A big LEAP towards a nature positive future
TNFD framework Beta release
15 March 2022

Shifting capital to nature-positive outcomes

The mission of the Taskforce on Nature-related Financial Disclosures (TNFD) is to develop and deliver a risk management and disclosure framework for organisations to report and act on evolving nature-related risks. This aims to support a shift in global financial flows away from nature-negative outcomes and toward nature-positive outcomes.

Three core components:

1. Language system
   What is nature? Defining nature-related risks and opportunities, with definitions of core concepts

2. Disclosure recommendations
   How to report on nature-related risks and opportunities?

3. LEAP Process
   Step by step nature-related risk and opportunity assessment process

Beta framework

The TNFD has released its first beta version, giving draft recommendations and guidance on managing and disclosing nature-related risks and opportunities relevant to a wide range of organisations. Combining a science-based and practical approach it ultimately supports the financial sector steer capital towards nature.

Organisations are invited to pilot the framework, assessing their own capabilities. The iterative approach to the development of the beta framework means that organisations can experiment and learn, and provide valuable feedback that can be used in further developing the framework. Other market participants, such as scientists and regulatory bodies are also welcomed to assess and review the framework, contributing to the broad cross-section of dialogue.

1. Language system

What is ‘nature’?
Land, oceans, atmosphere and freshwater

Impact & dependencies
Natural capital as a stock of environmental assets and a flow of ecosystem services

Risk & opportunities
Physical, transition and systemic risks and opportunities to mitigate these risks or halt nature loss

2. Disclosure recommendations

The TNFD, building on the four pillars and disclosure categories of the TCFD, has worked to align its recommendations with global reporting standards, while providing nature-specific guidance to all sectors. This involves disclosure about:

Governance: board’s oversight and management roles to assess and manage nature-related risks and opportunities

Strategy: material impacts on the organisations’ business, strategy and financial planning

Risk management: the processes to identify, assess and manage nature-related risks, including materiality determinations

Metrics & targets: where material the metrics used and the targets set to guide its pathway to better measurement and management of its impacts and dependencies on nature

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3. LEAP – ‘How To’ guidance

Step-by-step approach on nature-related risk management with a voluntary roadmap for how an organisation can undertake its own nature-related risk and opportunity assessment.

Next Steps

All market participants are invited to review and pilot the beta version, for continuous refinement of the framework. Start engaging in the development of TNFD here.

The feedback will strongly support further framework development, especially on:
- Climate-nature nexus
- Scenarios and timeframes
- Scope of disclosures
- Approach to Materiality
- Social dimensions
- Defining nature-positive
- Sector specific guidance

Deloitte can guide your organisation in starting to understand nature risks and prepare for the TNFD, to ensure nature positive is incorporated into your strategic agenda and disclosures.

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