a
	Noise attenuation	n/a	M
	Local (micro and meso) climate regulation	VH	VH
	Pollination	L	n/a
	Storm mitigation	M	M
	Water flow regulation	H	n/a
	Rainfall pattern regulation	H	n/a
Cultural services	Visual amenity services	n/a	VH
	Spiritual, artistic, and symbolic services	n/a	H



Impacts

Where Forestry England impacts on nature:

Please note that impacts can be positive, negative, or mixed.

Key: VL L M H VH

Forestry England's activities associated with impacts on nature		Commercial forestry	Nature restoration	Recreation
Land, freshwater and ocean use change	Area of land use	VH	VH	L
	Area of freshwater use	n/a	H	n/a
	Area of seabed use	n/a	n/a	n/a
Climate change	Emissions of GHG	M	M	n/a
Resource use/replenishment	Other biotic resource extraction (e.g. timber)	VH	n/a	n/a
	Other abiotic resource extraction	L – M	n/a	n/a
	Volume of water use	L	n/a	n/a
INNS	Introduction/Removal of invasive species	M	VH	VL
Pollution/pollution removal	Emissions of non-GHG air pollutants	L	n/a	L
	Disturbances (e.g. noise, light)	n/a	n/a	H
	Emissions of toxic soil and water pollutants	L	n/a	n/a
	Emissions of nutrient soil and water pollutants	L	n/a	n/a
	Generation and release of solid waste	L	L	L

Our forestry practices and restoration efforts have both environmental impacts and benefits:

- Environmental impacts include the spread of invasive species, fertilisers, pesticides, soil degradation from ground preparation and compaction in wet conditions.
- Nature restoration activities (e.g. Forest Wilding, etc) can support, protect, and enhance biodiversity, prevent soil degradation. They can also help mitigate climate change (e.g. through peatland restoration) and improve air quality.

Risks and Opportunities

(A) If we continue to lose Nature, what issues might arise? If we restore nature, what opportunities might arise?

Key: VL L M H VH

Risk	Impact driver	Opportunity	Description
VH	Catastrophic forest ecosystem collapse	M	This was a key risk identified in the Forestry Horizon Scan. It is arguably beginning to occur in certain areas of our forests, where native invasive species (e.g. bracken) are inhibiting tree recruitment. Nature restoration would not only reduce the likelihood of these areas developing but also help restore already degraded sections
H	Pest and disease protection	H	Existing, emerging, and potential pests and diseases represent significant risks that may lead to ecosystem degradation and hinder Forestry England's ability to deliver its planned programmes and timber production. Nature serves as our frontline defence against pest and disease outbreaks, for instance through the immune support that fungi provide to trees. In particular, there is a significant opportunity to increase our forests innate levels of pest defence through restoration of natural enemies i.e. pest predators.
H	Resilience of timber stands to extreme weather events	H	Various components contribute to the resilience of forest ecosystems against extreme weather events. For instance, soil fungi can mitigate the effects of drought, flooding, and high temperatures, thereby increasing the likelihood of survival. Initial results suggest we have depauperate soil fungal communities in 2/3rds of our woodlands.
H	Timber yield class	M	The soil fungal community has been directly linked to yield class, with favourable fungal communities tripling the yield class of slow growing crops.
M	Reputation and brand	M	International commitments will spotlight ecosystem integrity and drive monitoring efforts
M	Greenhouse Gas Emissions	M	Biodiversity loss may reduce our forests ability to sequester carbon and increase greenhouse gas emissions due to decreased resilience and functionality. Equally, nature restoration may increase the ability of our forests to sequester carbon. In addition, peatland restoration would reduce GHG emissions.
L	Non-timber revenue opportunities	M	The increasing recognition of the importance of nature may lead to increased revenue from non-timber revenue opportunities, such as green finance, corporate partnerships, and our ecotourism offer.
VL	Timber revenue opportunities	M	The increasing recognition of the importance of nature may lead to increased revenue from timber that supports nature-rich environments, for instance through increased growth and recognition in the sustainable timber market, greater revenue margins from certification schemes, etc.

Risk/Opportunity Matrix				
Likelihood of impact	High	M	H	VH
	Med	L	M	H
	Low	VL	L	M
		Low	Med	High
		Size of impact		



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

Forestry England’s evolving business model reflects a growing commitment to nature restoration alongside sustainable revenue generation:

- Revenue is primarily derived from sustainable timber harvesting and recreation, with limited government funding.
- Over the past three decades, Forestry England has shifted to more diverse, resilient forests using mixed species, varied age structures, and natural regeneration.
- Key milestones include FSC certification (c. 2000), the first natural capital accounts (2015–16), and the Growing the Future strategy (2021), which elevated nature’s role in delivering public value.
- The Biodiversity Plan (2022-26) formalised this shift, positioning restoration as essential to public benefit.
- By 2024, nature’s role in forest sustainability was recognised in the Forestry Horizon Scan, identifying ecosystem collapse as a major risk.
- In 2025, ecosystem health became central to the organisational Resilience Strategy, and the adoption of Taskforce on Nature-related Financial Disclosures (TNFD) further embedded nature into the business model.
- Biodiversity restoration is now guided by the Biodiversity Plan and it’s future iterations, ensuring nature remains at the heart of Forestry England’s future.

C) Describe the resilience of the organisation’s strategy to nature-related risks and opportunities, taking into consideration different scenarios

Business as usual scenario

Catastrophic Forest Ecosystem Collapse is a key risk within our **Forestry Horizon Scan** if business as usual approaches continue:

“The large-scale effects of extreme weather events and the knock-on impacts from wind, fire and pests such as bark beetles could cause entire forest ecosystems to collapse. This would be an abrupt, long-lasting and widespread change with potentially devastating impacts on biodiversity and the goods and benefits nature provides for us. Significant forest dieback has already happened across large areas of Europe, and is a very real threat for UK forests.”



Biodiversity Plan and Resilience strategy implementation scenario

These are our key mechanisms for reducing nature-related risks and realising nature-related opportunities. Forestry England have made great progress in diversifying forests from the historical focus on monocultures. However, we still have large areas reliant on only a handful of tree species. We are currently exploring metrics focusing on the resilience of our forests, and these may be included in future disclosures. Given the long-term decline in nature across the UK, with minimal signs of recovery, the risk of Catastrophic Forest Ecosystem Collapse within the nation’s forests remains High.

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

Priority Location?	Location*	Activities
Yes	SSSIs, SACs, SPAs, Ramsar sites, etc	Restore to favourable condition
Yes	Open habitats	Increase area to 21.1% of the nation’s forests Manage existing open habitats appropriately
Yes	Native woodland	Manage appropriately
Yes	Non-native woodland with nature restoration focus	PAWS restoration, Forest Wilding
No	Non-native woodland with other focus (e.g. timber, recreation, etc)	Nature Networks - Link existing habitats, through woodland rides, watercourse buffer zones, and dedicated corridors Species Reintroductions

*Please note that there are significant overlaps across these areas. For instance, many SSSIs are also open habitats.





Risk & impact management

Ai) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations

(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)

Forestry England has identified and assessed material nature-related issues using the LEAP approach, supported by internal risk management processes that prioritise nature.

- The initial focus is on direct operations, with future TNFD disclosures aiming to include the broader value chain.
- A heatmap assessment using ENCORE highlighted key dependencies and

impacts across timber production, recreation, and conservation on our 250,000 hectares. This was enriched by data from our Natural Capital Account (NCA) and ecological footprint assessments.

- Through internal consultation and alignment with our materiality definition and priority locations, we refined a list of key nature-related dependencies and impacts.

Risks and opportunities were identified via internal tools like the Forest Resilience and Climate Risk Registers, and the **Horizon Scan** led by Prof. Bill Sutherland, which explored long-term environmental challenges and opportunities.

Emerging opportunities include carbon finance, biodiversity conservation, renewable energy, and rewilding and urban conservation integration.

We have not explored nature-related dependencies, impacts, risks and opportunities in our upstream and downstream value chains in this disclosure, and will investigate whether this is appropriate in future disclosures.

B) Describe the organisation's processes for monitoring nature-related dependencies, impacts, risks and opportunities.

Forestry England's monitoring of nature-related dependencies, impacts, risks, and opportunities is grounded in practical systems and strong governance:

- Natural Capital Accounts, produced annually, quantify ecosystem services (e.g. carbon sequestration, biodiversity, air quality) and track changes over time.
- A multi-tiered governance structure ensures accountability:
 - Senior Risk Owners (SROs) oversee strategic risks.
 - Risk Owners implement mitigation.

- Action Owners carry out specific measures.

Risk registers (e.g. Corporate, Resilience, Climate) are reviewed regularly and escalated when needed to the Executive Board.

Audits by GIAA and external bodies ensure compliance and effectiveness.

Opportunities are monitored in areas like green finance, biodiversity partnerships (e.g. Forest Holidays at Kielder), and renewable energy.

Public engagement is tracked via visitor data and participation in well-being and volunteering programmes.

Performance monitoring uses KPIs, ISO 14001-certified systems, and integrated data platforms to track metrics like timber output, emissions, recycling, and biodiversity.



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.

Integrated Risk Management: Nature-related risks are embedded in Forestry England’s overall risk framework. These are assessed through risk registers (e.g. Climate Risk Register) and aligned with strategic goals like those in the *Growing the Future* strategy. Governance is overseen by the Board and Executive Team, with operational oversight through audits and compliance checks.

Forest Resilience Approach: This approach ensures forests remain sustainable and adaptable to future pressures. It aligns with national strategies and defines resilience as maintaining ecological integrity and societal benefits.

Key actions include:

- **Knowledge building:** Forest Resilience Network Group
- **Operational tools:** Forest Development Types, resilience indicators
- **Communication:** Internal and external messaging
- **Research:** 5-year agreement with Forest Research
- **Partnerships:** Forestry and Climate Change Working Group

Metrics & targets

All metrics to assess and manage nature-related dependencies, impacts, risks, and opportunities are incorporated within our **Natural Capital Accounts**. Our targets and goals for nature are incorporated into our strategy, **Growing the Future**, and our **Biodiversity Plan**.

Please note that all of our forests and woodlands are certified to the Forest Stewardship Council® (FSC®) licence code FSC-C123214 and the Programme for the Endorsement of Forest Certification (PEFC) licence code PEFC/16-40-1001 standards.

In addition, for any metrics not reported within our **Natural Capital Accounts**, they were viewed as either not relevant / material or only incomplete data were available.

Oversight is provided by the Forest Resilience Steering Group.

Growing the Future Strategy (2021–26), underpinned by our Biodiversity Plan (2022-26): A five-year plan focused on sustainability, biodiversity, climate resilience, and public engagement.

Strategic priorities include:

- **Biodiversity:** 6,000 ha of wild areas, SSSI and habitat restoration, species reintroductions
- **Public engagement:** Inclusive access, national membership scheme, 1M volunteer hours
- **Climate resilience:** New woodlands, sustainable timber, climate-adaptive management
- **Workforce & innovation:** Training, diversity, digital infrastructure
- **Sustainability & finance:** Net-zero by 2030, low-carbon investments, increased self-generated income

Progress is tracked via KPIs and annual corporate reports.

Metrics & targets
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.





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