

## TNFD: The (r)evolution of nature reporting

Final version release (v1.0)

19 September 2023

### TNFD framework development

The Taskforce on Nature-related Financial Disclosures (TNFD) has published its v1.0 version building on its previous releases that had been open for feedback and pilot testing. This release package includes disclosure recommendations and additional guidance documents. See below for more details on the components.

### Recommended disclosures

- Six 'General Requirements' for TNFD Disclosures
- Complete set of 14 disclosure recommendations with implementation guidance for 'All sectors', structured into four pillars

#### Tied to the same four pillars of TCFD

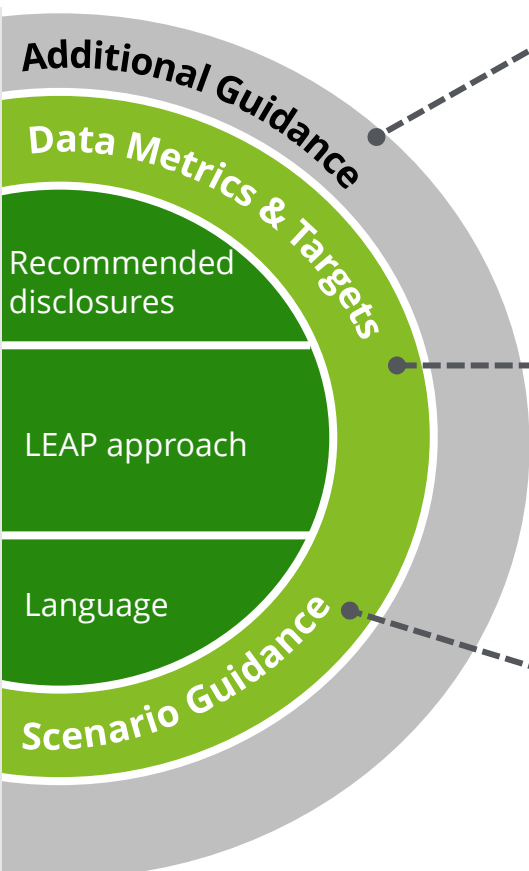
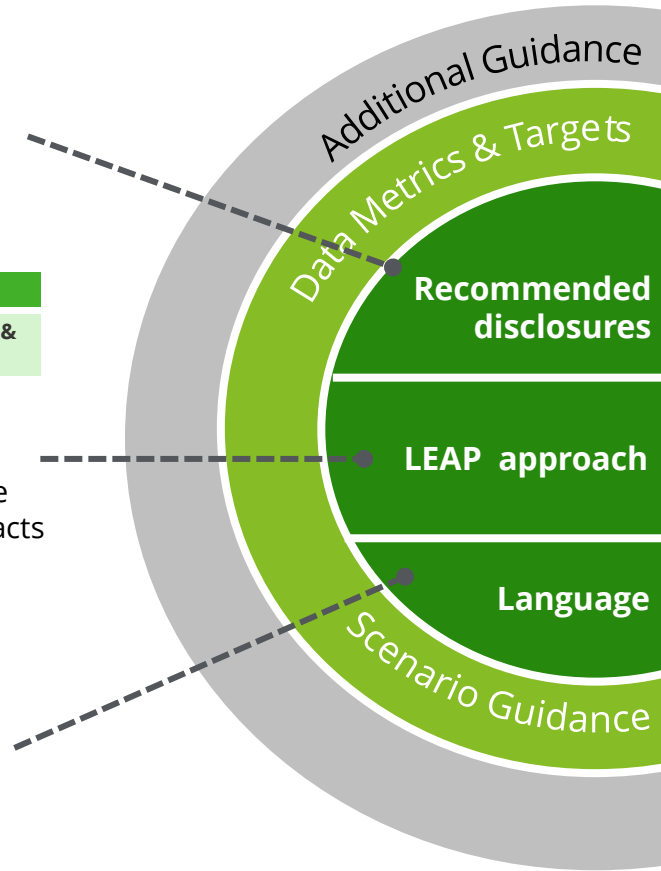
I. Governance	II. Strategy	III. Risk Management	IV. Metrics & Targets

### LEAP approach

- **Locate** the organisation's interaction with nature
- **Evaluate** nature-related dependencies and impacts
- **Assess** nature-related risks and opportunities
- **Prepare** the formulation of the organisation's response to material nature-related issues and reporting

### Core concepts & definitions

- Major components of the natural world are four nature **realms**: land, ocean, freshwater and atmosphere
- TNFD is built around **nature-issues** which are nature-related dependencies, impacts, risks, opportunities



### Additional guidance

- Updated disclosure guidance for financial institutions
- Guidance for **sectors**, recognising different business models and value chains
- Guidance for **biomes**, global-scale zones e.g. savanna and tundra
- Guidance on engagement with **Indigenous people, Local communities and affected stakeholders**, as part of Governance disclosure

### Data, metrics & targets

- **Assessment metrics** for internal assessment of nature-related issues of which selected **disclosure metrics** with 'core' cross-sector and sector-specific metrics are included
- Metrics to assess and disclose **positive impacts** on nature
- Includes alignment with phases within LEAP

### Scenario guidance

- Scenario analysis specifically relevant for Assess phase
- For strategic planning and risk management
- Scenario workshops with a step-by-step approach

## Which components of v1.0 organizations should consider

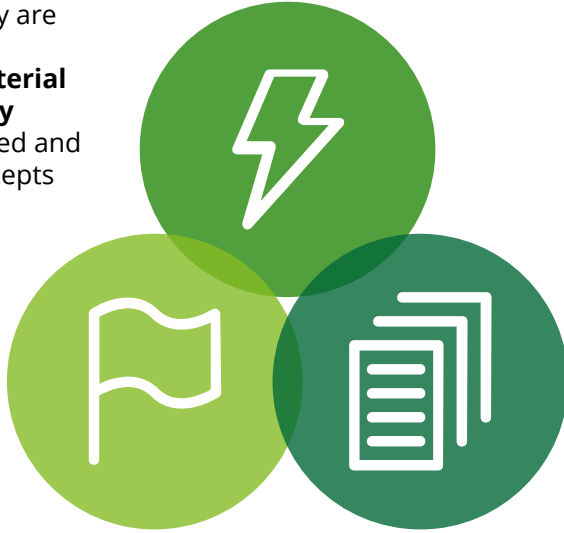
The TNFD September release includes disclosure recommendations and additional guidance. Here we focus on what we see as the three most important components of the TNFD package for organisations to start with implementing the TNFD.

### 1. Materiality

Regulatory authorities globally are increasingly requesting organisations to **disclose material information in sustainability reporting**. TNFD view is aligned and recommends materiality concepts from other standards and regulations.

### 2. Highlights from TNFD-issued guidance

A step-by-step approach with **valuable guidance** to assist organisations in identifying, evaluating, and managing nature-related issues.



### 3. Interaction with other standards and frameworks

The TNFD has worked (and will continue to work) with **other standards-setting bodies, including ISSB, GRI, EFRAG, and CDP**, to ensure that its disclosure recommendations are interoperable with existing standards.

### 1. Materiality

TNFD recommends to use as a baseline the definition of *material information* adopted by the **International Sustainability Standard Board (ISSB)**.

Organisations have the option to adopt the *impact materiality* concept, which can draw from sources such as the **Global Reporting Initiative (GRI)** or the *impact materiality* aspect of the EU's **Corporate Sustainability Reporting Directive (CSRD)**, that also specifies the use of double materiality.



### 2. Highlights from TNFD-issued guidance

The TNFD proposes a step-by-step methodology for how organisations can conduct their own opportunity identification, evaluation, assessment, and management of nature-related issues and reporting thereof.

#### LEAP approach

The objective with LEAP is to offer **flexibility**, allowing organisations to fully adopt it, use it as a checklist, or seamlessly integrate it into their existing processes. Modifications can be made to account for organisation-specific aspects.

#### Disclosure indicators and metrics

The TNFD provides recommended disclosure metrics divided **into 'core' cross-sector and sector-specific metrics** and **additional** (recommended but not required).

#### Scenario analysis

While waiting for nature-targets to integrate into scenario analyses, the TNFD recommends starting with participatory workshops with subject matter experts, to shape first exercises.

### 3. Interaction with other standards and frameworks

The TNFD recommendations have been designed to be:



**consistent** with other frameworks



**flexible** enough to fit different approaches



aligned with **global policy goals**

## What can you do now?



### Learn

Assess the scope of nature-related issues within your organisation. Consider conducting a **TNFD Readiness Assessment**, which involves TNFD principles, evaluating your current processes and data, identifying capability gaps, and creating an action plan for improvement. Additionally, **prioritise building awareness, knowledge, and capabilities** related to nature within your organisation.



### Act

Consolidate the information gathered through your scoping and readiness assessment and conduct a **LEAP assessment** in preparation for decision making and reporting.



### Respond and report

Include nature-related disclosures, based on TNFD, into sustainability-related disclosures or integrated report. An **integrated report** can include the recommended disclosures and a summary; a long list of nature-related dependencies, impacts, risks and opportunities; and a selection of core and additional metrics.



### Engage

Consider how you can **engage with your stakeholders** to strengthen the learnings from your reporting process and how it can influence strategy. **Collaborate with industry peers** to take a collective approach, and partner with NGOs, governments and research institutions to better understand nature-related risks.

## Looking ahead

Following the release of v1.0, the TNFD remains committed to continue its collaborative efforts, working closely with stakeholders, experts, and industry leaders to refine and expand its guidance offerings. For example, the TNFD will continue to support efforts of new data solutions including the evaluation of a global nature-related public data facility.

## Looking back

Our blogs explaining the previous versions of the beta releases, v0.1-v0.4, give more background on the building of v1.0.

[v0.1](#)[v0.2](#)[v0.3](#)[v0.4](#)

## Connect with us



### Anne-Claire van den Wall Bake

Deloitte Netherlands Finance Nature Lead | Risk Advisory | NL  
Email: [ACvandenWallBake@deloitte.nl](mailto:ACvandenWallBake@deloitte.nl)



### Daniele Strippoli

Deloitte North South Europe Nature Lead | Climate & Sustainability | IT  
Email: [dstrippoli@deloitte.it](mailto:dstrippoli@deloitte.it)



### Ivan Kukhnin

Deloitte Netherlands Nature Lead | Risk Advisory | NL  
Email: [ikukhnin@deloitte.nl](mailto:ikukhnin@deloitte.nl)

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