



Taskforce on Nature-related
Financial Disclosures

Introducing the second beta version of the TNFD framework (v0.2)

TNFD Forum Webinar

28 June 2022

About TNFD

To develop and deliver a **risk management and disclosure framework** for organisations to report and act on evolving nature-related risks, with the aim of supporting a **shift in global financial flows** away from nature-negative outcomes and toward nature-positive outcomes.

Financial Institutions

- AP7
- AXA
- Bank of America
- Banorte
- BlackRock
- BNP Paribas
- FirstRand
- HSBC
- Macquarie
- MS&AD
- Mirova
- Norges Bank Investment Management (NBIM)
- Rabobank
- SwissRe
- UBS

Corporates

- AB InBev
- Anglo American
- Bunge
- EcoPetrol
- GlaxoSmithKline
- Greig Seafoods
- Holcim
- Natura & Co
- Nestle
- Olam
- Suzano
- Tata Steel

Service Providers

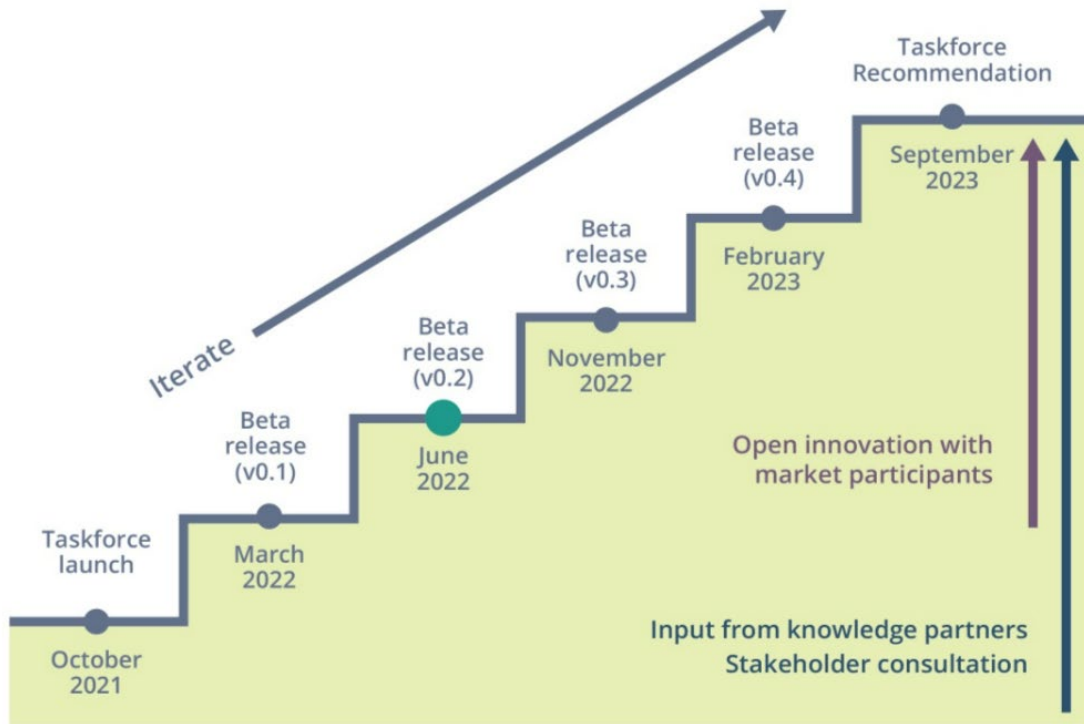
- Deloitte
- EY
- KPMG
- Moody's
- PwC
- S&P Global
- Singapore Exchange

- **Market-led** – 34 Taskforce Members & 400+ institutional supporters
- **Government-supported**
Endorsed and recommended by the G7 ('21/'22) & G20
Annual progress reports to: G20 SFWG, Co-Chaired by US Treasury & PBOC
- **Science-based** – World's leading scientific and standards bodies as partners

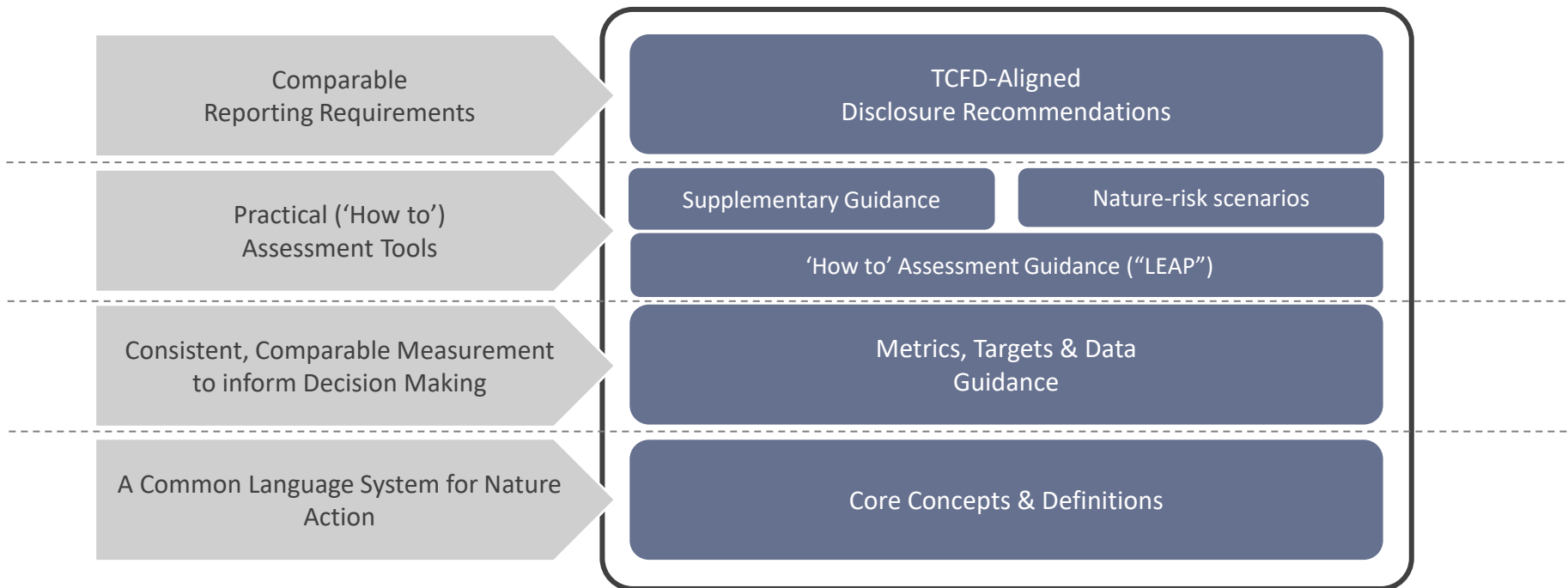
Framework Development – Where We Are Now



Feedback & Pilot Testing
<https://framework.tnfd.global>



What is the TNFD Framework?



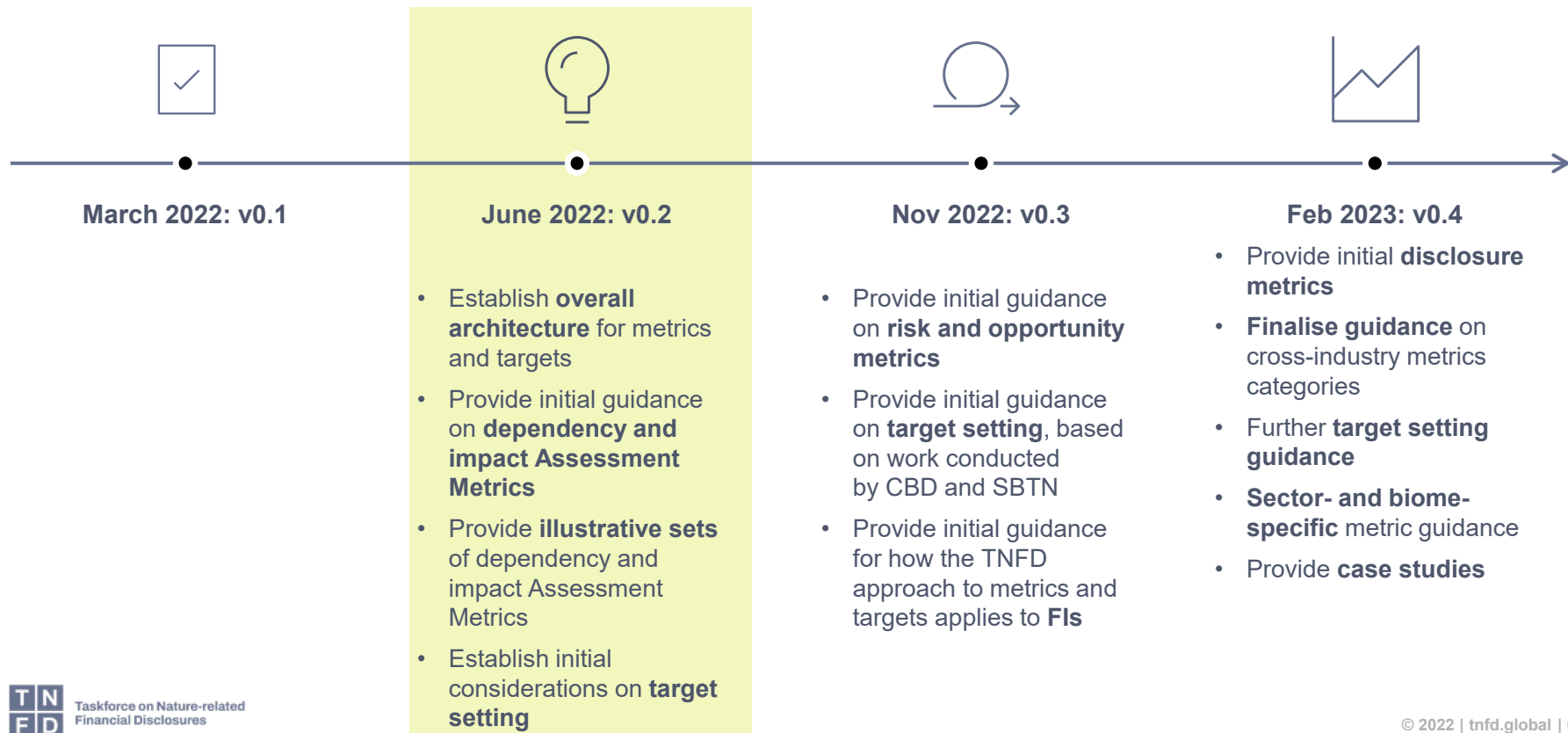
June v0.2 Release – Approach to Measurement

- Completes the basic architecture of the framework to enable pilot testing and further feedback from market participants
 - An overview of the Taskforce's overall **architecture for metrics and targets**;
 - **Draft guidance** and an **initial set of illustrative metrics** on dependencies and impacts, to enable pilot testing to move forward and gather further feedback;
 - **Additional guidance on key technical aspects** – dependency and impact analysis and identification of priority locations – responding to feedback.

Key Milestones Ahead

- **Window for pilot testing and feedback is open until 1 June 2023**
- Two additional update releases of the beta framework scheduled for **November 2022** and **February 2023**
- Taskforce's final recommendations are published in **September 2023**

Metrics and targets: v0.2 and subsequent releases



Approach to Metrics: 'Crowding-in' market expertise

The Taskforce convened two workshops with a broad cross-section of knowledge partners

Workshop 1:

Focused on direction of travel on the approach to metrics and targets, hosted in Cambridge

Workshop 2:

Focused on technical input on impact drivers, state of nature, and dependencies, hosted in London



CAPITALS
COALITION



SCIENCE BASED TARGETS NETWORK
GLOBAL COMMONS ALLIANCE



World Business Council for
Sustainable Development



International Union
for Conservation of
Nature



Stockholm
Resilience Centre



Risilience™

GIST



THE
BIODIVERSITY
CONSULTANCY



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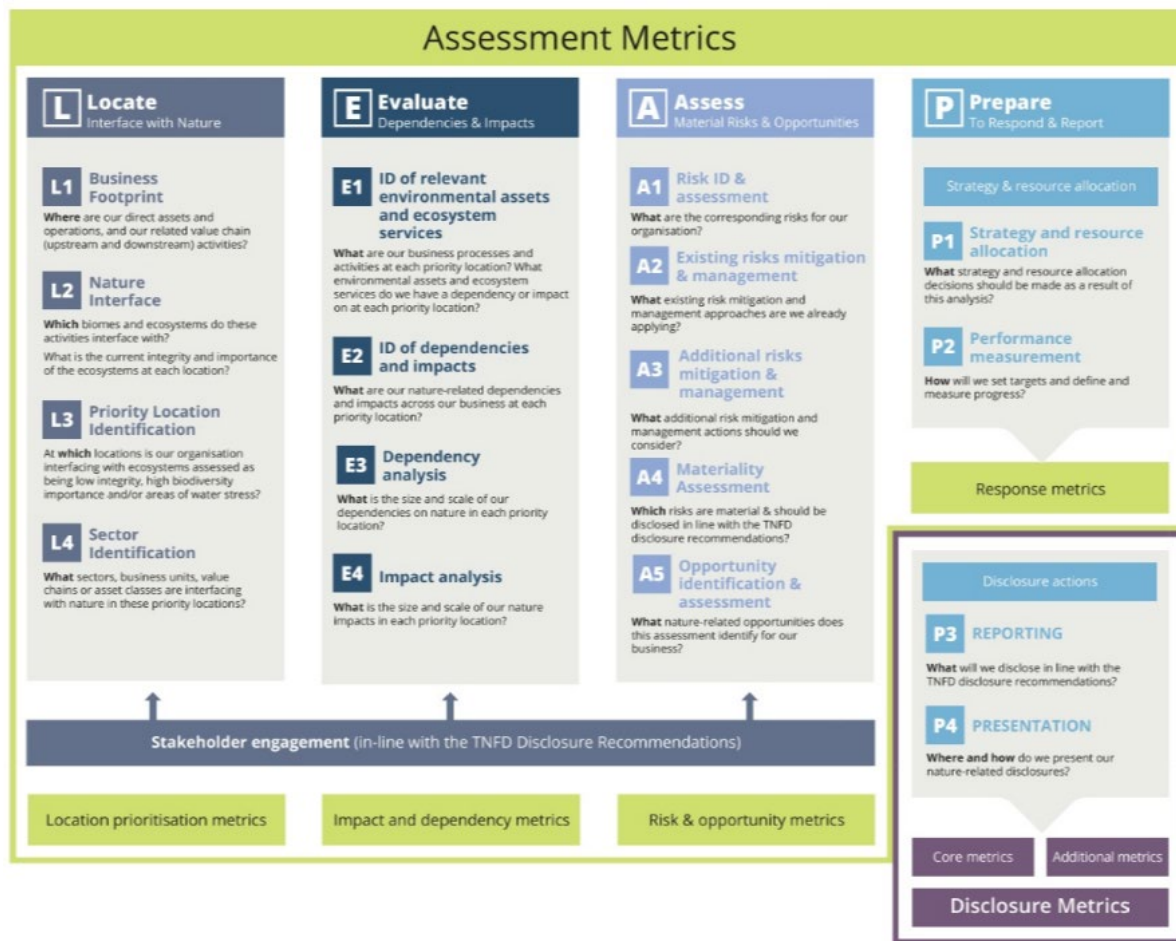
Metrics & Targets - Key Design Features

1. **Focus on cross-sector metrics** first (aligned with TCFD)
2. **Distinction between 'Assessment' and 'Disclosure' metrics** - responding to the complexity of the science
3. **Distinction between 'Core' and 'Additional' Disclosure metrics** - responding to jurisdictional reporting differences
4. **Illustrative set of assessment metrics** – to support and enable pilot testing and further feedback on further shortlisting of more useful/available metrics
5. **Built-in review period** (every 3-5 years) - to account for future data, measurement technology developments, and evolution of regulatory approach and investor expectations.

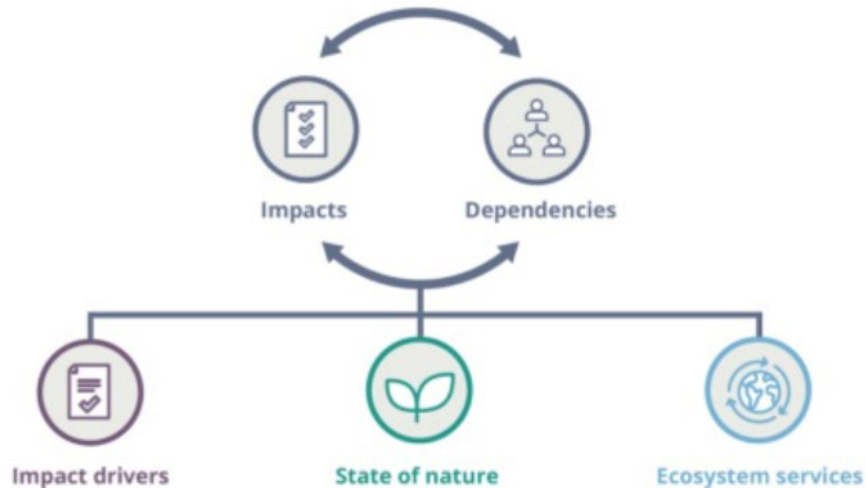
Cross-industry metrics categories

Category	Sub-category	Description	TNFD release	TNFD approach for v0.2 release
Assessment Metrics				
Dependencies and impacts on nature	Impact drivers	Amount of natural resources that are used as an input to production or non-product outputs of a business activity	v0.2	Guidance + illustrative sets of metrics
	State of nature	The condition and extent of ecosystem assets, including positive or negative changes	v0.2	Guidance + illustrative examples of metrics
	Ecosystem services/ dependencies	The provision of ecosystem services, including those the business depends on	v0.2	Guidance + illustrative examples of metrics
Nature-related risks	Physical risks	Amount and extent of assets or business activities vulnerable to risk types	v0.3	
	Transition risks		v0.3	
	Systemic risks		Inclusion tbc	
Nature-related opportunities	N/A	Proportion of revenue, assets or other business activities aligned with nature-related opportunities	v0.3	
Response metrics		TBC – could include management, governance, strategy and performance metrics, including progress against targets	v0.4	
Disclosure Metrics				
	Core metrics	Core metrics to be included in all disclosures following the TNFD disclosure recommendations	v0.4	
	Additional metrics	Additional metrics that a company or financial institution may choose to include in their disclosures	v0.4	

Approach to Metrics – Core Design Elements

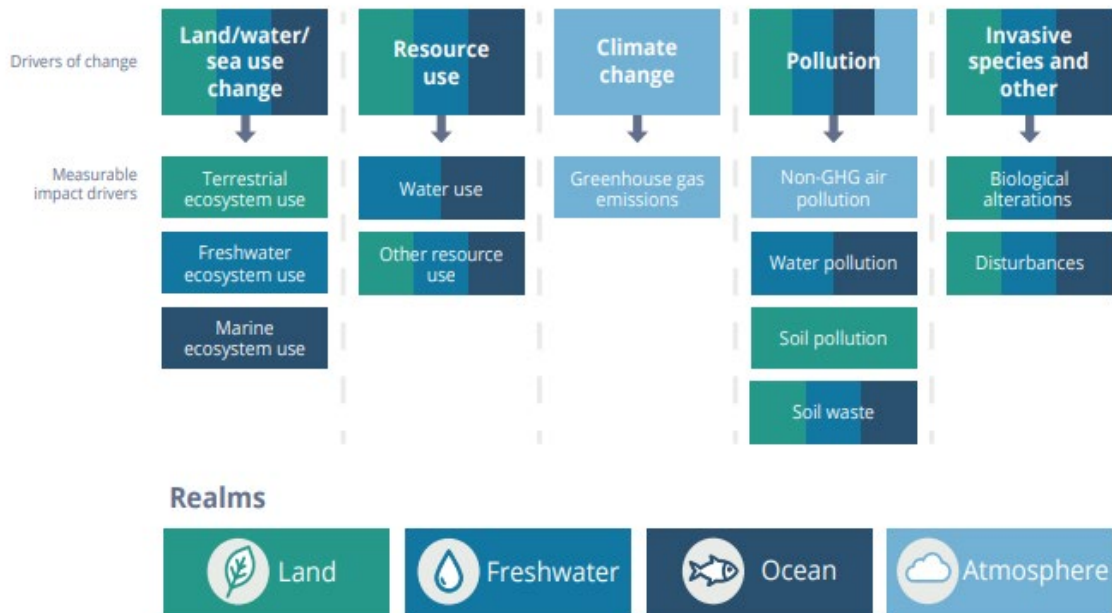


Approach to Measurement – Dependencies & Impacts



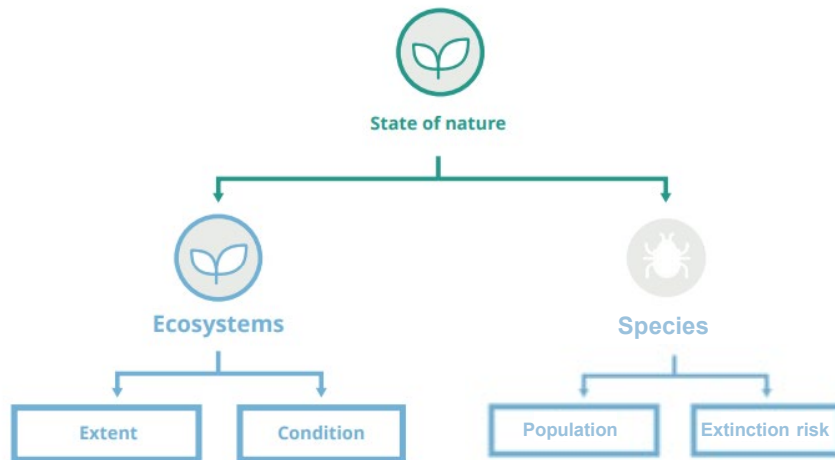
- Detailed guidance in Annex 1
- Illustrative indicators and metrics provided in Annex 2

Approach to Measurement – Impact Drivers



- Detailed guidance in Annex 1
- Illustrative indicators and metrics provided in Annex 2

Approach to Measurement – State of nature

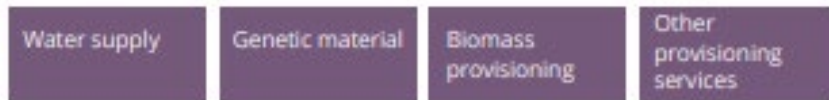


- Detailed guidance in Annex 1
- Illustrative indicators and metrics provided in Annex 2

Approach to Measurement – Ecosystem services

Ecosystem services

Provisioning services



Cultural services



- Detailed guidance in Annex 1
- Illustrative indicators and metrics provided in Annex 2

Regulating & maintenance services



Q&A





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Thank you

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www.tnfd.global | [@TNFD_](https://twitter.com/TNFD)
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