

# NATURE WORKING GROUP



Responsible Investment  
Association Australasia



## Meeting #4 2022 Post Meeting Papers

Via Zoom – 24 November 2022, 12:00pm to 1:30pm AEST / 2.00pm to 3:30pm NZST

### Contents

Meeting minutes

Action Register

Attendees

Attachments

- 1) Meeting Slide Deck
- 2) FairSupply Presentation Slide Deck

### Agenda

Item	Action required
<b>1. Welcome – Guy Williams (Co-Chair, Deloitte)</b> <ul style="list-style-type: none"><li>• Acknowledgement of Country</li><li>• Motion to adopt Minutes from last meeting: Guy Williams (Co-Chair, Deloitte)<ul style="list-style-type: none"><li>• Motion carried: Harry Agnew (Perpetual)</li><li>• Motion seconded: Jane Hutchinson (Pollination Foundation)</li></ul></li></ul>	For adoption
<b>2. COP15 Update – Guy Williams (Co-Chair, Deloitte)</b> <ul style="list-style-type: none"><li>• Several Working Group members will be going to Montreal for COP15 beginning on 7<sup>th</sup> December, including Guy, as part of a delegation that's representing the Nature Working Group. The Nature focus of this COP is a much larger agenda item than in 2007, which demonstrates the work being done in the space.</li><li>• Any Nature Working Group members who will be in attendance are encouraged to contact Guy to organise time together. Any updates that come out of the COP15 will be shared at the next Nature Working Group meeting.</li></ul>	If attending COP15, please contact <a href="#">Guy Williams (Deloitte)</a>
<b>3. Special Presentation: Portfolio Assessment – recording <a href="#">here</a></b> <b>Ben Jobson, Programme Officer at Integrated Biodiversity Assessment Tool (IBAT)</b> <ul style="list-style-type: none"><li>• IBAT is a web-based mapping and reporting tool delivering licence to access to three of the most fundamental biodiversity data sets for risk screening purposes. The tool includes data from the World Database on Protected Areas the World Database of Key Biodiversity Areas and the International Union for the Conservation on Nature's (IUCN) Red List of Threatened Species, and is increasingly relevant as an interface between the private sector and biodiversity conservation.</li></ul>	For more information, please contact <a href="#">Ben Jobson (IBAT)</a>

<ul style="list-style-type: none"> <li>IBAT can be used for screening purposes, such as the IFC Performance Standard Six, and for understanding biodiversity risks such as operating in or near protected areas and potential reputational incidents. It allows the user to view global biodiversity data on an interactive map, with the ability to locate individual sites of interest to provide more in-depth data. The metric generated to measure threat abatement, STARt, representing the levels of endangerment of species within regions, and provides a breakdown report of significant threats on national and global scales relative to your area of interest</li> </ul>	
<p><b>3. Special Presentation and Q&amp;A: Supply Chain Visibility and Investment Portfolios</b> – recording <a href="#">here</a></p> <p><b>Dr Amanda Irwin, Head of ESG Research &amp; Kate Bromley, Executive Director of Sustainable Finance at FairSupply</b></p> <ul style="list-style-type: none"> <li>COP27 continued to highlight the connection between addressing the climate crisis and the role of nature, so with the impending COP 15 in Montreal, now is the time to adopt an ambitious global biodiversity framework for the next decade drawing from the power of nature-based solutions and the critical role of Indigenous communities.</li> <li>Biodiversity is multifaceted, which presents challenges for us when we want to try and measure it. An aspect of this is the importance of location, unlike greenhouse gas emissions where the concentration in the atmosphere is uniform regardless of the location of the emissions, biodiversity (particularly species and ecosystems) is widely varied across location. Another challenge is quantification, as there are various methods that could be quantified creating different results. Generally the data is not comprehensively available globally.</li> <li>Building from the current TNFD framework, there are 3 concepts that are used to measure biodiversity impact.             <ol style="list-style-type: none"> <li>1) To measure or quantify the <b>direct and indirect impact</b> you must be able to measure or quantify the state of biodiversity in all those different locations and understand the sectors and asset classes that are impacted at those different notations. Data, for example from IBAT, can demonstrate impact in key direct areas like species endangerment, and FairSupply isolate the supply chain and industries and utilise species endangerment data in those areas to quantify indirect impact.</li> <li>2) To map the supply chain, FairSupply take the data from the International Union for Conservation of Nature (IUCN) red list on species that are critically endangered, endangered, vulnerable, or near threatened and we translate the information that's available into a score, that we call the nSTAR metric. nSTAR gives insight into the <b>state of biodiversity</b> as measured by species extinction, considering other relevant aspects (eg. elevation, habitat class).</li> <li>3) To connect this data into the supply chain, threat class data informs the threats relating to economic activity that are acting on each species (eg. agriculture causing habitat loss) which is then applied to nSTAR. This metric is then input into a matrix by country and by sector, and connected into economic data, capturing economic transactions between 200 sectors across 214 countries. Investors then provide information on where you allocate your investment funds, which <b>industrial sector and asset class</b> that's in, and which country that's in, and FairSupply calculate your biodiversity impact.</li> </ol> </li> <li>This tool is relatively new, launched in the beginning of 2022, but is already being applied to a variety of challenges clients are facing. One client used the</li> </ul>	<p>For more information, please contact <a href="#">Amanda Irwin</a> or <a href="#">Kate Bromley (FairSupply)</a></p>

<p>tool to compare two potential property development sites on the biodiversity impact, bringing the data into the due diligence process to assess impact upfront. Another case is investors using the dataset to assess an entire portfolio to build knowledge around where in the supply chain impact occurs, to report on nature-related risk.</p> <ul style="list-style-type: none"> <li>Similarly, the data has been used to assess multiple portfolios to prepare for meeting the reporting requirements under the TNFD. It has also been used to assess multiple portfolios, and can brought into existing processes such as stewardship practices and strategies, for the purposes of identifying engagement targets and building that into engagement practises.</li> </ul> <p><b>Q&amp;A</b></p> <ul style="list-style-type: none"> <li><i>Are there other databases publicly available aside from IBAT, and how do you assess the quality of those data sources?</i> Other data sources are available, but the reason FairSupply use the IUCN Red List data is to access the species information and maps in order to quantify. There are other maps that help calculate land use or land cover etc, but land use and land cover in isolation are not indicators of biodiversity, so one would need to create a proxy through assumption. Every process will have limitations due to there being no concrete measure of biodiversity, but FairSupply's process bypasses the proxy step by using the information from the IUCN, then connecting those threats to economic activity rather than connecting land use to economic activity. IBAT is the only organisation from which you can get a commercial license for the Red List.</li> <li><i>What opportunities are there for moving financial flows into activities that can benefit nature?</i> This was a key reason behind the creation of the nSTAR metric, to drive action. It stands for Species Threat Abatement and Restoration metric. For example, the restoration aspect is that the metric demonstrates a score for R, and the higher the R score the greater the outcome of investing in restoration. The hope is that the investment community and eventually legislation will utilise these metrics to start restoring nature and biodiversity.</li> <li><i>How useful is the Red List in an Australian context compared to the rest of the world?</i> There are two ways to source the species data by country, through the government or through the IUCN, and in some cases the extinction risk differs between lists, indicating different methodologies. The Red List data is created by scientists with expert knowledge of species, using different leading experts for the assessment of each animal. The difference likely appears in determining endangerment and extinction risk, and there is potential for governments to have motivations in these determinations, which is less likely within the scientific community. The IUCN data ensures the same methodology and the same approach globally.  A study on the nSTAR metric and IUCN red-list data in different global regions determined that Australian data performs quite well, and that the data has high correlations with threatened species numbers.</li> </ul>	
<p><b>4. Taskforce on Nature-related Financial Disclosures (TNFD) update</b> TNFD v0.3 - Carolin Leeshaa (KPMG) and Guy Williams (Co-Chair, Deloitte)</p> <ul style="list-style-type: none"> <li>The TNFD development is progressing, with v0.3 having been recently released and pilot testing now being underway. This latest release features alignment with the TCFD structure to remain consistent and promote market adoption, broadening of disclosure recommendations, adaptable application approaches including the streamlining of the LEAP approach. It also includes updated guidance on science-based targets, additional guidance for financial institutions, and discussion papers on topical issues.</li> </ul>	<p>For more information on TNFD v0.3, please contact <a href="#">Carolin Leeshaa (KPMG)</a></p> <p>For more information on RIAA &amp; EY TNFD Piloting Workshops, please contact <a href="#">Emily</a></p>

<ul style="list-style-type: none"> <li>• The updated disclosure recommendations include recommendations for traceability, stakeholder engagement and target alignment. There has been focus on creating flexible application of the TNFD framework, to encourage early adoption and incentivising greater disclosure ambition over time through enhancing risk management under the framework.</li> <li>• More resources can be found <a href="#">here</a> on the TNFD</li> <li>• We are only at v0.3 in a fast-moving process, and v1.0 will not be the end of the road, so do not be daunted if you are not yet involved in TNFD, there is still plenty of time to understand what it means for your organisation and to engage in development or piloting.</li> </ul> <p>RIAA &amp; EY Piloting Workshops - Tim King (Melior)</p> <ul style="list-style-type: none"> <li>• As part of the work of the Nature Related Risks and Exposures subgroup, we reached out to 20 large, listed companies regarding TNFD and pilot adoption. All companies were interested, but overwhelmed by the process. This prompted the development of a 4-hour hands-on workshop with EY for interested companies, to explain the LEAP framework and how to start the pilot process. Several large companies from a range of sectors attended in person (with one dialling in), demonstrating an appetite for knowledge surrounding TNFD, but uncertainty about getting started.</li> </ul> <p>RIAA/DCCEEW TNFD webinars – Estelle Parker (RIAA)</p> <ul style="list-style-type: none"> <li>• In RIAA's role as national TNFD Convenor, we've been supported by the Department of Climate Change, the Environment, Energy and Water to run a series of Workshops aimed at encouraging businesses to engage with TNFD reporting and development, but also to share knowledge and understanding around the framework. Each workshop will cover different topics and hear from piloting organisations on their experiences.</li> <li>• Workshop #1, 'Getting Started', is on 1 December, and more information on topics and speakers can be viewed <a href="#">here</a>.</li> </ul> <p>RIAA &amp; COP15 – Estelle Parker (RIAA)</p> <ul style="list-style-type: none"> <li>• RIAA have written to Minister Plibersek and will do so to the New Zealand Minister for Environment highlighting the outcomes that we would like to see from COP 15 in relation to investors. Particularly, encouraging government to make a clear commitment to a robust framework, and to support the role of investors in protecting and restoring biodiversity.</li> <li>• We support the commitment to conserving 30% of Australia's land and oceans by 2030, and we would like the government to help to make this a global goal. We also advocated for the redirection of subsidies on practices that harm biodiversity to be redirected towards nature-positive activities, which will be critical to shifting investment. We also highlighted that the government continue to support TNFD, and eventually implement mandatory TNFD reporting.</li> </ul>	<p><a href="#">Davies (EY)</a> &amp; <a href="#">Tim King (Melior)</a></p> <p>For more information on RIAA &amp; DCCEEW TNFD Webinars, please contact <a href="#">Antonia Bowlen (RIAA)</a></p> <p>Register to attend RIAA &amp; DCCEEW Workshop 1 <a href="#">here</a></p>
<p><b>5. Subgroup updates</b></p> <p>External Reference Group - Bláthnaid Byrne (CBA) and Jane Hutchison (Pollination Foundation)</p> <ul style="list-style-type: none"> <li>• The final External Reference Group Meeting of 2022 will be held on 29 November, and will be about learning from COP 27 and preparing for COP 15, hearing feedback from the Australian Land Conservation Alliance's Conservation Finance Intensive and the Indigenous-led Reimagining Conservation Forum, and also some planning for a "Brown Bag" (lunchtime) Nature Series for 2023</li> </ul>	<p>To get involved with the External Reference Group, please contact <a href="#">Bláthnaid Byrne (CBA)</a> and <a href="#">Jane Hutchison (Pollination Foundation)</a></p>

<p><b>6. Other Industry Updates and Collaborations</b></p> <p>Green Energy Superpower Enquiry - Shara Lohrasb (Co-Chair, CEFC)</p> <ul style="list-style-type: none"> <li>RIAA would like to share with members that the Joint Standing Committee on Trade and Investment Growth has launched the inquiry into Australia's transition to a green energy superpower, and want to hear from Australian governments, businesses, and other interested parties about where trade and investment activities are already having a positive impact; emerging and possible future trends, areas of growth, and how can these be accelerated. They are seeking submissions by Wednesday, 30 November 2022. Register <a href="#">here</a></li> </ul> <p>Nature Action update - Amanda Richman (Australian Ethical)</p> <ul style="list-style-type: none"> <li>Nature Action is developing a science-based methodology to identify targets for engagement. The initiative aims to drive greater corporate ambition and action on tackling nature loss and biodiversity decline. Investors will focus on companies in key sectors with the largest impacts and dependencies on nature to ensure they are taking timely and necessary actions to protect and restore nature and ecosystems. Please see further information <a href="#">here</a>.</li> <li>To register interest in Nature Action 100 submit a form on your organisations behalf <a href="#">here</a>.</li> </ul> <p><u>Resources – for reference only</u></p> <p>a) UTS Institute for Sustainable Futures leads NSW Circular Rapid Review research on the circular economy transition – <a href="#">read here</a></p>	<p>Register interest in Nature Action 100 <a href="#">here</a></p>
<p><b>7. Wrap-up and Close – Shara Lohrasb (Co-Chair, CEFC)</b></p> <p>Next Meeting – 22 March 2023 – <a href="#">register here</a></p>	<p>Register</p>

## Action Register

Number	Action	Delegation	Status
New			
44-22	Register for 22nd March 2023 Nature Working Group Meeting <a href="#">here</a>	All	Pending
43-22	Register to attend RIAA & DCCEEW Workshop 1 <a href="#">here</a>	All	Pending
42-22	If attending COP15, please contact <a href="#">Guy Williams (Deloitte)</a>	All	Pending
41-22	For more information on IBAT, please contact <a href="#">Ben Jobson (IBAT)</a>	All	Pending
40-22	For more information about their services or presentation, please contact <a href="#">Amanda Irwin</a> or <a href="#">Kate Bromley (FairSupply)</a>	All	Pending
39-22	For more information on TNFD v0.3, please contact <a href="#">Carolyn Leeshaa (KPMG)</a>	All	Pending
38-22	For more information on RIAA & EY TNFD Piloting Workshops, please contact <a href="#">Emily Davies (EY)</a> & <a href="#">Tim King (Melior)</a>	All	Pending
37-22	For more information on RIAA & DCCEEW TNFD Webinars, please contact <a href="#">Antonia Bowlen (RIAA)</a>	All	Pending
36-22	To get involved with the External Reference Group, please contact <a href="#">Bláthnaid Byrne (CBA)</a> and <a href="#">Jane Hutchison (Pollination Foundation)</a>	All	Pending



<b>35-22</b>	Register interest in Nature Action 100 <a href="#">here</a>	All	Pending
Previous			
<b>34-22</b>	Register for November 24 <sup>th</sup> Nature Working Group meeting - <a href="#">here</a>	All	Complete
<b>33-22</b>	Register for October 26 <sup>th</sup> First Nations Peoples' Rights Working Group Meeting -	All	Complete
<b>32-22</b>	Register for RI Aotearoa NZ Conference - <a href="#">here</a>	All	Complete
<b>31-22</b>	For more information on Australia's State of Environment Report, please contact <a href="#">Terri Janke</a>	All	Ongoing
<b>30-22</b>	For more information on Nature Positive, please contact <a href="#">Robin Mitchell</a>	All	Ongoing
<b>29-22</b>	To participate in SBTN Public Consultation webinar Sept 20th <a href="#">register here</a>	All	Complete
<b>28-22</b>	For more information on DCCEEW, please contact <a href="#">Arianna Cowling</a>	All	Ongoing
<b>27-22</b>	For more information on TNFD Taskforce or to get involved, please contact <a href="#">Guy Williams</a>	All	Ongoing
<b>26-22</b>	For more information on TNFD National Consultation Group or to suggest topics for workshops, please contact <a href="#">Estelle Parker</a>	All	Ongoing
<b>25-22</b>	For more information on Subgroup 2, please contact <a href="#">Tim King</a> and <a href="#">Claire Molinari</a>	All	Ongoing
<b>24-22</b>	For more information on Subgroup 5, please contact <a href="#">Amanda Richman</a>	All	Ongoing
<b>23-22</b>	For more information on External Reference Group please contact <a href="#">Bláthnaid Byrne</a> and <a href="#">Jane Hutchinson</a>	All	Ongoing
<b>22-22</b>	Register for next meeting - <a href="#">register here</a>	All	Complete
<b>21-22</b>	For more information on Lock the Gate please contact <a href="#">Mark Lyster</a>	All	Ongoing
<b>20-22</b>	To become a mentor with Altioirem please contact <a href="#">Maddy Combe (Altioirem)</a>	All	Ongoing
<b>19-22</b>	To join the external reference group <a href="#">Bláthnaid Byrne (CBA)</a> and <a href="#">Jane Hutchinson (Pollination)</a>	All	Ongoing
<b>18-22</b>	To participate in Subgroup 5 please contact <a href="#">Amanda Richman (Australian Ethical)</a> and <a href="#">Evonne Grosso</a>	All	Ongoing
<b>17-22</b>	To participate in Subgroup 4 please contact <a href="#">Michelle Cameron (Refinitiv)</a> and <a href="#">Gael Ogilvie</a>	All	Ongoing
<b>16-22</b>	To participate in Subgroup 3 please contact <a href="#">Jo Saleeba (New Forests)</a> and <a href="#">Linda Romanovska (PwC)</a>	All	Ongoing
<b>15-22</b>	To participate in Subgroup 2 please contact <a href="#">Tim King (Melior)</a> and <a href="#">Claire Molinari (Care Super)</a>	All	Ongoing
<b>14-22</b>	To participate in Subgroup 1 please contact <a href="#">Emily Davies (EY)</a>	All	Ongoing
<b>13-22</b>	For more information on the Global biodiversity framework please contact <a href="#">Shara Lohrasb (Co-Chair CEFC)</a>	All	Ongoing
<b>12-22</b>	For more information on the TNFD National Consultation Group, please contact <a href="#">Estelle Parker (RIAA)</a>	All	Ongoing
<b>11-22</b>	To connect with Aotearoa-based WG members, please contact <a href="#">Greg Munford (NZ Superfund)</a> and <a href="#">Gael Ogilvie</a>	All	Ongoing
<b>10-22</b>	For more information on the TNFD, please contact <a href="#">Guy Williams (Co-Chair, Deloitte)</a>	All	Ongoing
<b>9-22</b>	For more information on planetary boundaries, please contact <a href="#">Liam Walsh, Climateworks</a>	All	Complete
<b>8-22</b>	Register for next meeting - register <a href="#">here</a>	All	Complete

<b>7-22</b>	ACF and COP 15 - For further information please contact <a href="#">Nathaniel Pelle (ACF)</a>	All	Ongoing
<b>6-22</b>	Please contact <a href="#">Amanda Richman</a> (Australian Ethical) regarding the subgroup.	All	Ongoing
<b>5-22</b>	NiN - For further info please get in touch with <a href="#">Emily Davies (EY)</a>	All	Complete
<b>4-22</b>	Please get in touch with <a href="#">Min Wah Voon (RIAA)</a> regarding the workplan	All	Complete
<b>3-22</b>	Member portal - Feedback is welcomed	All	Complete
<b>2-22</b>	For more information, please contact <a href="#">Nicole Yazbek-Martin (DAWE)</a>	All	Complete
<b>1-22</b>	For more TNFD related information please contact <a href="#">Guy Williams (Deloitte)</a> or <a href="#">Carolyn Leeshaa (KPMG)</a>	All	Ongoing

## Attendees (58)

	First Name	Last Name	Company
1	Alice	Boidin	CBus
2	Amanda	Richman	Australian Ethical Investment
3	Amanda	Irwin	FairSupply
4	Anson	Chan	RIAA
5	Antonia	Bowlen	RIAA
6	Blathnaid	Byrne	CBA
7	Briony	Doyle Galovic	RIAA
8	Carolyn	Leeshaa	KPMG
9	Charlotte	O'Meara	Challenger Limited
10	Chris	Newton	Stakeholder Capital
11	Craig	Blundell	Greville Analytics
12	Dragana	Timotijevic	AMP - Platforms
13	Emily	Morris	RIAA
14	Emily	Briggs	Pollination
15	Estelle	Parker	RIAA
16	Gael	Ogilvie	Independent
17	Georgina	Murray	Ethical Partners Funds Management
18	Graeme	Barry	Australian Retirement Trust
19	Greg	Munford	NZ Superfund
20	Greg	Liddell	BetaShares Holdings Pty Limited
21	Guy	Williams	Deloitte
22	Harry	Agnew	Perpetual
23	Jane	Hutchinson	Pollination Foundation
24	Jo	Saleeba	New Forests
25	John	Finisdore	Point Advisory
26	Jordan	Finch	ACSI
27	Julia	Green	Corrs Chambers Westgarth Lawyers
28	Kana	Thorpe	Duxton Capital Australia
29	Kate	Bromley	FairSupply
30	Kaylene	O'Neill	NAB
31	Kirsten	Laurendet	MinterEllison
32	Lili	Pechey	National Australia Bank
33	Linda	Romanovska	PwC
34	Lucy	Sanderson	MinterEllison
35	Maddy	Dwyer	Paradice Investment Management
36	Madeline	Combe	Altiorum

37	Marayka	Ward	QIC
38	Mark	lyster	Lyster & Associates
39	Michaela	Jamison	Jarden
40	Michelle	Cameron	Refinitiv Australia Pty Ltd
41	Min Wah	Voon	RIAA
42	Natalie	Bentley	MinterEllison
43	Oliver	Doraisamy	Deloitte Risk Advisory
44	Phoebe	Roberts	MinterEllison
45	Priya	Patel	Frontier
46	Rena	Zhu	EY
47	Rob	Fowler	Essential Change Advisory Services
48	Rosemary	Bissett	National Australia Bank
49	Saksham	Malhotra	HESTA
50	Sarah	Bailey	National Australia Bank
51	Shara	Lohrasb	Clean Energy Finance Corporation
52	Soumya	Munagala	ISS ESG Australia
53	Stacey	Sellwood	Rest
54	Stephanie	Strange	Mercer Australia
55	Suzy	Yoon	JANA
56	Tim	King	Melior Investment Management
57	Veda	Fitzsimons	Pollination Group
58	Venn	Purnell	Active Super



# RIAA's Nature Working Group

Meeting #4 - Thursday 24 November 2022

Principal Partner

**Deloitte.**



Responsible Investment  
Association Australasia



## Co-Chairs of RIAA's Nature Working Group



**Shara Lohrasb**, Associate Director at the Clean Energy Finance Corporation



**Guy Williams**, Director (Biodiversity and Natural Capital) at Deloitte

# Principles of Participation

- Confidentiality - Chatham House Rule
- No self-promotion
- Declaration of conflicts of interest
- Representation
- Collaboration between members
- Positive change in practice/policy
- Not to engage in or discuss competitively sensitive information
- Apolitical

# COP 15 Update

- Guy Williams, Director (Biodiversity and Natural Capital) at Deloitte

## News & more

Building the pathway to global nature targets



## CBD COP15: WHY THE WHOLE WORLD WILL BE WATCHING MONTREAL THIS DECEMBER

euronews.com - October 14, 2022

The Guardian

## Cop27 must pave the way for 'a Paris moment' for nature, says UN

Outcome of climate summit is crucial to ensuring strong targets at Cop15 in December, warns biodiversity head

euronews.green

## COP27: More than 25 countries band together to keep deforestation pledges made in Glasgow



Convention on biological diversity (CBD) Conference of Parties (COP 15) is held to establish a new Global Biodiversity Framework. 5– 17<sup>th</sup> December, Montreal, Canada

Road to COP 15 – A private sector position on nature – WorldClimate Communication Call 2

# Special Presentation: Biodiversity Assessment and Investors



**Ben Jobson**, Programme Officer at Integrated Biodiversity Assessment Tool (IBAT)



Responsible Investment  
Association Australasia



# Special Presentation and Q&A: Supply Chain Visibility and Investment Portfolios



Kate Bromley, Executive Director of Sustainable Finance at FairSupply



Dr Amanda Irwin, Head of ESG Research at FairSupply

# UPDATE: Taskforce on Nature-related Financial Disclosures

TNFD v0.3 - Carolin Leeshaa (KPMG) and Guy Williams (Co-Chair, Deloitte)



Taskforce on Nature-related  
Financial Disclosures

# v0.3 Beta Framework

*24 November 2022*

*Carolyn Leeshaa, Director, Nature Lead KPMG*

# One Year In .... Market Engagement Progress Update

**750+**

Forum  
Members

**18**

Knowledge  
Partners

**9**

Consultation  
Groups

**500+**

Pieces of  
Feedback  
Received

**25,000**

Followers  
on  
LinkedIn

**60,000**

Views of the  
Beta  
Framework

**100+**

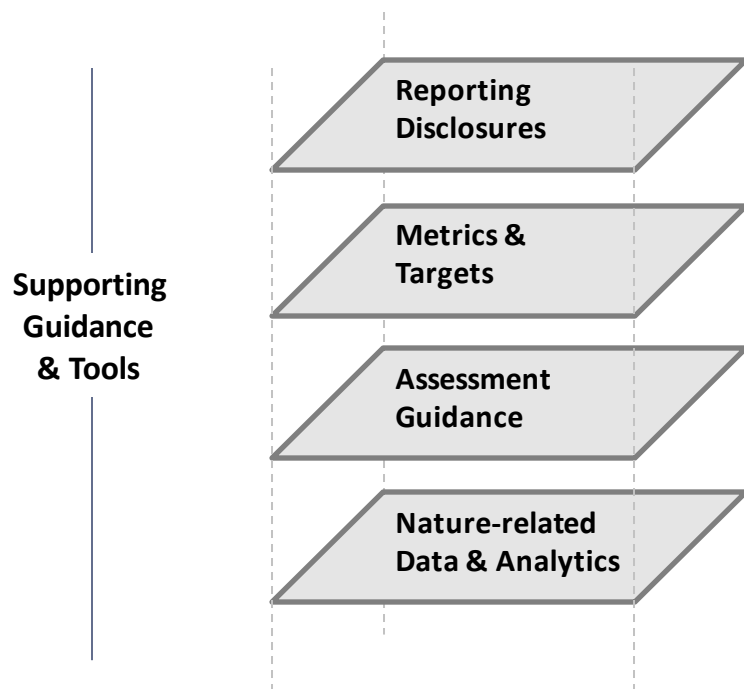
companies  
participating  
in the Data  
Catalyst

**130**

Pilot Tests  
in progress

# Our Mission

*A risk management and disclosure framework for companies and financial institutions that helps shift the flow of global capital to nature positive outcomes*



*Practical to use by report preparer and decision useful to report user given needs & context*  
*Metrics & targets that support transparency, commitment & comparability.*  
*Dependency, impact, risk and opportunity assessment guidance aligned with enterprise & portfolio risk mgmt*  
*Relevant, reliable, accessible and timely data to support analysis*

# Our Approach

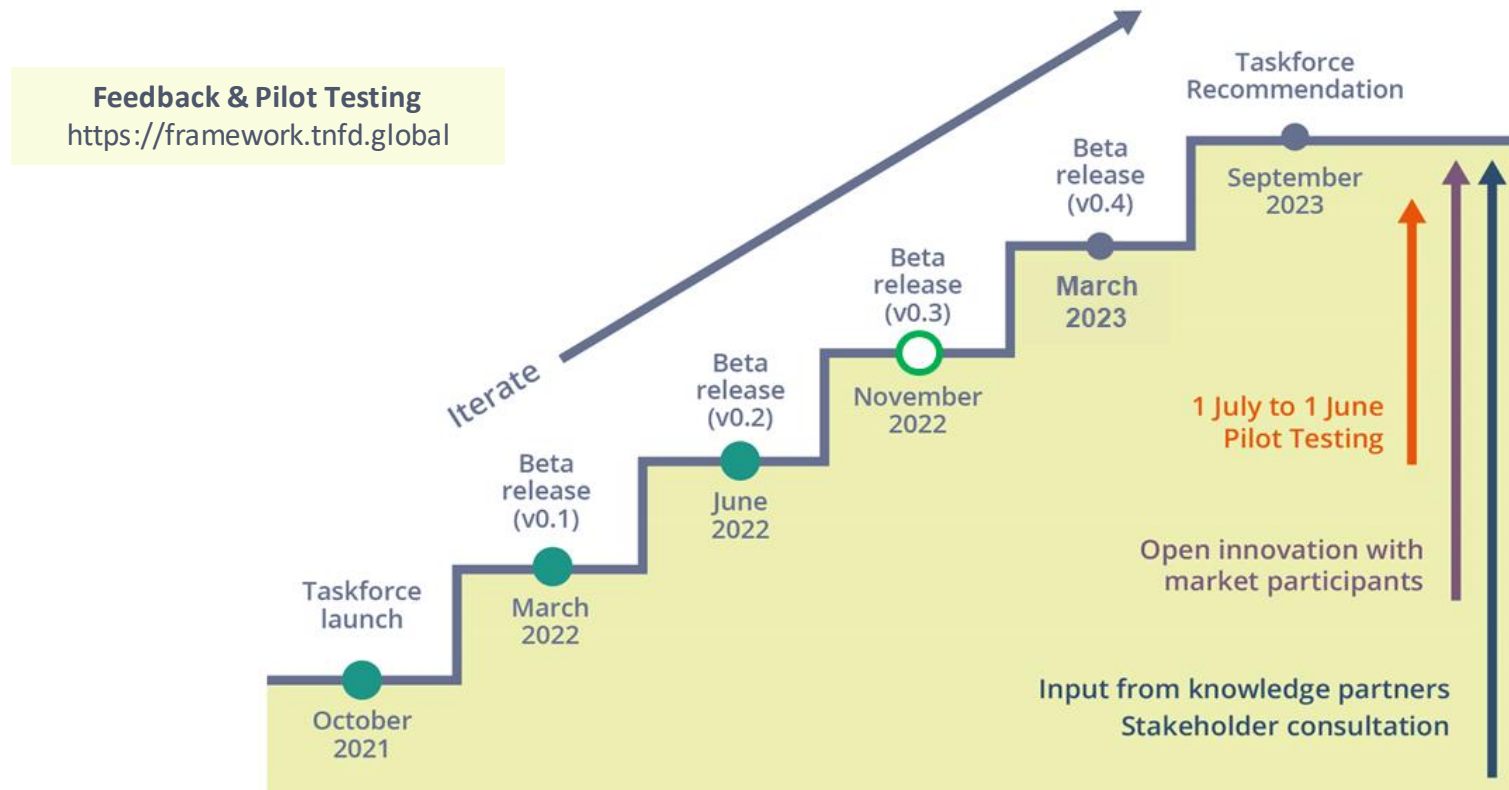
*Moving as many market participants to early action as possible given the urgency of the global crisis of nature loss and the growing risks to business, finance and society*

- **Alignment** – with global baseline and existing standards & tools
- **Adaptability** - regarding the approach to materiality to accommodate the preferences and regulatory requirements of organisations of all sizes and across all jurisdictions;
- **Action** - by companies and financial institutions
- Increase disclosure **ambition** over time

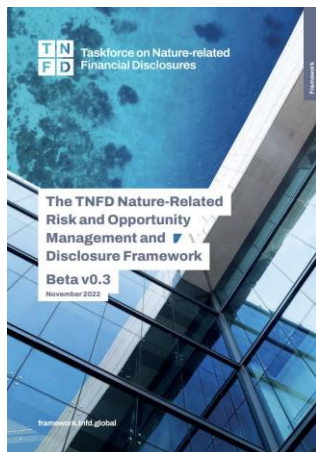
*“The TNFD framework has been developed to be applicable to meet both the emerging global baseline being developed by the ISSB, and the approaches of specific jurisdictions and the ambitions of individual preparers, which may go beyond these requirements.”*  
TNFD v0.1 beta release,  
March 2022



# The TNFD Design & Development Timeline



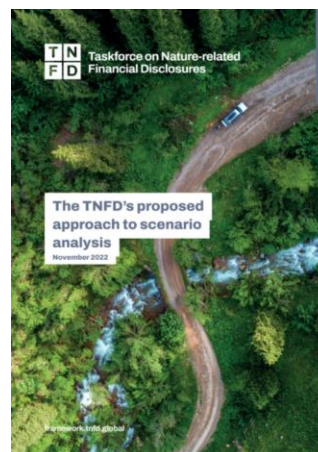
# What's in this v0.3 release?



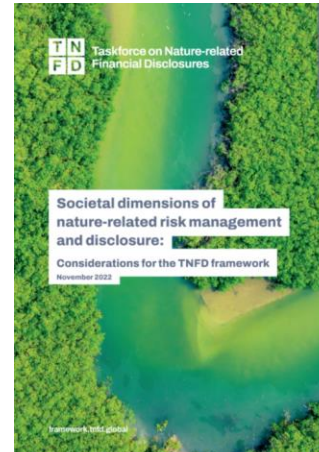
**Full v0.3 Report**  
**Incl. Annex on Draft**  
**Guidance for**  
**Financial**  
**Institutions**



**Draft Guidance on**  
**Science-based**  
**Targets for Nature**  
(co-developed  
with SBTN)



**Discussion Paper on**  
**the TNFD's Proposed**  
**Approach to Scenario**  
**Analysis**




**Discussion Paper on**  
**Societal Dimensions of**  
**Nature-related Risk**  
**Management &**  
**Disclosure**

# The Headlines for the v0.3 release

- ✓ **Alignment with TCFD** structure, approach and language to ensure consistency and faster market adoption
- ✓ **Broadening of disclosure recommendations** to include dependencies and impacts on nature
- ✓ **Adaptable application approach** to meet the varying needs and compliance requirements of report preparers... and encourage greater disclosure ambition over time
- ✓ **More clarity and streamlining of LEAP** approach based on feedback and pilot testing from market participants
- ✓ New guidance on **science-based targets**, aligned and co-developed with SBTN
- ✓ Draft **additional guidance for Financial Institutions**
- ✓ Discussion Papers on approach to **Scenarios** and **societal considerations**

# TNFD What's new in the v0.3 update?

☒ Draft Guidance

 Discussion Paper

## Disclosure Recommendations

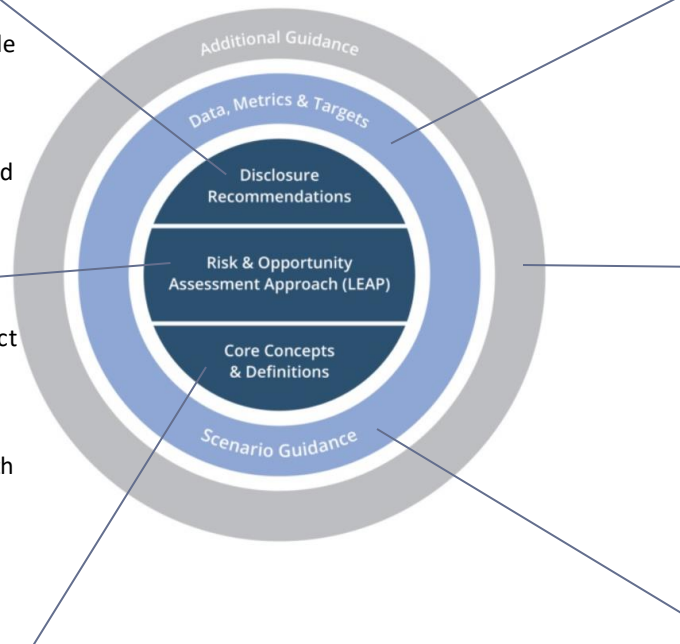
- ✓ Adaptation of Metrics & Targets B to incorporate impact on nature disclosures
- ✓ Inclusion of 'dependencies & impacts' alongside 'risks & opportunities' in several recommended disclosures
- ✓ Three new draft disclosures – on traceability, stakeholder, inc. rights-holder, engagement and alignment of climate and nature targets

## LEAP Approach

- ✓ 'Scoping' preparation guidance for corporates
- ✓ Updated guidance for 'Evaluate' phase in impact mitigation & positive impacts
- ✓ Streamlined 'Assess' phase components and guidance
- ✓ Language change to recognise engagement with rights-holders

## Core Concepts & Definitions, relating to:


- ✓ Nature-related risks
- ✓ Nature-related opportunities
- ✓ Targets
- ✓ New language in revised disclosure recommendations and LEAP




## Data, Metrics & Targets

- ✓ Guidance on science-based targets for nature (co-developed with SBTN)
- ✓ Illustrative risk and opportunity assessment metrics

## Additional Guidance

- ✓ Draft disclosure guidance for financial institutions
- ✓ Update on approach to sector and biome guidance
-  Discussion Paper on societal dimensions of nature-related risk management and disclosure
- ✓ Hypothetical case study for aquaculture
- ✓ Tools Catalogue (online platform)
- ✓ Risk and opportunity registry (online platform)
- ✓ Updated glossary and 'Understanding Nature' section (online platform)

## Scenario Guidance

-  Discussion Paper on the TNFD's proposed approach to scenario analysis

# Draft Disclosure Recommendations

# Where We started – TCFD alignment and adaptation

## TCFD Climate Disclosure Recommendations

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning where such information is material.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
<b>Recommended Disclosures</b>	<b>Recommended Disclosures</b>	<b>Recommended Disclosures</b>	<b>Recommended Disclosures</b>
a) Describe the board's oversight of climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	a) Describe the organization's processes for identifying and assessing climate-related risks.	a) Describe the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.	b) Describe the organization's processes for managing climate-related risks.	b) Describe Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

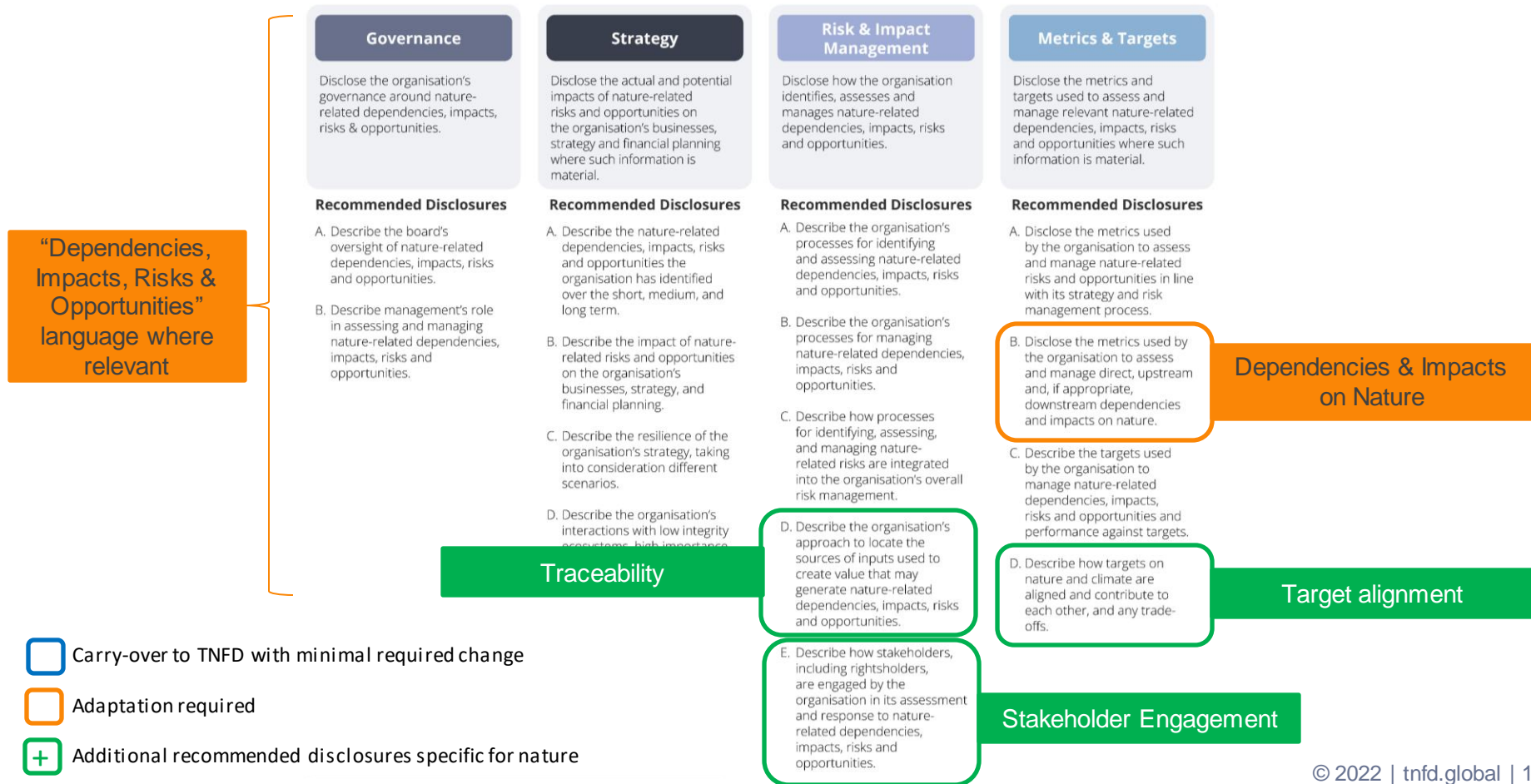
## TNFD Nature Disclosure Recommendations (v0.2)

Governance	Strategy	Risk Management	Metrics & Targets
Disclose the organization's governance around nature-related risks and opportunities.	Disclose the actual and potential impacts of nature-related risks and opportunities on the organization's business, strategy, and financial planning where such information is material.	Disclose how the organization identifies, assesses and manages nature-related risks.	Disclose the metrics and targets used to assess and manage relevant nature-related risks and opportunities where such information is material.
<b>Recommended Disclosures</b>	<b>Recommended Disclosures</b>	<b>Recommended Disclosures</b>	<b>Recommended Disclosures</b>
A. Describe the board's oversight of nature-related risks and opportunities.	A. Describe the nature-related risks and opportunities the organization has identified over the short, medium, and long term.	A. Describe the organization's processes for identifying and assessing nature-related risk.	A. Describe the metrics used by the organization to assess and manage nature-related risks and opportunities in line with its strategy and risk management process.
B. Describe management's role in assessing and managing nature-related risks and opportunities.	B. Describe the impact of nature-related risks and opportunities on the organization's business, strategy, and financial planning.	B. Describe the organization's processes for managing nature-related risks.	B. Describe the resilience of the organization's strategy, taking into consideration different scenarios.
	C. Describe the resilience of the organization's strategy, taking into consideration different scenarios.	C. Describe how processes for identifying, assessing, and managing nature-related risks are integrated into the organization's overall risk management.	C. Describe the targets used by the organization to manage nature-related risks and opportunities and performance against targets.
	D. Describe the organization's interactions with low integrity ecosystems, high importance ecosystems or areas of water stress.		D. Describe the targets used by the organization to manage nature-related risks and opportunities and performance against targets.

- Carry-over to TNFD with minimal required change
- Adaptation required
- Additional recommended disclosures specific for nature



# The v0.3 Draft Disclosure Recommendations



# Flexible Application of the Framework

- ✓ **Provide adaptability and flexibility** to report preparers given their own preferences or regulatory requirements regarding materiality
- ✓ **Encourage early action** to adopt the TNFD recommendations and start nature-related assessment and disclosure
- ✓ Create a mechanism for **incentivising greater disclosure ambition** over time

Enhanced

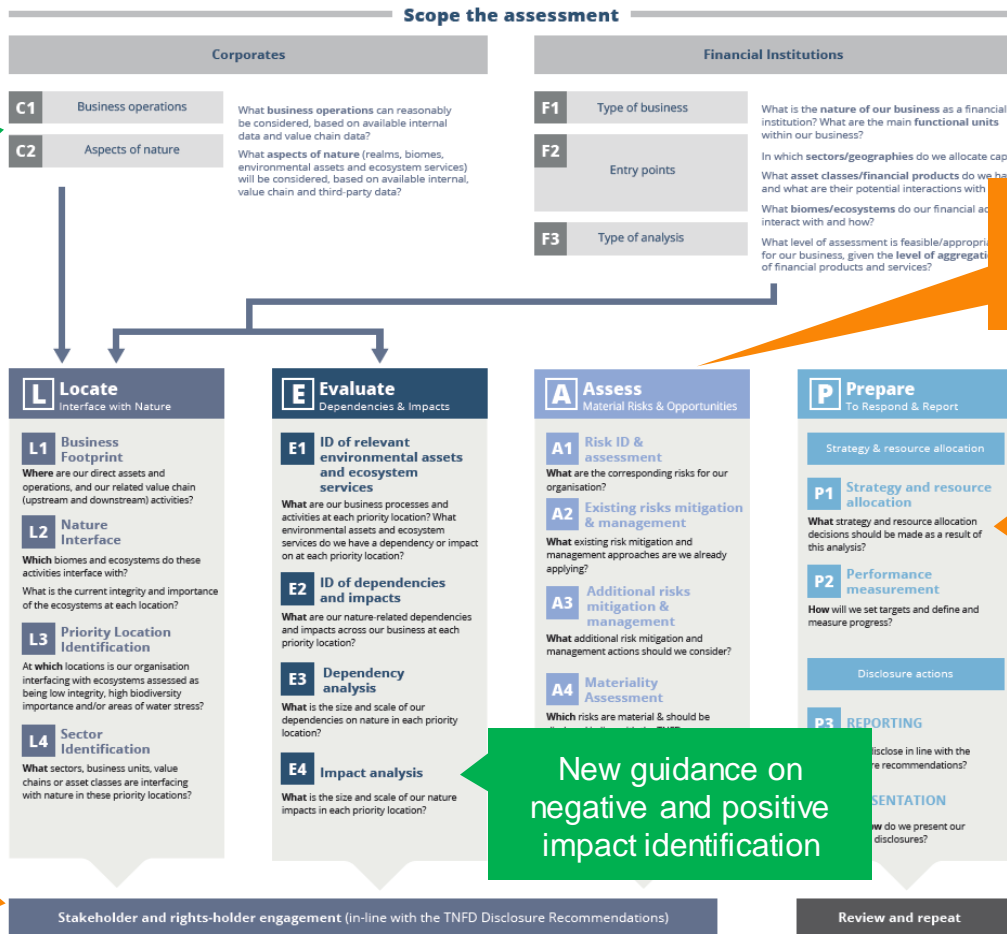
Additional disclosures and assessment activities that would enhance risk management for the organisation; and transparency to the market

Core

Minimum Requirements for claiming to use TNFD  
(Aligned to Global Baseline)

# The LEAP Approach

# Modifications to the LEAP Approach



Additional Scoping preparation guidance for corporates

Modified and streamlined Assess phase. New guidance

New target-setting guidance based on SBTN

Recognition of Rights-holders as a distinct set of stakeholders

New guidance on negative and positive impact identification

# Additional LEAP Assessment Tools

**A Assess**  
Material Risks & Opportunities

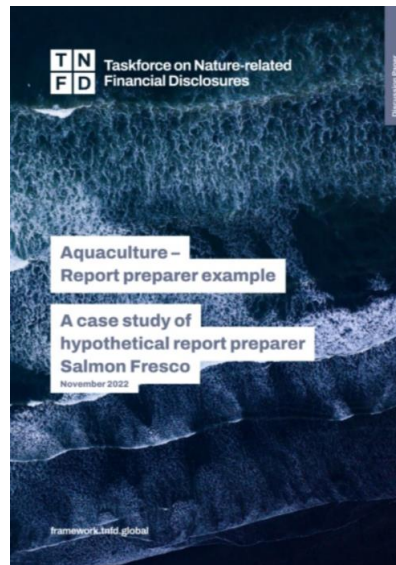
**A1 Risk and opportunity ID**  
What are the corresponding risks and opportunities for our business?

**A2 Existing risks mitigation and risk and opportunity management**  
What existing risk mitigation and risk and opportunity management approaches are we already applying?

**A3 Additional risk mitigation and risk and opportunity management**  
What additional risk mitigation and risk and opportunity management actions should we consider?

**A4 Risk and opportunity materiality assessment**  
Which risks and opportunities are material & should be disclosed in line with the TNFD disclosure recommendations?

Assess Phase Guidance



Aquaculture  
Case Study

**LEAP Tools Catalogue**

Tools that organisations can use to apply each phase of the LEAP approach

Building on insights from the Nature-related Data Catalyst, the TNFD has created a beta version of an online searchable Tools Catalogue that provides an overview of tools that organisations can use to apply each phase of the LEAP approach. The Catalogue will continue to be updated over time.

If you have a useful tool or platform and would like to feature in our catalogue, or if you need to submit a correction, please email the TNFD team at [datacatalyst@tnfd.global](mailto:datacatalyst@tnfd.global)

LEAP Phase:  Status:

**GloBio** UNE

The GLOBIO model is designed to inform and support policy-makers by quantifying global human impacts on biodiversity and ecosystems. GLOBIO can be used to quantify various policy-relevant dimensions of human-nature interactions, including ecosystem services and biodiversity impacts.

[Visit platform](#)

This platform can support you with the following phases:

- A4: Identification of priority nature-risk locations by sector, business unit or value chain
- E1: Identification of relevant environmental assets and ecosystem services by priority location
- E2: Identification of dependencies and impacts by priority location
- E3 and E4: Dependency and impact analysis
- A1: Risk Identification

Additional Online Resources:

Risk & Opportunity Register

Tools Catalogue

<https://framework.tnfd.global/>



Taskforce on Nature-related  
Financial Disclosures

# Thank you

[forum@tnfd.global](mailto:forum@tnfd.global)

[www.tnfd.global](http://www.tnfd.global)

<https://framework.tnfd.global>

# UPDATE:

## Taskforce on Nature-related Financial Disclosures

1. RIAA & EY Piloting Workshops - Emily Davies (EY) & Tim King (Melior)
2. RIAA/DCCEEW TNFD webinars – Estelle Parker (RIAA)

View full list of [RIAA's events here](#).





## Subgroup Updates

- **Activating Nature-related Investment Opportunities - Linda Romanovska (PwC)**
- External Reference Group - Jane Hutchinson (Pollination)

# Working Group Meetings for 2023

**First Nations Peoples' Rights Working Group**, Thurs 16 February - 12pm – 1.30pm AEDT / 2pm – 3.30pm NZDT

**Human Rights Working Group**, Thurs 23 February - 12pm – 1.30pm AEDT / 2pm – 3.30pm NZDT

**Nature Working Group**, Wed 22 March - 12pm – 1.30pm AEDT / 2pm – 3.30pm NZDT

View full list of [RIAA's events here](#).



Responsible Investment  
Association Australasia

**RESPONSIBLE INVESTMENT  
ASSOCIATION AUSTRALASIA**  
Ground Floor, 555 Bourke St  
Melbourne Vic, 3000  
Australia

+61 3 7018 7653

[info@responsibleinvestment.org](mailto:info@responsibleinvestment.org)  
[responsibleinvestment.org](http://responsibleinvestment.org)



Responsible Investment  
Association Australasia



# RIAA Nature Working Group

Quantifying biodiversity loss





“COP27 concludes with much homework and little time.

We are already halfway between the Paris Climate Agreement and the 2030 deadline.

We need all hands on deck to drive justice and ambition.

This also includes ambition to end the suicidal war on nature that is fuelling the climate crisis, driving species to extinction and destroying ecosystems.

Next month’s UN Biodiversity Conference is the moment to adopt an ambitious global biodiversity framework for the next decade, drawing from the power of nature-based solutions and the critical role of indigenous communities.”

**António Guterres**, November 19, 2022

Source: <https://www.un.org/sg/en/content/sg/statement/2022-11-19/statement-the-secretary-general-the-conclusion-of-cop27%C2%A0-sharm-el-sheikh%C2%A0C2%A0>

# Nature and biodiversity

## CONVENTION ON BIOLOGICAL DIVERSITY

### Article 2. Use of Terms

For the purposes of this Convention:

*"Biological diversity"* means the variability among living organisms from all sources including, *inter alia*, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part: this includes diversity within species, between species and of ecosystems.

Source: <https://www.cbd.int/doc/legal/cbd-en.pdf>

### Understanding nature

Understanding nature » TNFD's definitions of nature

#### TNFD's definitions of nature

[Previous](#)[Next](#)

#### Nature's four realms

The working definition of nature in the TNFD framework is outlined below. People and societies interact with nature and are not separate from it.

Definition

##### Nature

The natural world, with an emphasis on the diversity of living organisms (including people) and their interactions among themselves and with their environment.

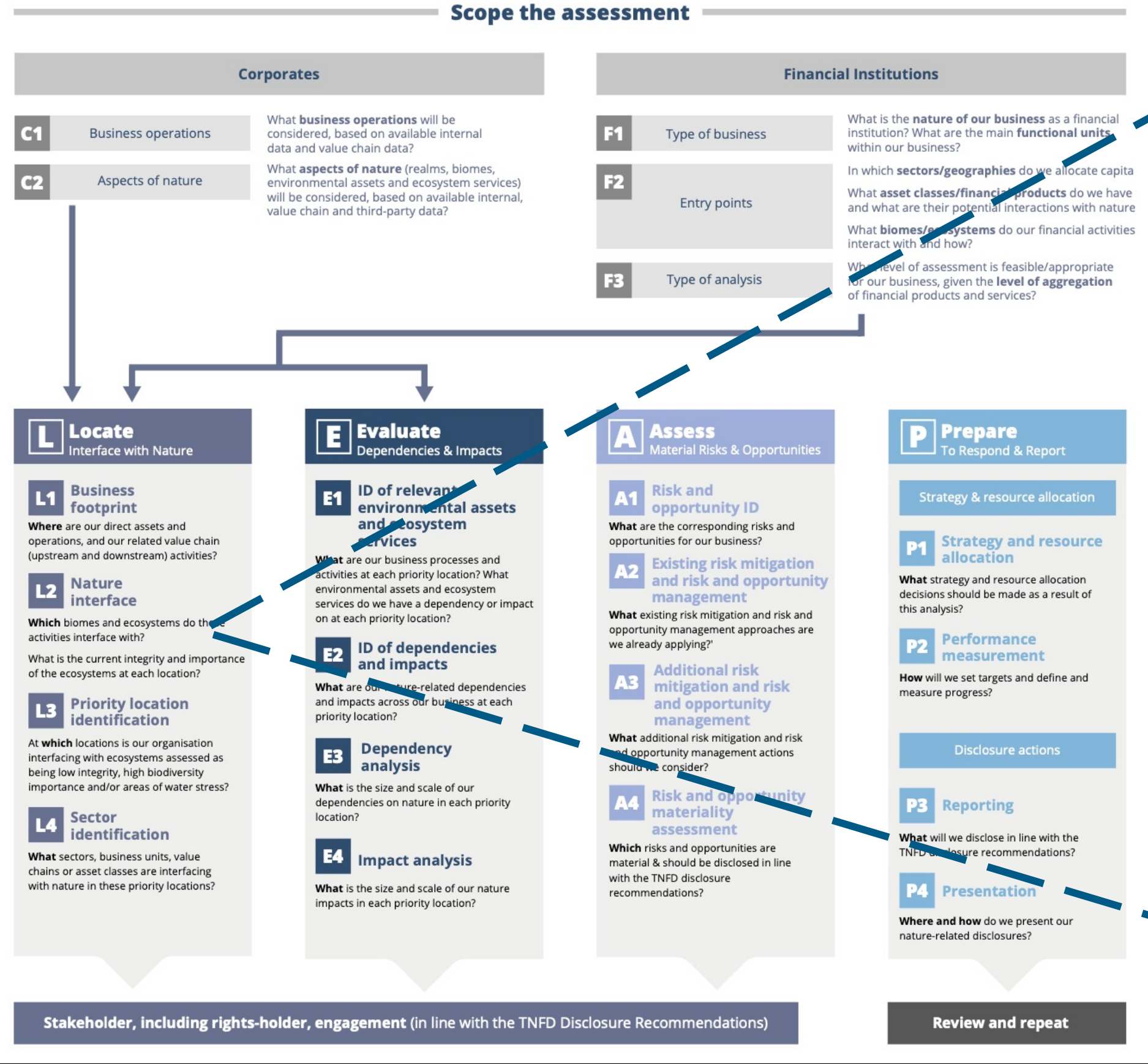
Díaz, S et al (2015) The IPBES Conceptual Framework – connecting nature and people

Source: <https://framework.tnfd.global/understanding-nature/tnfds-definitions-of-nature/>



# TNFD and LEAP

Figure 6: The TNFD's revised risk and opportunity assessment approach (LEAP) in the v0.3 framework



## L Locate Interface with Nature

### L1 Business footprint

**Where** are our direct assets and operations, and our related value chain (upstream and downstream) activities?

### L2 Nature interface

**Which** biomes and ecosystems do these activities interface with?

What is the current integrity and importance of the ecosystems at each location?

### L3 Priority location identification

At **which** locations is our organisation interfacing with ecosystems assessed as being low integrity, high biodiversity importance and/or areas of water stress?

### L4 Sector identification

**What** sectors, business units, value chains or asset classes are interfacing with nature in these priority locations?



# Measuring biodiversity

- Number of different species
- Population of a given species
- Genetic diversity within a given species
- Number of different ecosystems
- Health of an individual ecosystem
- Extinction risk of species

# Measuring biodiversity



We host and maintain the three key global biodiversity datasets



## IUCN Red List of Threatened Species

The IUCN Red List of Threatened Species (also known as the IUCN Red List) is a rich compendium of information on threats, ecological requirements, and habitats of over 147,517 species; and on conservation actions that can be taken to reduce or prevent extinctions. It is based on an objective system for assessing the risk of extinction of a species based on past, present, and projected threats. Species assessments are conducted following a standardized process using the rigorous IUCN Red List Categories and Criteria, ensuring the highest standards of scientific documentation, information management, expert review, and justification. IUCN aims to re-evaluate the IUCN Red List category of species every five to ten years to monitor change.



## World Database on Protected Areas

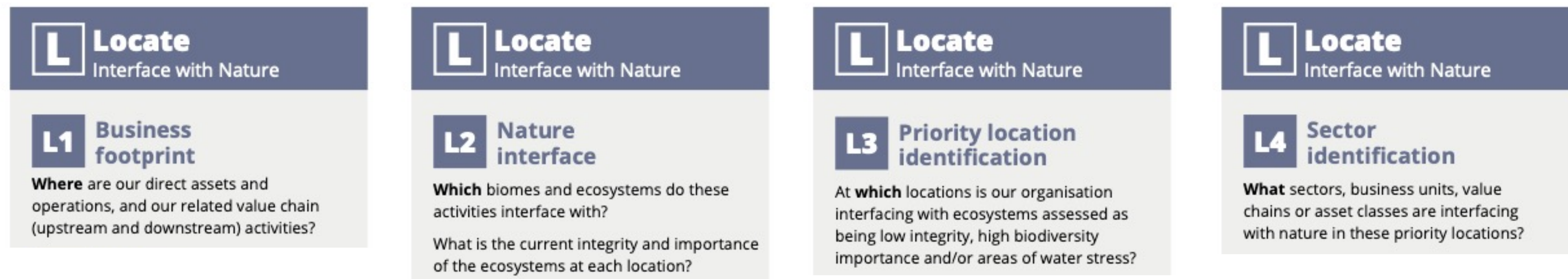
The World Database on Protected Areas (WDPA) is a joint project between UN Environment Programme and the International Union for Conservation of Nature (IUCN), managed by UN Environment World Conservation Monitoring Centre. Data for the WDPA is collected from international convention secretariats, governments, and collaborating NGOs. The WDPA uses the IUCN definition of a protected area as the main criteria for entries included in the database.



## World Database of Key Biodiversity Areas

Key Biodiversity Areas (KBA) are 'sites contributing significantly to the global persistence of biodiversity', in terrestrial, freshwater and marine ecosystems. Sites qualify as global KBAs if they meet one or more of 11 criteria, clustered into five categories: threatened biodiversity; geographically restricted biodiversity; ecological integrity; biological processes; and, irreplaceability. The World Database of Key Biodiversity Areas is managed by BirdLife International on behalf of the KBA Partnership.

# Quantifying impact



Direct & indirect impact

State of biodiversity

Sectors & asset classes



# Quantifying direct impact

IBAT

Protected Areas

The following protected areas are found within 5 km of the area of interest.  
For further details please refer to the associated csv file in the report folder.

Area name	Within buffer of
Bukit Timah Nature Reserve	5 km
Central Catchment Nature Reserve	5 km
Labrador Nature Reserve	5 km
Sungei Buloh Wetland Reserve	5 km

Key Biodiversity Areas

The following key biodiversity areas are found within 5 km of the area of interest.  
For further details please refer to the associated csv file in the report folder.

Area name	Distance
Central Forest	5 km
Kranji-Mandai	5 km
Ubin-Khatib	5 km

IUCN Red List of Threatened Species

The following threatened species are potentially found within 50km of the area of interest.  
For the full IUCN Red List please refer to the associated csv in the report folder.

Species Name	Common Name	Taxonomic Group	IUCN Category	Population Trend	Biome
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Singapore | Page 3 of 37

IBAT

Species Name	Common Name	Taxonomic Group	IUCN Category	Population Trend	Biome
Betta miniopinna		ACTINOPTERYGII	CR	Unknown	Freshwater
Chitra chitra	Asian Narrow-headed Softshell Turtle	REPTILIA	CR	Decreasing	Terrestrial, Freshwater
Encheloclarias kelloides		ACTINOPTERYGII	CR	Decreasing	Freshwater
Heosemys grandis	Giant Asian Pond Turtle	REPTILIA	CR	Decreasing	Terrestrial, Freshwater
Manis javanica	Sunda Pangolin	MAMMALIA	CR	Decreasing	Terrestrial
Manouria emys	Asian Giant Tortoise	REPTILIA	CR	Decreasing	Terrestrial
Oritia borneensis	Malaysian Giant Turtle	REPTILIA	CR	Decreasing	Terrestrial, Freshwater
Hopea auriculata		MAGNOLIOPSIDA	CR	Decreasing	Terrestrial
Aquilaria malaccensis	Agarwood	MAGNOLIOPSIDA	CR	Decreasing	Terrestrial
Sphyrna lewini	Scalloped Hammerhead	CHONDRICHTHYES	CR	Decreasing	Marine
Pristis zijsron	Green Sawfish	CHONDRICHTHYES	CR	Decreasing	Marine
Presbytis femoralis	Raffles' Banded Langur	MAMMALIA	CR	Decreasing	Terrestrial
Rhina ancylostoma	Bowmouth Guitarfish	CHONDRICHTHYES	CR	Decreasing	Marine

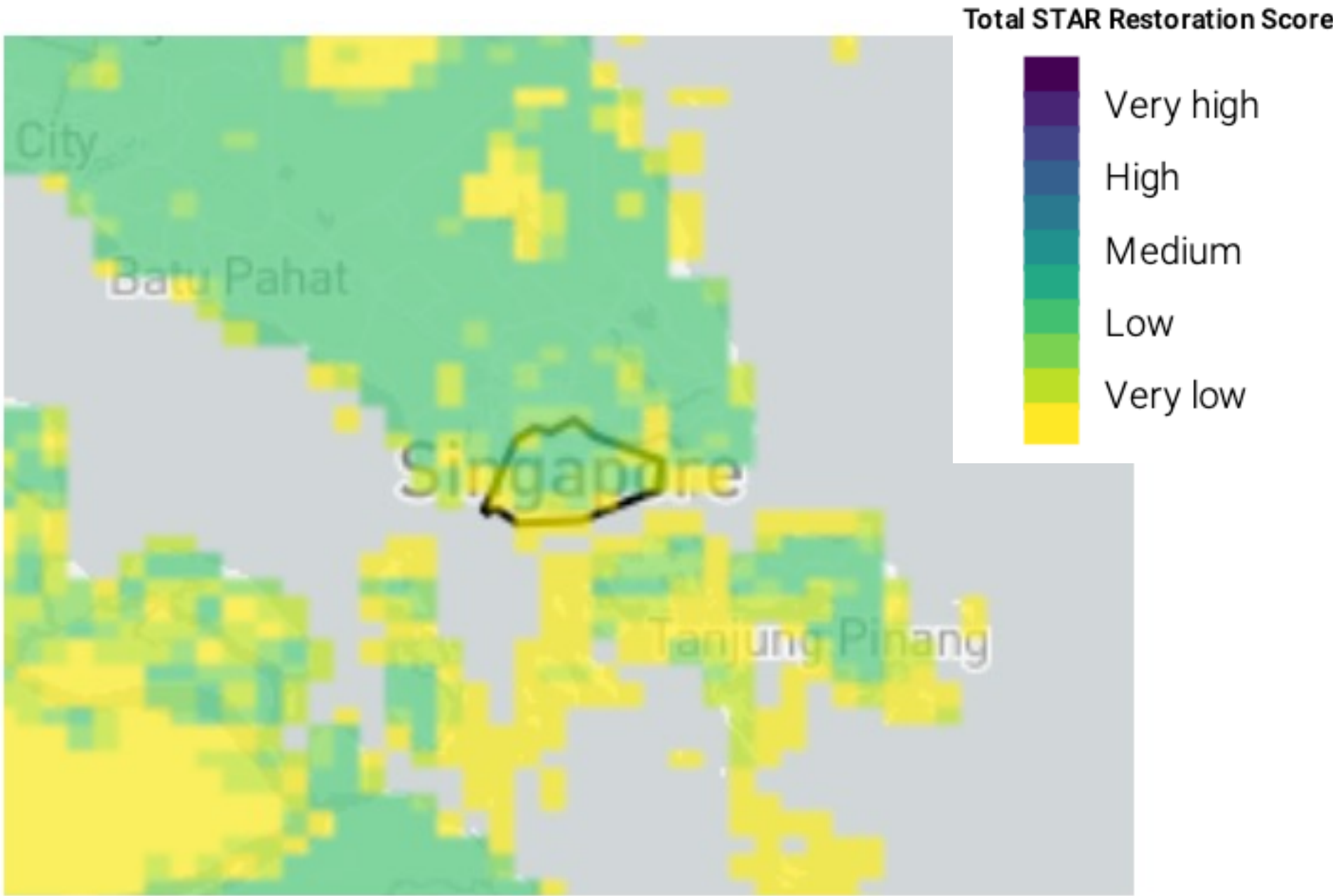
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<https://www.ibat-alliance.org/>

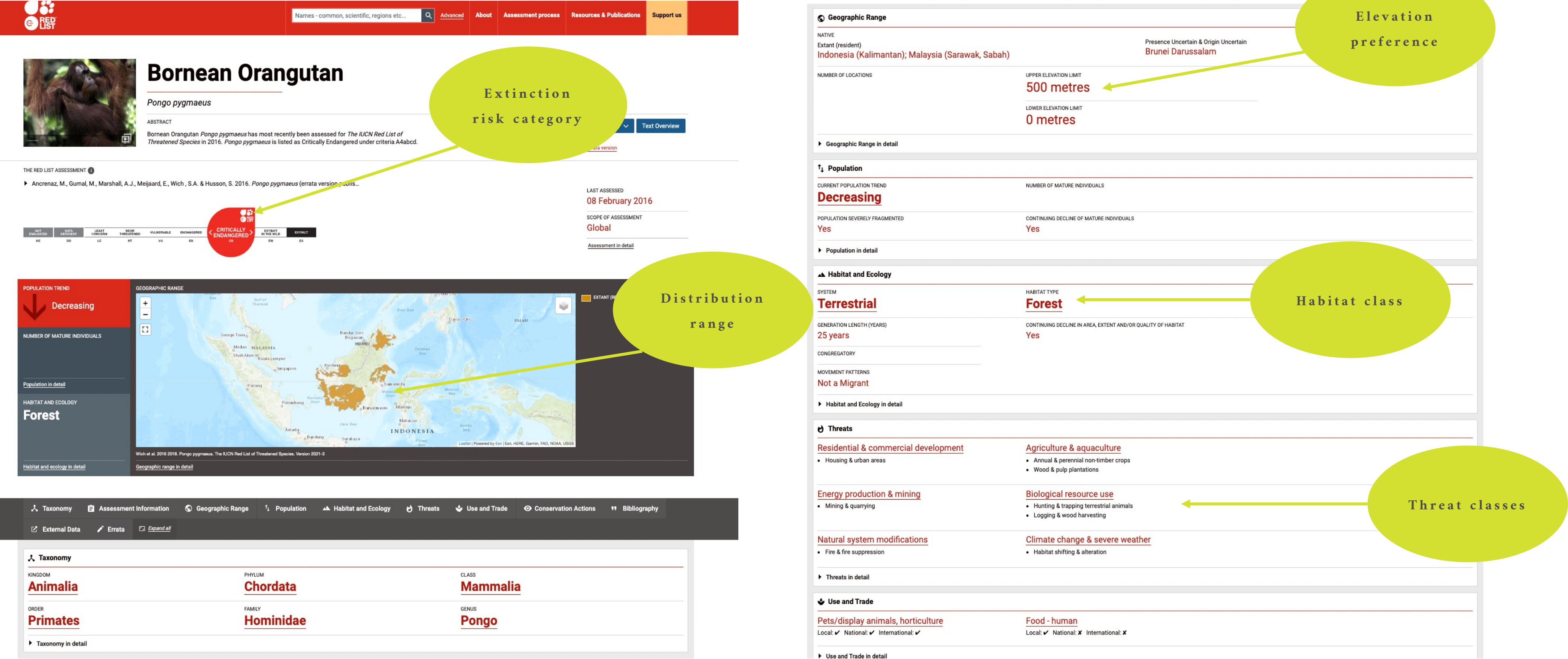
# Quantifying indirect impact

Industry Supply Chain ?





# Extinction-risk footprint



Ancrenaz, M., Gumal, M., Marshall, A.J., Meijaard, E., Wich, S.A. & Husson, S. 2016. *Pongo pygmaeus* (errata version published in 2018). *The IUCN Red List of Threatened Species* 2016: e.T17975A123809220. <https://dx.doi.org/10.2305/IUCN.UK.2016-1.RLTS.T17975A17966347.en>. Accessed on 20 June 2022.

# Extinction-risk footprint

TaxonomyAssessment InformationGeographic RangePopulationHabitat and EcologyThreatsUse and TradeConservation ActionsBibliography

External DataErrataExpand all

CLASSIFICATION SCHEME									
Threats	Timing		Stresses		Scope	Severity	Impact score		
1. Residential & commercial development	1.1. Housing & urban areas	Ongoing	1. Ecosystem stresses	1.1. Ecosystem conversion 1.2. Ecosystem degradation	Minority (<50%)	Slow, Significant Declines	Low Impact: 5		
2. Agriculture & aquaculture	2.1. Annual & perennial non-timber crops	Ongoing	1. Ecosystem stresses	1.1. Ecosystem conversion 1.2. Ecosystem degradation	Minority (<50%)	Rapid Declines	Medium Impact: 6		
	2.1.2. Small-holder farming	Ongoing	1. Ecosystem stresses	1.1. Ecosystem conversion 1.2. Ecosystem degradation	Majority (50-90%)	Very Rapid Declines	High Impact: 8		
	2.1.3. Agro-industry farming	Ongoing	1. Ecosystem stresses	1.1. Ecosystem conversion 1.2. Ecosystem degradation	Minority (<50%)	Very Rapid Declines	Medium Impact: 7		
	2.2. Wood & pulp plantations	Ongoing	1. Ecosystem stresses	1.1. Ecosystem conversion 1.2. Ecosystem degradation	Minority (<50%)	Very Rapid Declines	Medium Impact: 7		
	2.2.2. Agro-industry plantations	Ongoing	1. Ecosystem stresses	1.1. Ecosystem conversion 1.2. Ecosystem degradation	Minority (<50%)	Very Rapid Declines	Medium Impact: 7		
3. Energy production & mining	3.2. Mining & quarrying	Ongoing	1. Ecosystem stresses 2. Species Stresses	1.2. Ecosystem degradation 2.2. Species disturbance	Minority (<50%)	Slow, Significant Declines	Low Impact: 5		
5. Biological resource use	5.1. Hunting & trapping terrestrial animals	Ongoing	2. Species Stresses	2.1. Species mortality	Majority (50-90%)	Very Rapid Declines	High Impact: 8		
		Ongoing	2. Species Stresses	2.1. Species mortality	Minority (<50%)	Very Rapid Declines	Medium Impact: 7		
	5.3. Logging & wood harvesting	Ongoing	1. Ecosystem stresses	1.2. Ecosystem degradation	Minority (<50%)	Slow, Significant Declines	Low Impact: 5		
7. Natural system modifications	7.1. Fire & fire suppression	Ongoing	1. Ecosystem stresses	1.1. Ecosystem conversion 1.2. Ecosystem degradation	Majority (50-90%)	Rapid Declines	Medium Impact: 7		
11. Climate change & severe weather	11.1. Habitat shifting & alteration	Ongoing	1. Ecosystem stresses	1.1. Ecosystem conversion 1.2. Ecosystem degradation	Whole (>90%)	Slow, Significant Declines	Medium Impact: 7		

$$nSTAR_i = W_i * (TS_{i1} + TS_{i2} + TS_{i3} + ... + TS_{ij})$$

Connected to  
economic activity



# Extinction-risk footprint

Economic transactions between 200  
sectors across 214 countries

Investment  
value by  
sector, by  
country

Extinction-risk  
footprint  
 $f = qLy$

nSTAR value by species, by sector, by country

# Data use cases

## 1. Development site assessment

- Property operator comparing the biodiversity impacts across two prospective development sites
- The data provides comparable information on the direct and indirect impacts associated with each site

## 2. Knowledge building

- An investor client assessed portfolios across various asset classes to build an internal understanding of direct and indirect biodiversity impacts
- Is using the assessment to build capacity within the ESG and investment teams on where biodiversity impacts are greatest within the portfolio

# Data use cases (continued)

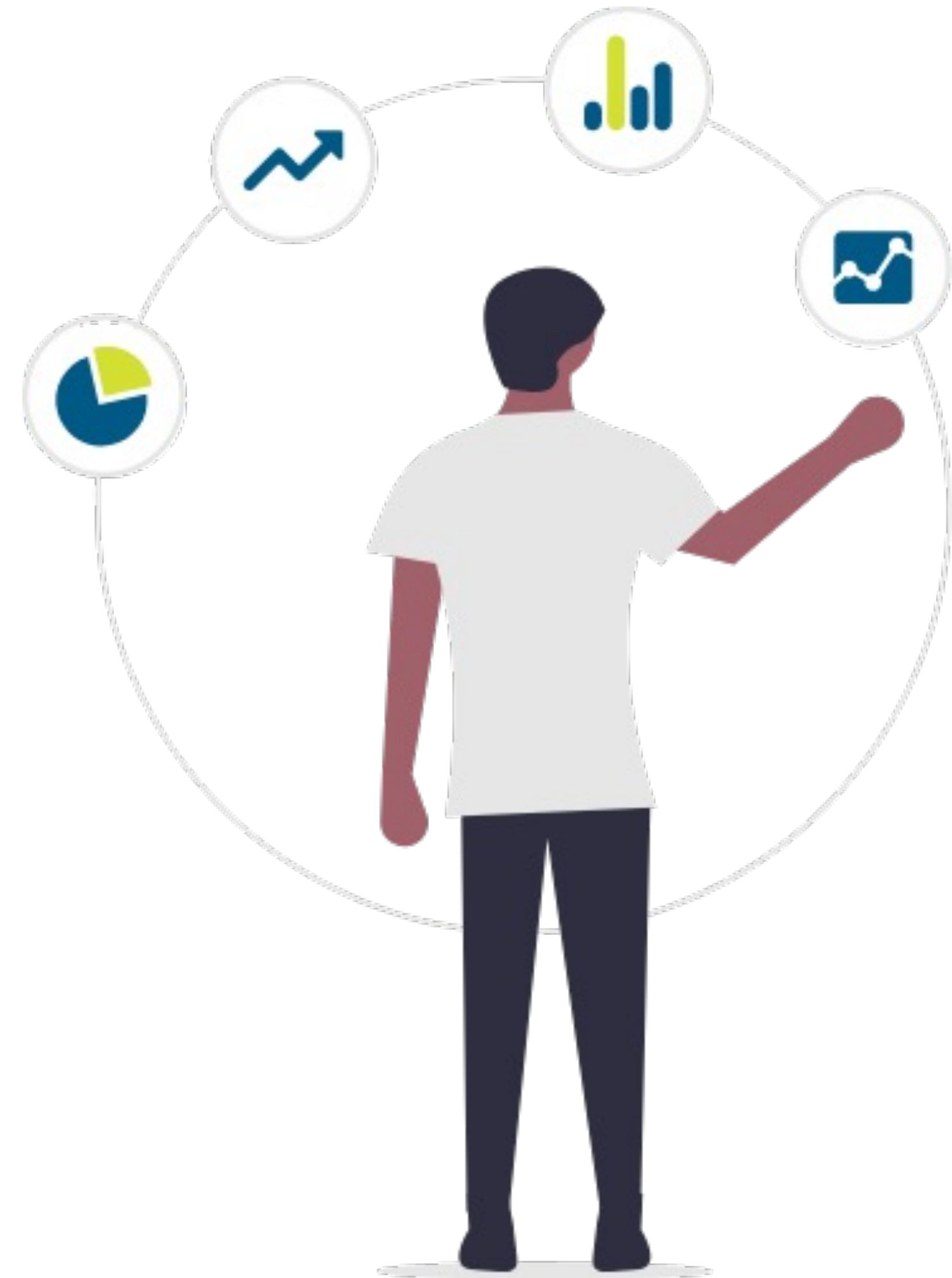
## 3. Preparation for TNFD reporting

- Using extinction footprint analysis to prepare for reporting under the TNFD framework
- Understanding key areas of risks to build out reporting processes and framework

## 4. Inform corporate engagement

- An investor client is using the data to identify portfolio companies with high exposure to extinction risk
- This in turn is informing and evolving existing stewardship practices and corporate engagement strategy to incorporate biodiversity impacts

**Act. Measure. Refine.  
Improve.**





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Level 21, 1 York St, Sydney NSW 2000

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