

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.

Beta framework

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



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:

1

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

2

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

3

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

4

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



1. Locate



2. Evaluate



3. Assess



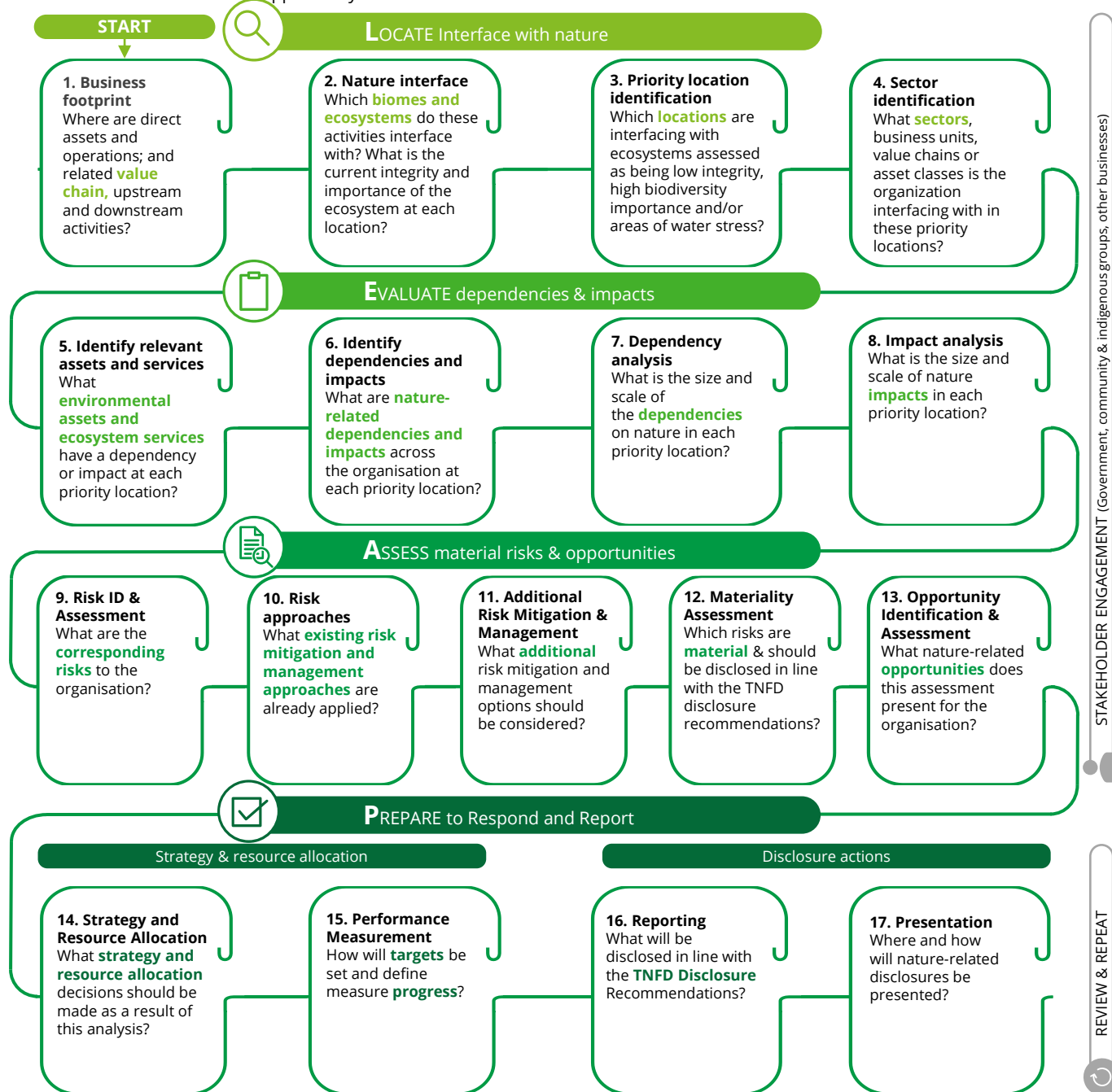
4. Prepare



5. Review & repeat

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.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL", its global network of member firms, and their related entities. DTTL (also referred to as "Deloitte Global" and each of its member firms are legally separate and independent entities. DTTL does not provide services to clients. Please see www.deloitte.nl/about to learn more. Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our network of member firms in more than 150 countries serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 264,000 people make an impact that matters at www.deloitte.nl.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

© 2022 Deloitte The Netherlands
Designed by CoRe Creative Services. RITM0984233

© 2022 Deloitte LLP. All rights reserved

Contact Us

Guy Williams

Director | Biodiversity & Natural Capital | AUS
Email: guwilliams@deloitte.com.au



Anne-Claire van den Wall Bake - Dijkstra

Partner | Risk Advisory | NL
Email: ACvandenWallBake@deloitte.nl



Simon Brennan

Director | Risk Advisory | UK
Email: simbrennan@deloitte.co.uk



Gerdie Knijp

Manager | Sustainability | NL
Email: gknijp@deloitte.nl



Florence Arke

Sr. Consultant | Risk Advisory | NL
Email: floarke@deloitte.nl

