



Taskforce on Nature-related
Financial Disclosures

TNFD Overview

Swiss Sustainable Finance Annual Conference

29 June 2022

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About TNFD

To develop and deliver a **risk management and disclosure framework** for organisations to report and act on evolving nature-related risks and opportunities, 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 & 500+ institutional supporters
- **Government-supported** – G7 & G20 support
- **Science-based** – World's leading scientific and standards bodies as partners

TNFD Swiss Leadership on TNFD

- **Taskforce Members –**
Holcim, Nestle, SwissRe, UBS
- **Federal Government Support –**
Stewardship Council Member
- **National Consultation Group**
- **WEF Davos Event –**
Finance Minister Ueli Maurer

with



A Global, Market-led Initiative

34

**Taskforce
Members**

Representing over
US\$19 trillion AUM globally and
across sectors

500

**TNFD Forum
Institutions**

Representing global, national
and local expertise across
40 countries & territories

16

**Knowledge
Partners**

The world's leading science,
policy & standards-setting
institutions

30,000

**Views of the Draft
Framework**

From interested stakeholder
in 70+ countries & territories
across 5 continents

19k

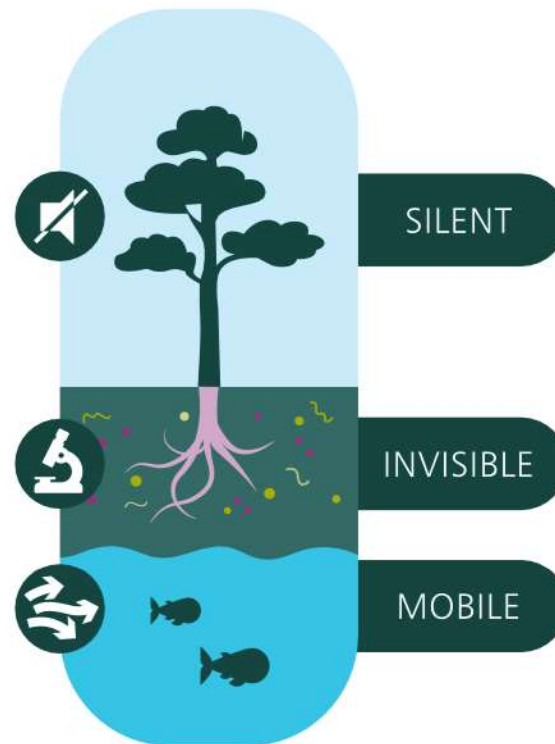
**LinkedIn
Followers**

Compared to 21.1k
TCFD LinkedIn
followers

Nature as a Source of Risk - Silent, Invisible and Mobile

“The three pervasive features – mobility, silence and invisibility – make it impossible for markets to record adequately the use we make of Nature’s goods and services”

Professor Partha Dasgupta

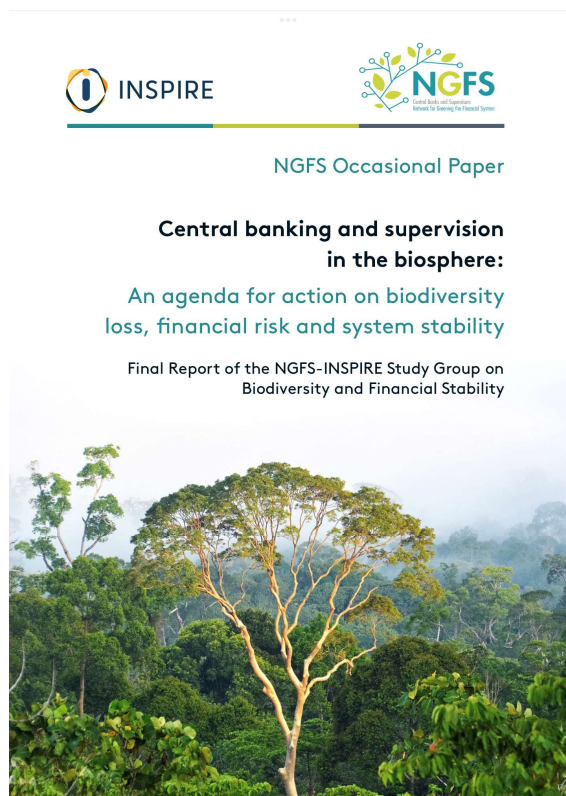


We do not fully appreciate the damage being caused by nature loss



We do not fully understand the future risks to business processes and to enterprise value

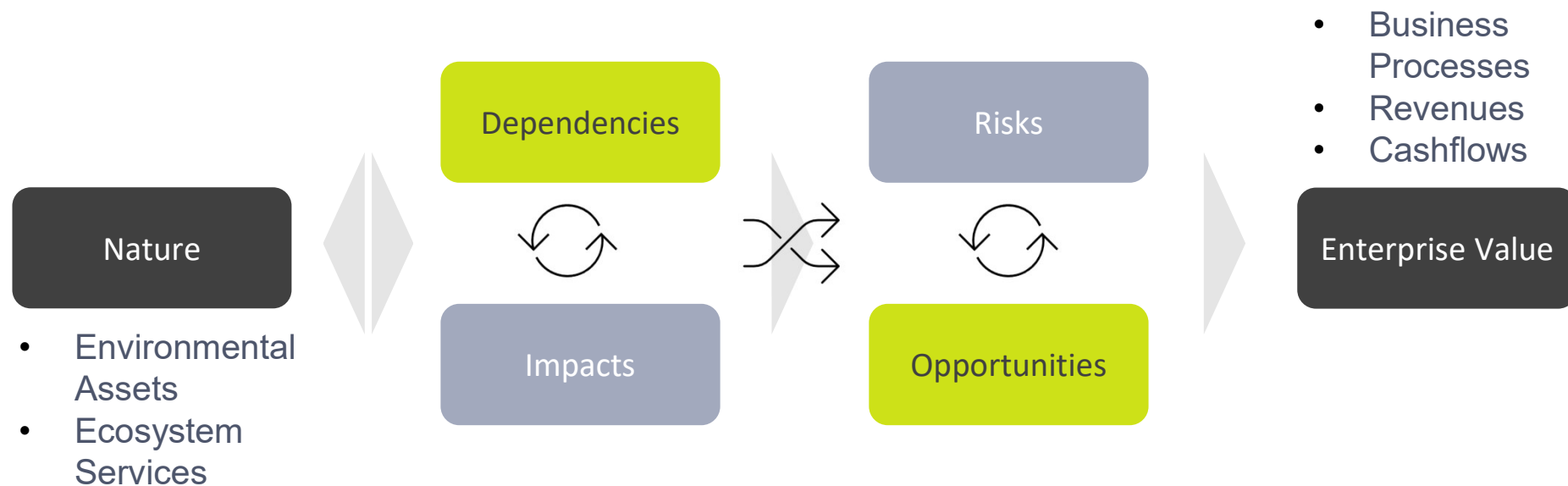
Now Recognised as a Source of Systemic Risk



“Climate change and biodiversity are inextricably linked, creating the potential for risks to compound and create systemic dislocations: an integrated approach to these twin threats is essential”.

“Biodiversity loss could have significant macroeconomic implications. Failure to account for, mitigate, and adapt to these implications is a source of risks relevant for financial stability”.

A Natural Capital Approach



When Dependencies Materialise into Risks

Pacific Gas & Electricity Corp. (PCE)

The biggest utility in the biggest state

1D 5D 1M 6M YTD 1Y **5Y** Max   Full screen



Trade prices are not sourced from all markets

Dependence on Nature: Core assets (powerlines) through forested areas.

Physical Risk: 18,000 building, 85 deaths, extensive damage to PG&E assets.

Transition & Regulatory Risk: Lawsuits.

Systemic Risk: Supplier to 5.2m citizens. Inability to fund critical clean energy initiatives for the state of California.

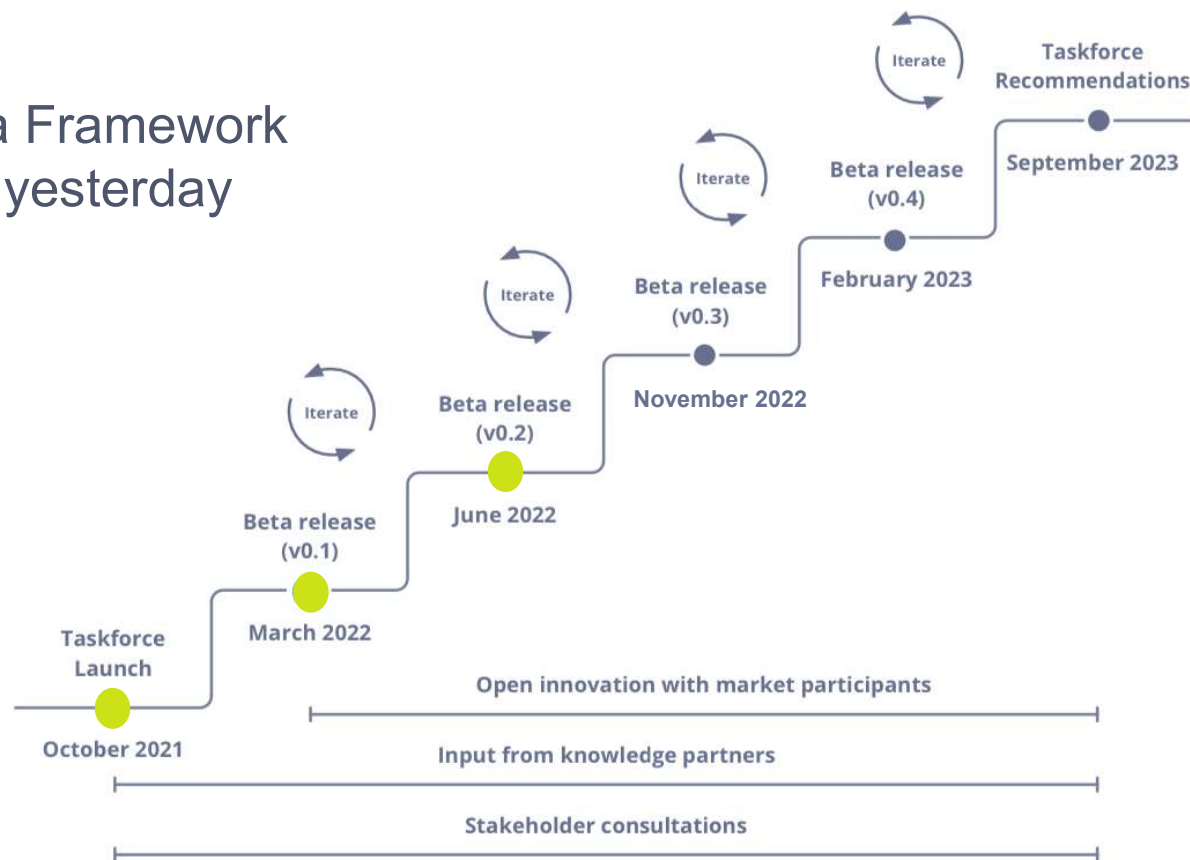
Consequences:

- Biggest utility chapter 11
- Guilty plea / \$13.5bn settlement
- Share price
- Credit rating
- ~ \$40bn abatement/mitigation capex
- CEO tenure

TNFD Framework Development

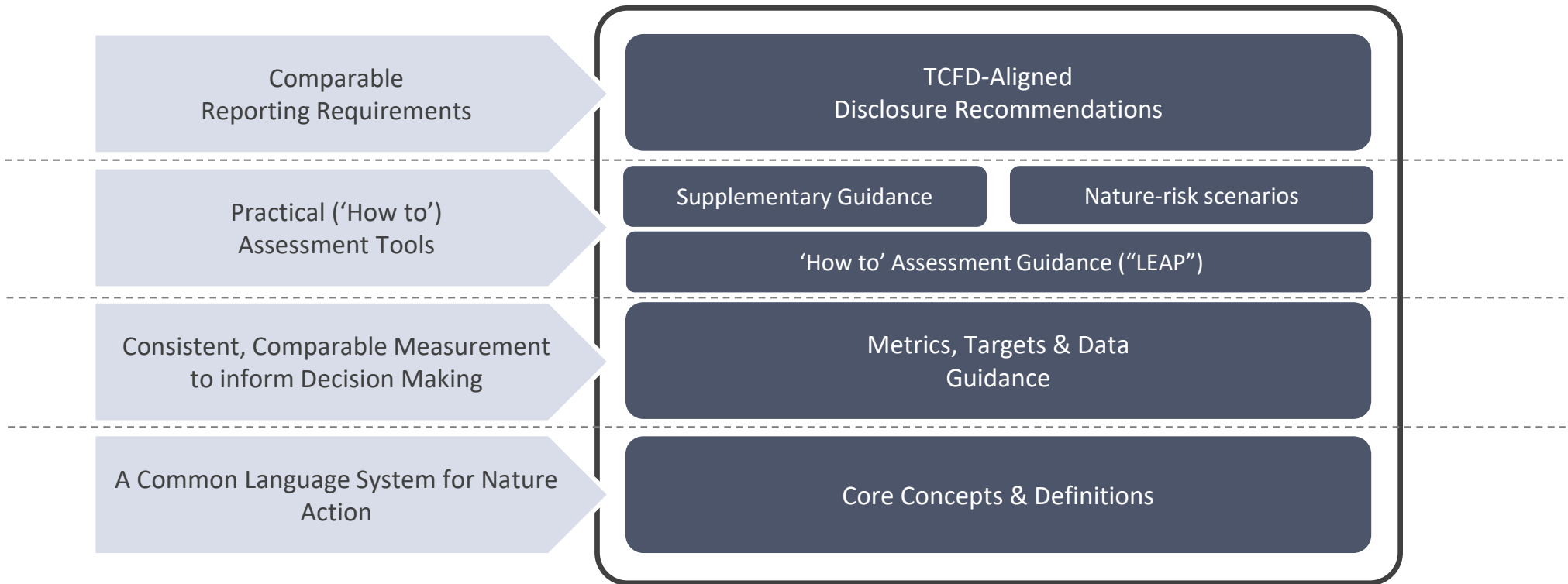


v0.2 Beta Framework released yesterday



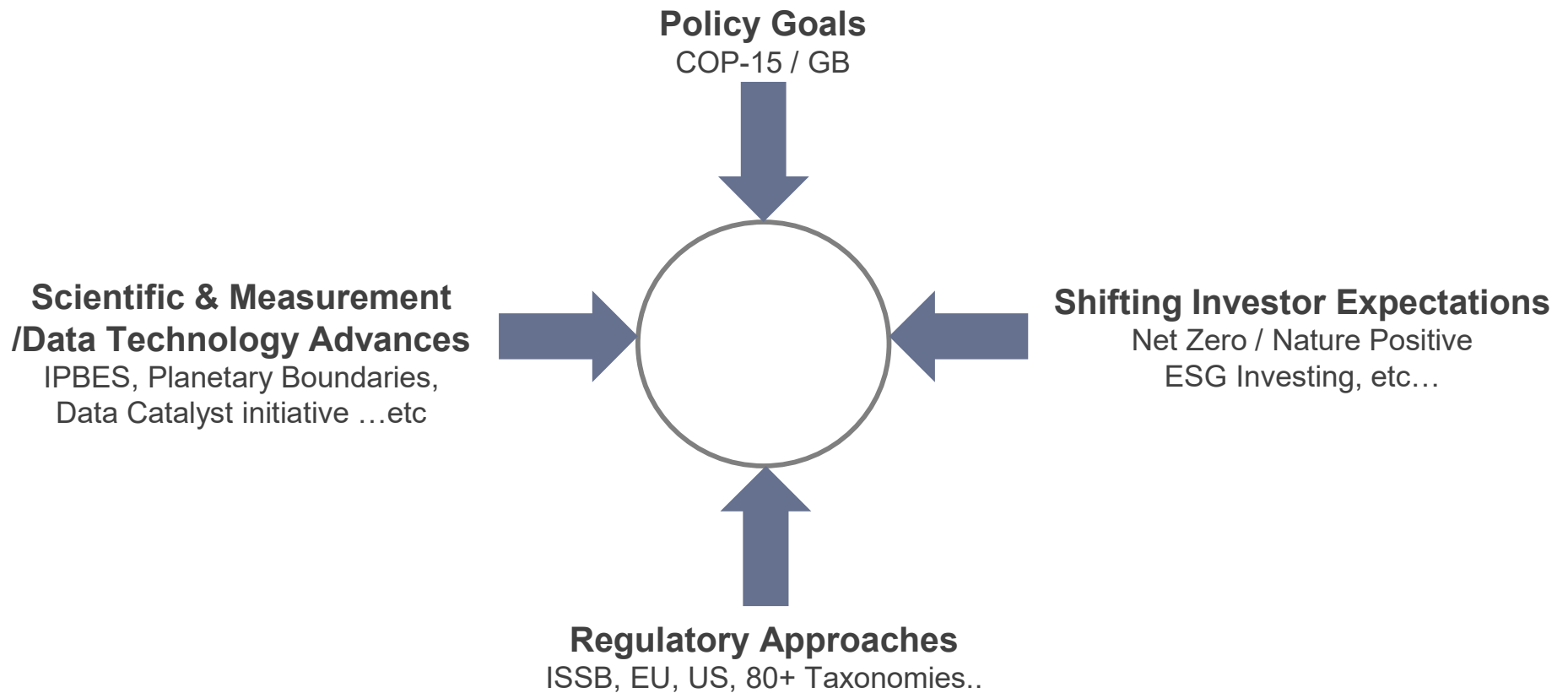
Feedback & Pilot Testing
<https://framework.tnfd.global>

TNFD What is the TNFD Framework?





Rapid Development in a Dynamic Environment





The Metrics Challenge – Tensions to Manage

Complexity of
the science



Market need for
clarity, simplicity
& comparability

Flexibility to
accommodate
different jurisdictional
approaches
(ISSB, EU, US, etc...)



Prescriptiveness
of metrics and
guidance



Key Challenges & Priorities Ahead

- **Measurement (Metrics & Targets)** – A practical, scalable and science-based approach
- **Alignment** – with standards and regulatory developments; voluntary/mandatory
- **Data** – Closing the gaps; Accelerating innovation; Increasing market confidence
- **Scenarios** – Learning the lessons from TCFD; The absence of a single global target
- **Scaling participation now for future market adoption** – TNFD Forum, Swiss Consultation Group & Pilot Testing



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Thank you

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

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