

# NATURE WORKING GROUP



Responsible Investment  
Association Australasia



## Nature Working Group Minutes – Meeting #1

Meeting: Via Zoom – Wednesday 23 March 2022, 9:00 – 10:30am AEDT / 11.00am - 12:30pm NZDT

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### Attendees (125)

	First Name	Last Name	Company
1	Adrian	Ward	Accounting for Nature
2	Alex	Banks	EY
3	Alexandra	Knight	EY
4	Alice	Boidin	CBus Super Fund
5	Alice	Martin	Moribus Advisory
6	Alison	George	Regnan
7	Amanda	Richman	Australian Ethical Investment
8	Amelia	Slaytor	Crescent Capital Partners
9	Andrea	Jenke	HESTA Super Fund
10	Andrew	Saunders	QIC
11	Andy	Bui	NAB
12	Angela	Situ	EY
13	Anna	Van Paddenburg	
14	Anthony	Bennie	DAWE
15	Ash	Minshull	CCP
16	Ben	Lloyd	Castle Hall
17	Bianca	Olguin Malavisi	RIAA
18	Binu	Kapoor	Sustainalytics
19	Blathnaid	Byrne	CBA
20	Bridgette	Mcdonald	Pamoda Consult
21	Briony	Doyle Galovic	RIAA
22	Camille	Cole	KPMG Australia
23	Carolyn	Leeshaa	KPMG Australia
24	Caroline	Pribble	Investor
25	Carolyn	Davidson	ASB Bank Limited
26	Christina	Hughes	HRL MORRISON

27	Claire	Molinari	CareSuper
28	Claire	Hanratty	Sustainable Impact Advisory
29	Craig	Blundell	Greville Analytics
30	Daniel	Smith	Pogonip Advisory
31	David	Heislars	Kilter Rural Pty Ltd
32	David	Woods	NZ GIF
33	Desiree	Lucchese	U Ethical
34	Dianna	Enlund	S&P Global Australia Pty Ltd
35	Elizabeth	O'Leary	Macquarie Asset Management
36	Elizabeth	O'Leary	Macquarie Asset Management
37	Elizabeth	O'Callaghan	QIC - Queensland Investment Corporation
38	Ella	Reilly	Schroders Investment Management Australia
39	Els	Termaat	Loftus Peak Pty Limited
40	Emily	Davies	EY
41	Emma	Pringle	Maple-Brown Abbott
42	Estelle	Parker	RIAA
43	Ester	Adler	Point Advisory
44	Ester	Adler	Point Advisory
45	Evonne	Grosso	Blue Pearl Consulting
46	Fiona	Huynh	Altioem
47	Gael	Ogilvie	
48	Gemma	Porter	Aware Super Pty Ltd
49	Grace	Soutter	DAWE
50	Graeme	Barry	Australian Retirement Trust
51	Greg	Munford	NZ Superfund
52	Guy	Williams	Deloitte
53	Harry	Agnew	Perpetual Asset Management, Australia
54	Hiroko	Ito	Metrics Credit Partners
55	Holly	Marshall	Kiwi Wealth
56	Isabel	Huther	BTNZ
57	Jane	Wu	
58	Janibek	Issagulov	EriksensGlobal Limited
59	Januka	Gunasena	ISS ESG Australia
60	Jennifer	Surjadi	State Super
61	Jess	Blake	EY
62	Jo	Saleeba	New Forests
63	Johannah	Dods	Accident Compensation Corporation
64	Jorge	Waayman	Harbour Asset Management
65	Kana	Thorpe	Duxton Capital Australia
66	Karen	McWilliams	Chartered Accountants Australia and New Zealand
67	Kate	Webster	Aware Super
68	Kate	Gill-Herdman	Corrs Chambers Westgarth Lawyers
69	Kate	Turner	First Sentier Investors
70	Kaylene	Oneill	NAB
71	Khadija	Mansur-Williams	PwC Australia
72	Kutlu	Karayol	
73	Laura	Waterford	Pollination
74	Linda	Romanovska	PwC

75	Lisa	Krynen	QIC - Queensland Investment Corporation
76	Lisa	Domagala	Solaris Investment Management Limited
77	Louise	Jacobsson	KPMG Australia
78	Maddy	Dwyer	Paradice
79	Madeline	Combe	Altiolem
80	Madelon	Willemssen	Minderoo Foundation - Fire & Flood Resilience Initiative
81	Marayka	Ward	QIC
82	Mark	Heaven	MaxCap Group
83	Matthew	Coleman	CareSuper
84	Max	Hamra	BT Financial Group
85	Max	Cowley-Court	Deloitte Risk Advisory Pty Ltd
86	Megan	Evans	UNSW Canberra
87	Michael	Salvatico	S&P Global
88	Michaela	Jamison	Jarden
89	Michelle	Cameron	Refinitiv
90	Mitch	Mcnae	ANZ New Zealand Investments Limited
91	Nick	Edgerton	Stewart Investors
92	Nicola	Schroder	QBE Insurance
93	Nicole	Yazbek-Martin	DAWE
94	Pablo	Berrutti	Stewartinvestors
95	Phoebe	Johnston	PwC Australia
96	Rajinder	Singh	Pendal
97	Rebecca	Mather	Mercer
98	Rena	Zhu	EY
99	Robin	Mitchell	Nature Positive
100	Rosemary	Bissett	National Australia Bank
101	Rufimy	Khoo	JBWere
102	Ryan	Cook	RIAA
103	Saksham	Malhotra	HESTA
104	Sally	Shepherdson	Bendigo Adelaide Bank
105	Sam	King-Jayawardana	PwC Australia
106	Sarah	Chow	Future Super
107	Sarah	Gallard	STC
108	Shara	Lohrasb	Clean Energy Finance Corporation
109	Simon	O'Connor	RIAA
110	Skye	King	NGS Super Pty Limited
111	Soumya	Munagala	ISS ESG Australia
112	Stacey	Sellwood	Rest
113	Stephanie	Russo	Carbon Growth Partners
114	Stephanie	Strange	Mercer Australia
115	Stephanie	Hukins	Schroders Investment Management Australia
116	Sue Lyn	Stubbs	Macquarie
117	Susan	Quinn	RIAA
118	Suzanne	Ridding	Sustainable Business Consultants
119	Suzy	Yoon	JANA
120	Sylvia	Tran	PwC
121	Tim	King	Melior Investment Management
122	Trea	Duffy	MFS International Australia Pty Ltd

123	Veda	Fitzsimons	Pollination
124	William	Wu	Schroders
125	Zofia	Arthur	EY

## Minutes

Item	Action	Delegation
<b>Welcome – Shara Lohrasb (Co-Chair, CEFC) and Guy Williams (Co-Chair, Deloitte)</b> <ul style="list-style-type: none"> <li>Acknowledgement of Country</li> <li>Motion to approve the minutes from December 2021 Motion called: Shara Lohrasb (CEFC, Co-Chair) Approved: Gael Ogilvie Second: Harry Agnew (Perpetual) Motion Passed</li> </ul>		
<b>TNFD Deep Dive Session on <a href="#">Beta Framework</a> – Guy Williams (Co-Chair, Deloitte), Carolin Leeshaa (KPMG) and Elizabeth O’Leary (Macquarie Asset Management)</b> Slides available in attachment 1 and recording <a href="#">available here</a> .  The release of the TNFD Beta release marks the start of an 18-month consultation period.  The framework includes: <ol style="list-style-type: none"> <li>Foundational concepts and definitions to ensure consistency. No new definitions have been introduced; all definitions used are a collection of well-known definitions from other frameworks.</li> <li>Draft disclosure recommendations which have been built using the four pillars used in the Taskforce for Climate-related Financial Disclosures (TCFD)</li> <li>A ‘how to’ guidance – LEAP Framework – which aims to help organisations track their progress</li> </ol> Notably, the TNFD places and emphasis on location in an effort to acknowledge the diversity of nature and biodiversity loss across different regions.  Aside from providing general recommendations, the TNFD will aim to provide: 1) specific recommended disclosures that organisations should include in the financial records, 2) guidance notes that are sector-specific, and 3) supplemental guidance for sectors most affected by climate change such as agriculture.  LEAP Framework: <b>L</b> – Locate your interface with Nature <b>E</b> – Evaluate your dependencies and impacts <b>A</b> – Assess your risks and opportunities <b>P</b> – Prepare to respond to nature-related risks and opportunities and report  <b>Pilot Testing:</b> Testing will take place from 1 June 2022 until 30 June 2023.	For more TNFD related information please contact <a href="#">Guy Williams (Deloitte)</a> or <a href="#">Carolin Leeshaa (KPMG)</a>	All
<b>Department of Agriculture, Water and the Environment (DAWE) Presentation survey and update on Natural Capital Working Group- Nicole Yazbek-Martin (DAWE)</b> Slides available in attachment 1 and statement available in attachment 2. Recording <a href="#">available here</a> .	For more information,	

<p>The Australian Government is the second largest funder of the TNFD and sits on the Stewardship Council. This allows Australia to position itself as a leader in nature financing and the development of environmental markets.</p> <p>DAWE is working towards improving access and availability of national environmental data sets.</p> <p>DAWE is looking forward to collaborating with the private sector to better understand the experience and engagement with the beta framework, identify gaps in knowledge and identify gaps in data. DAWE will ensure the expertise and experiences from our region are appropriately represented and incorporated into the design of the framework.</p>	<p>please contact <a href="#">Nicole Yazbek-Martin (DAWE)</a></p>	<p>All</p>
<p><b>Update on Member Portal - Bianca Olguin Malavisi (RIAA)</b></p> <p>RIAA members are now able to access the <a href="#">Nature Working Group page</a> inside the RIAA member portal. This page has the links to register to all 2022 meetings, the recordings and minutes of all past meetings and a list of resources.</p>	<p>Feedback is welcomed</p>	<p>All</p>
<p><b>Workplan update - Shara Lohrasb (Co-Chair, CEFC) and Emily Davies (EY)</b></p> <p><b>FY23 Draft Workplan:</b> Currently being drafted for approval in June. Suggestions are welcomed.</p> <p><b>Nature in a Nutshell (NiN):</b> a primer document comprised of small, digestible factsheets, will be an output of subgroup 1.</p> <p>A poll was conducted to identify the most popular topics for the NiN factsheets:</p> <ul style="list-style-type: none"> <li>• Data, tools, and metrics for measuring and reporting on nature-related topics</li> <li>• How to prepare for measuring and disclosing nature-related risks</li> <li>• Reporting and disclosure frameworks for nature-related risk and opportunity</li> <li>• Mechanisms for investing in nature</li> </ul>	<p>Please get in touch with <a href="#">Min Wah Voon (RIAA)</a> regarding the workplan</p> <p>For further info please get in touch with <a href="#">Emily Davies (EY)</a></p>	<p>All</p> <p>All</p>
<p><b>Other Industry updates and collaborations</b></p> <p><b>EOI – Company Engagement on Biodiversity Subgroup – Amanda Richman (Australian Ethical)</b></p> <p>As companies are starting to develop their approach to biodiversity and we reach a biodiversity tipping point, how can investors engage with companies and help encourage best practice. Members interested in creating a subgroup are encouraged to reach out to Amanda.</p> <p><b>COP 15 Biodiversity statement by ACF – Estelle Parker (RIAA)</b></p> <p>For more info see attachment 3</p> <p>The Australian Conservation Foundation (ACF) has prepared a statement from Australian businesses supporting a nature positive outcome of the Global Diversity Framework which will be developed at COP15. Members can sign up <a href="#">here</a>.</p> <p><b>State of the Environment Report – Estelle Parker (RIAA)</b></p> <p>RIAA has prepared a media release in anticipation of the release of the State of the environment report which is due to be published soon. The media release includes quotes from RIAA members to ensure that investor voices are represented.</p>	<p>Please contact <a href="#">Amanda Richman (Australian Ethical)</a> regarding the subgroup.</p> <p>For further information please contact <a href="#">Nathaniel Pelle (ACF)</a></p>	<p>All</p> <p>All</p>

<b>Wrap-up and Close - Shara Lohrasb (Co-Chair, CEFC)</b>  Please join us at the RI 2022 Conference April 6 & 7. Relevant Nature sessions include: <ul style="list-style-type: none"> <li>• Creating green products while avoiding the wash</li> <li>• So, you've committed to net zero...what next?</li> <li>• Net Zero: how some of Australia's most iconic brands are moving beyond commitments</li> <li>• Putting nature at the heart of finance – RIAA's Nature Working Group</li> </ul> <b>Next Meeting 16 June – register <a href="#">here</a></b>		Register for next meeting	All
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## Action Register

Number	Action	Delegation	Status
New			
8-22	Register for next meeting - register <a href="#">here</a>	All	Pending
7-22	ACF and COP 15 - For further information please contact <a href="#">Nathaniel Pelle (ACF)</a>	All	Pending
6-22	Please contact <a href="#">Amanda Richman</a> (Australian Ethical) regarding the subgroup.	All	Pending
5-22	NiN - For further info please get in touch with <a href="#">Emily Davies (EY)</a>	All	Pending
4-22	Please get in touch with <a href="#">Min Wah Voon (RIAA)</a> regarding the workplan	All	Pending
3-22	Member portal - Feedback is welcomed	All	Pending
2-22	For more information, please contact <a href="#">Nicole Yazbek-Martin (DAWE)</a>	All	Pending
1-22	For more TNFD related information please contact <a href="#">Guy Williams (Deloitte)</a> or <a href="#">Carolyn Leeshaa (KPMG)</a>	All	Pending
Previous			
28-21	Members are encouraged to register for all 2022 meetings	All	Pending
27-21	For more information and meeting notes please contact <a href="#">Lily Stuart (FAIRR)</a>	All	Pending
26-21	Members can contact <a href="#">Amanda Richman</a> for further information	All	Pending
25-21	Questions regarding NSW circular economy and the report by ITK can contact <a href="#">Min Wah Voon (RIAA)</a>	All	Pending
24-21	For more information, please contact <a href="#">Madeleine Combe</a>	All	Pending
23-21	Members are encouraged to contact <a href="#">Jane Hutchinson</a> (Pollination) for further information.	All	Pending
22-21	Members are encouraged to contact <a href="#">Alex Banks</a> (EY)	All	Pending
21-21	Members are encouraged to share their suggestions with the <a href="#">Shara Lohrasb</a> (CEFC), <a href="#">Guy Williams</a> (Deloitte) and <a href="#">Min Wah Voon</a> (RIAA)	All	Pending
20-21	Members are encouraged to get in touch with <a href="#">April McKenzie</a> and <a href="#">Jack Bisset</a> (XRB)	All	Pending
19-21	Members are encouraged to get in touch with <a href="#">Carolyn Leeshaa</a> (KPMG) or <a href="#">Guy Williams</a> (Deloitte)	All	Pending
18-21	Members are encouraged to contact <a href="#">Liam Walsh</a> directly	All	Pending
17-21	Members are encouraged to get in touch with <a href="#">Simon O'Connor</a> with follow up questions	All	Pending
Previous			
16-21	Our next meeting will be on the 7 <sup>th</sup> of December – you can register <a href="#">here</a>	All	Done
15-21	Register and attend <a href="#">Pollination Natural Capital and Nature Risk 'Lunch and Learn' Series, in collaboration with RIAA and IUCN.</a>	All	Done

	Webinar 4, on 27 October, will address: the “Next Steps” on natural capital and natural risk.		
<b>14-21</b>	Members who are interested in partnering with RIAA for the Nature WG please get in touch with <a href="#">Min Wah Voon</a> .	All	Done
<b>13-21</b>	Please contact the Co-Chairs, Bianca (RIAA) and/or the subgroup leads directly to join a subgroup and/or leadership group meeting.	All	Pending
<b>12-21</b>	Members who are interested in TNFD please get in touch with <a href="#">Guy Williams</a> or <a href="#">Scott Mesley</a>	All	Pending
<b>11-21</b>	Co-develop workplan at the next Leadership group meeting on Thursday 2 September	Leadership Members	Done
<b>10-21</b>	Organise the selection of two Co-Chairs at the next Leadership group meeting on Thursday 2 September (Min Wah).	RIAA	Done
<b>9-21</b>	Attend Pollination Natural Capital and Nature Risk 'Lunch and Learn' Series, in collaboration with RIAA and IUCN	All	Done
<b>8-21</b>	Contact Min Wah (RIAA) with any ideas and suggestions.	All	Ongoing
<b>7-21</b>	Send Min Wah your breakout room discussion points.	All	Completed
<b>6-21</b>	If you would like to nominate to be a Co-Chair, please email Min Wah an email with 300 word (max) statement on why you (as an individual) and your organization should be considered for the role by Monday 30 August.	All	Completed
<b>5-21</b>	If your organisation may be interested to become a Principal Partner, Group Sponsor and/or Leadership Member of the Nature Working Group, please contact <a href="#">Min Wah (RIAA)</a>	All	Ongoing
<b>4-21</b>	Contact <a href="#">Greg Munford</a> at NZ Super who will facilitate an initial discussion to complement this working group.	Aotearoa NZ members	Pending
<b>3-21</b>	Consider joining the TNFD Stakeholder Group and/or becoming involved in a Technical Working Group (see instructions in notes).	All	Ongoing
<b>2-21</b>	Review and consider recommended next steps shared by: i) Andrew Mitchell, ii) Carolin Leesha	All	Ongoing
<b>1-21</b>	<b>Register for next two meetings</b>	<b>All</b>	



# RIAA's Nature Working Group

Wednesday 23 March

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

# Taskforce on Nature-related Financial Disclosures



**Carolin Leeshaa**, Director of Social and Sustainable Finance, Natural Capital Biodiversity Co-Lead , KPMG



**Elizabeth O'Leary**, Senior Managing Director, Macquarie Asset Management (MAM)



**Guy Williams**, Director of Biodiversity and Natural Capital, Deloitte



Taskforce on Nature-related  
Financial Disclosures

# Introducing the TNFD framework Beta Release v0.1

RIAA Nature Working Group  
23 March 2022

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
- Swiss Re
- UBS

## Corporates

- AB InBev
- Anglo American
- Bunge
- EcoPetrol
- GlaxoSmith Kline
- Greig
- Seafoods
- Holcim
- Natura
- Nestle
- Olam
- Suzano
- Tata Steel

## Service Providers

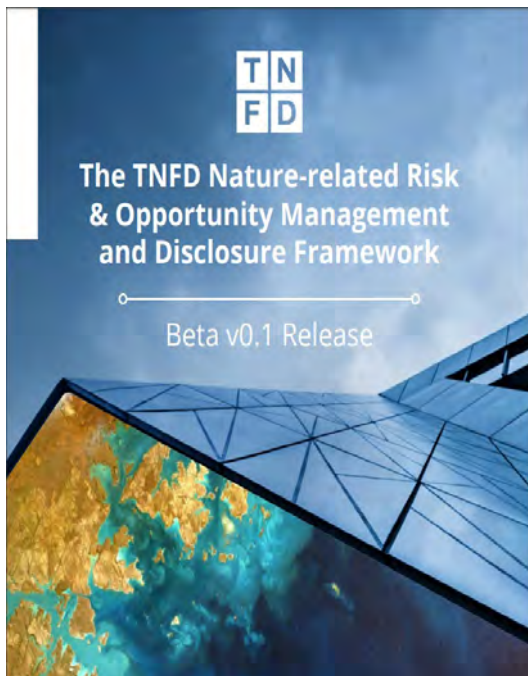
- **Deloitte**
- **EY**
- **KPMG**
- Moody's
- **PwC**
- S&P Global
- Singapore Exchange

- **Market-led** – 34 Taskforce Members & 300+ institutional supporters
- **Government -supported** – Endorsed by the G7 & G20
- **Science -based** – World's leading scientific and standards bodies as partners



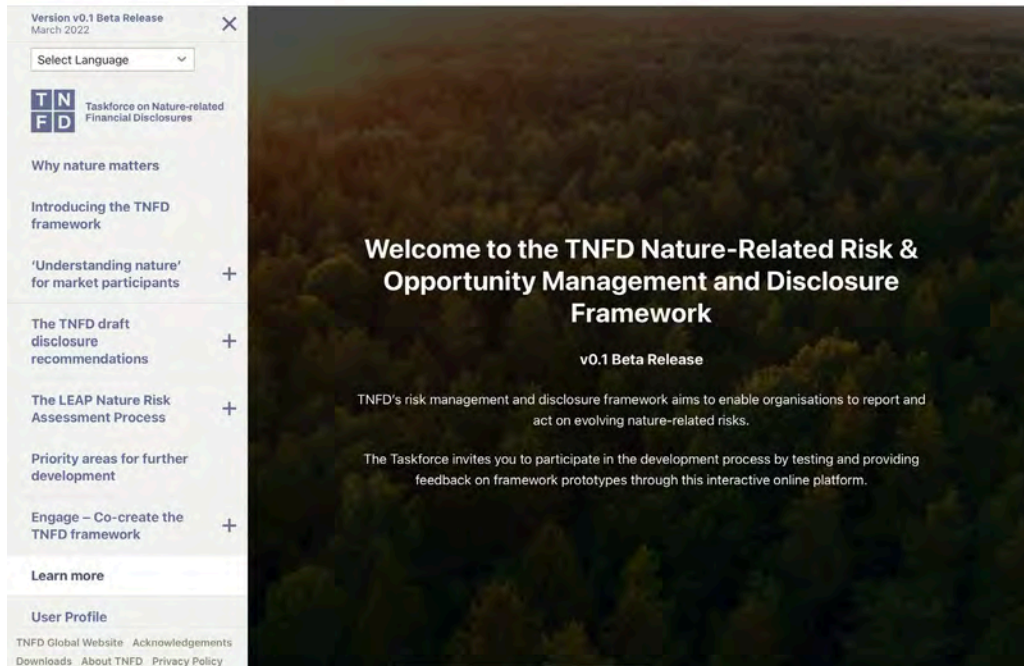
# First Beta Version TNFD Framework – the release

## A PDF Summary Report



Executive Summary & Full report

## An Interactive Online Platform for Engagement



Feedback functionality and hyperlinked resources



# First Beta Version TNFD Framework - key takeaways

- First important step for markets (finance and corporates) to tackle the risks posed by nature loss.
- Prototype release marks the start of an 18-month consultation period.
- The framework comprises of three components:
  - Foundational concepts and definitions as building blocks for action.
  - Draft disclosure recommendations – aligned with TCFD.
  - A ‘how to’ guidance to get market participants started - reflecting the importance of location with respect to nature-related dependencies and impacts.
- Aligned with, and builds on, TCFD – reflecting climate-nature nexus.
- With input from leading science, standards and data bodies.



# TNFD Beta Framework Components

## The TNFD framework – Beta release v.01

Fundamentals for understanding nature  
for market participants

The draft TNFD Disclosure Recommendations

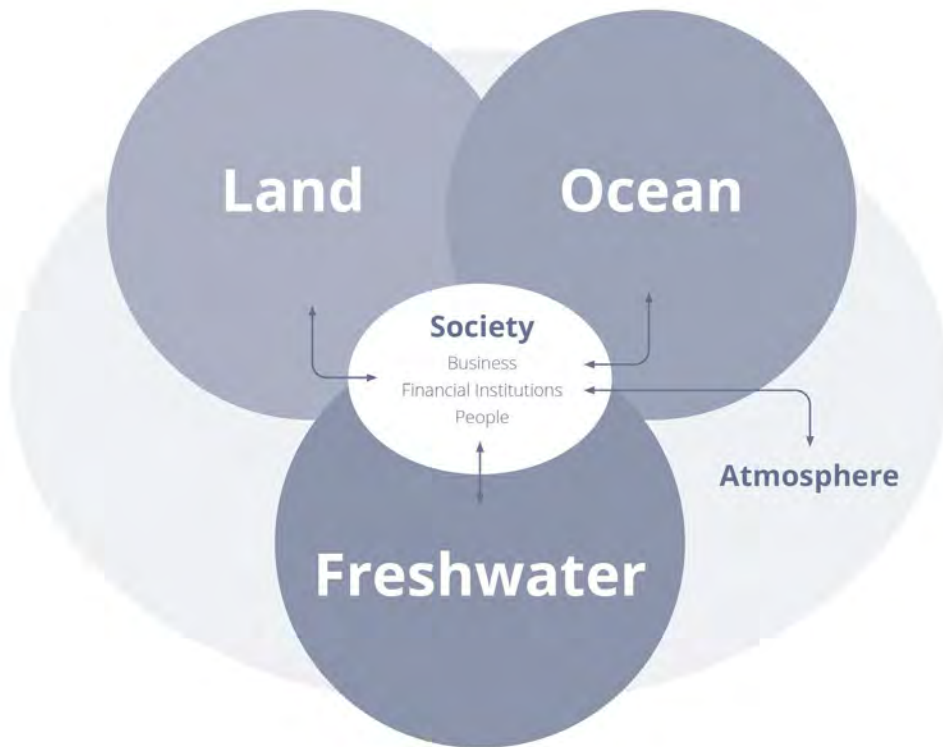
The LEAP Process for Nature-related Risk  
and Opportunity Assessment

Landscape assessment and  
recommendations on  
nature-related data

FAQs  
What's in | What are we  
continuing to evaluate

# Foundations for Understanding Nature

*Definition of nature aligns with IPBES and includes people. Four 'realms' reflect the climate-nature nexus.*



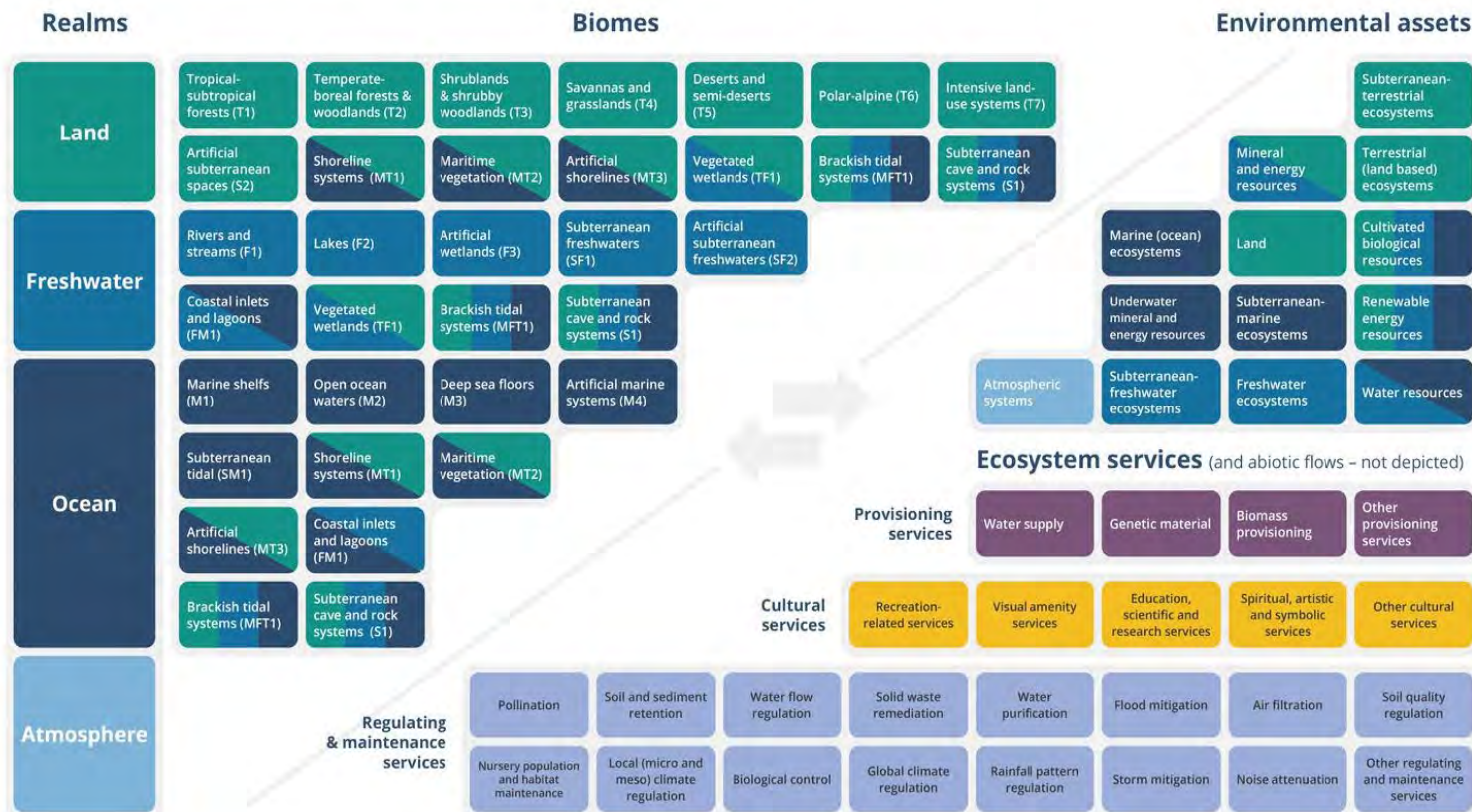
“The natural world with an emphasis on the diversity of living organisms (*including people*) and their interactions among themselves and with their environment”.

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

# Foundations for Understanding Nature

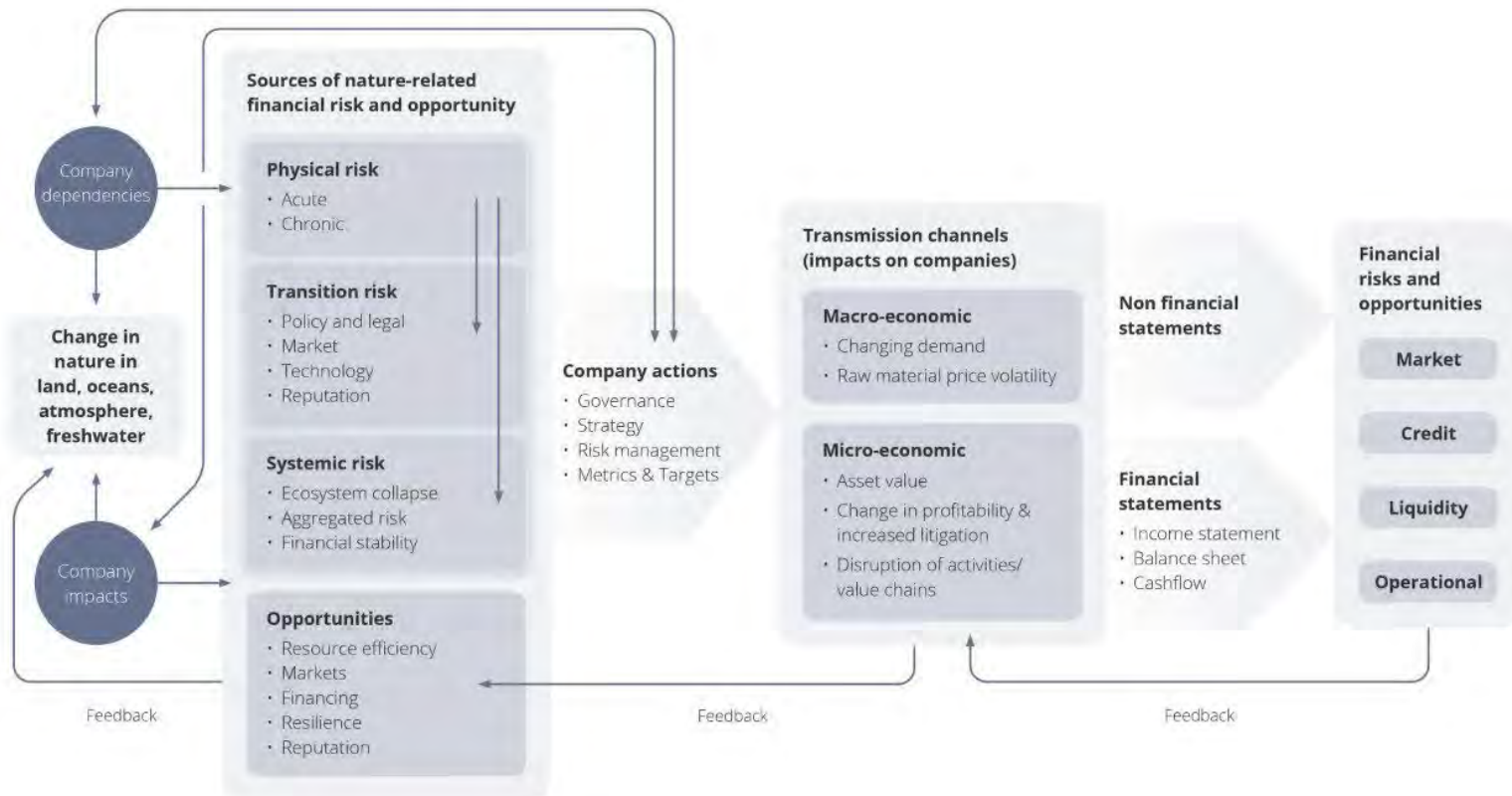
Adapted from: *United Nations (2021) System of Environmental-Economic Accounting and IUCN (2020) Global Ecosystem Typology (GET) 2.0*

A 'periodic table' to enable market participants to understand nature and engage



# Foundations for Understanding Nature

*Changes in nature affect enterprise value and generate financial risks & opportunities*







Taskforce on Nature-related  
Financial Disclosures

# Introducing the TNFD framework Beta Release v0.1

Carolyn Leeshaa, Natural Capital & Biodiversity Global Lead, TNFD Taskforce Member  
23 March 2022



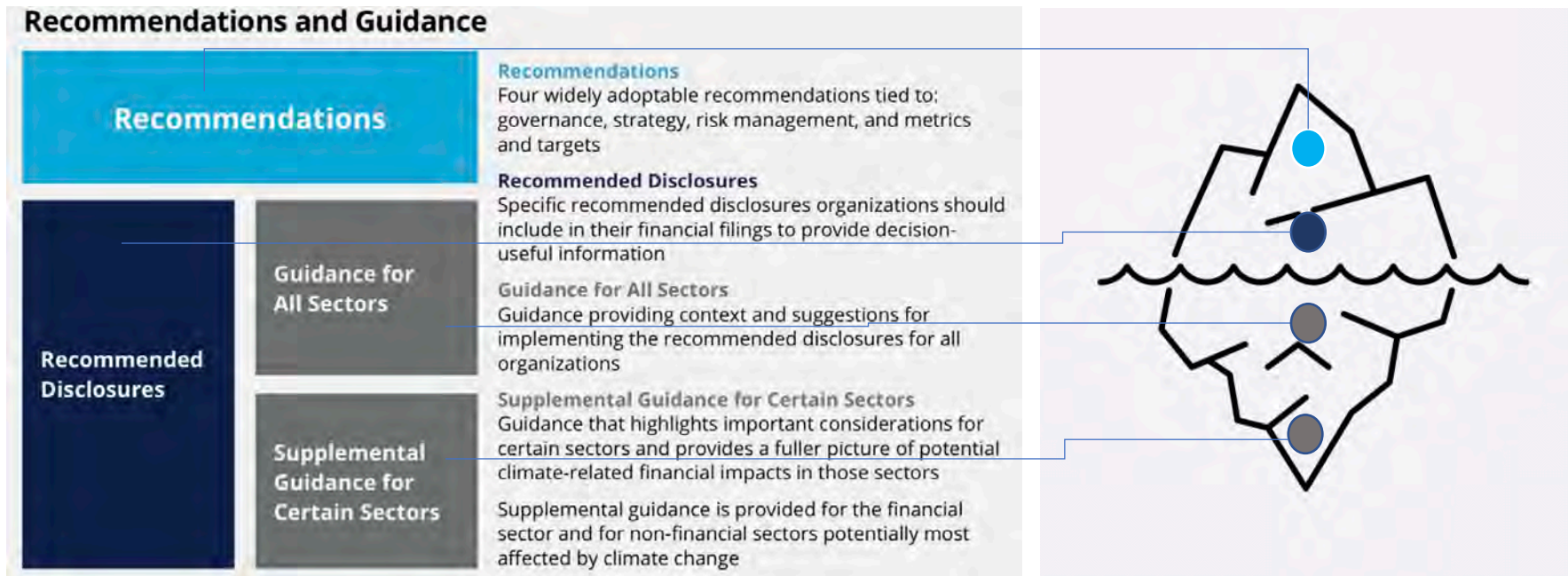
# Comparison with the TCFD Approach

*The TNFD has used the TCFD as a starting point to ensure a consistent approach to disclosure and enable organisations to tackle climate- and nature-related risks in tandem, but there are also important differences due to the specific qualities of the non-atmospheric realms of nature.*

Similarities with TCFD	New Components	Development Priorities for 2022
<ul style="list-style-type: none"> <li>• Same four pillars approach</li> <li>• Building off the 11 TCFD disclosure recommendations as a starting point</li> <li>• Consistency in language and definitions</li> <li>• Alignment with IFRS as global baseline for sustainability standards</li> </ul>	<ul style="list-style-type: none"> <li>• A conceptual architecture and language system to help market participants understanding nature</li> <li>• Integrated approach to climate-nature nexus</li> <li>• Emphasis on location</li> <li>• Focus on dependencies &amp; impacts, leading to risks and opportunities</li> <li>• Specific timeframes</li> <li>• Supplementary how-to guidance for risk assessment (LEAP process)</li> </ul>	<ul style="list-style-type: none"> <li>• Additional releases with more on metrics, targets and data</li> <li>• Development of sector-specific guidance, including for the finance sector</li> <li>• Development of nature-risk scenarios</li> <li>• Adaptation of 'scope' concept for nature (direct / upstream / downstream)</li> <li>• Further integration of climate-nature nexus</li> </ul>

# Disclosure Recommendations – Approach

*‘Above the surface’ alignment with TCFD approach and language. Nature-specific approach ‘under the surface’ in guidance to all sectors. Sector specific guidance to follow in subsequent update releases to the framework.*



# Draft Disclosure Recommendations

*New disclosure on location and several others under further development*



# Assessing Nature -related Risks and Opportunities

*Guidance on nature-related risk and opportunity assessment to get more market participants 'on the curve' and support better quality corporate & investment decision making*

- First prototype to generate feedback from market participants
- Further iterations and additional supporting guidance due in June release
- 4 phases, 17 components:
  - **Locate** your interface with nature;
  - **Evaluate** your dependencies and impacts;
  - **Assess** your risks and opportunities; and
  - **Prepare** to respond to nature-related risks and opportunities and report.

# The LEAP Approach for Corporates

Scoping the assessment

## 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?

## Evaluate

Dependencies & impacts

E1  
ID of relevant  
environmental  
assets and  
ecosystem  
services

**What** are our business processes and activities at each priority location? What environmental assets and ecosystem services do we have a dependency or impact on at each priority location?

E2  
ID of  
dependencies  
and impacts

**What** are our nature-related dependencies and impacts across our business at each priority location?

E3  
Dependency  
analysis

**What** is the size and scale of our dependencies on nature in each priority location?

E4  
Impact analysis

**What** is the size and scale of our nature impacts in each priority location?

## Assess

Material risks & opportunities

A1  
Risk ID &  
assessment

**What** are the corresponding risks for our organisation?

A2  
Existing risks  
mitigation &  
management

**What** existing risk mitigation and management approaches are we already applying?

A3  
Additional risks  
mitigation &  
management

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

A4  
Materiality  
Assessment

**Which** risks are material & should be disclosed in line with the TNFD disclosure recommendations?

A5  
Opportunity  
identification &  
assessment

**What** nature-related opportunities does this assessment identify for our business?

## Prepare

To respond and report

### Strategy and resource allocation

P1  
Strategy and  
resource  
allocation

**What** strategy and resource allocation decisions should be made as a result of this analysis?

P2  
Performance  
measurement

**How** will we set targets and define and measure progress?

### Disclosure actions

P3  
Reporting

**What** will we disclose in line with the TNFD disclosure recommendations?

P4  
Presentation

**Where and how** do we present our nature-related disclosures?

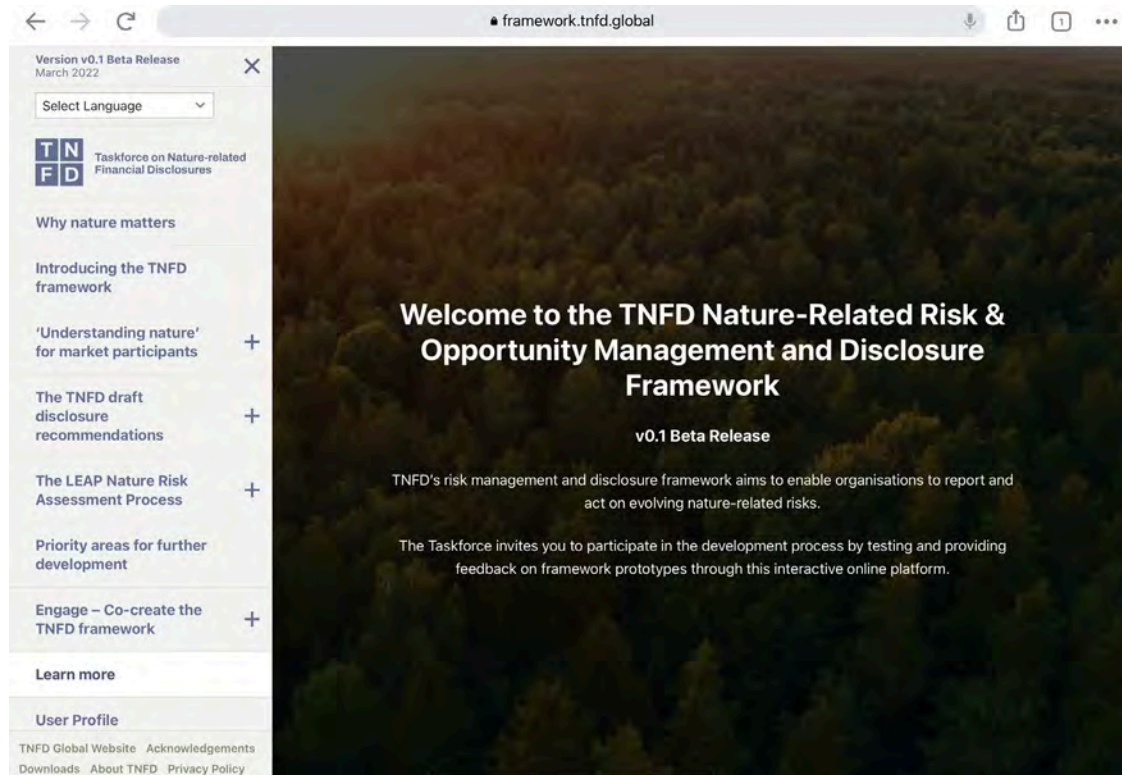
Stakeholder engagement (in line with the TNFD Disclosure Recommendations)

Review and repeat



# TNFD Where can you provide feedback

- Interactive
- Layering of information
- Self-paced exploration
- Differentiated User Experiences
  - “Readers”
  - “Pilot Testers”
  - Companies/FIs (June)
- Efficient for collecting feedback
- Extendable with subsequent releases
- Signposting to supporting resources
- Multi-lingual



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



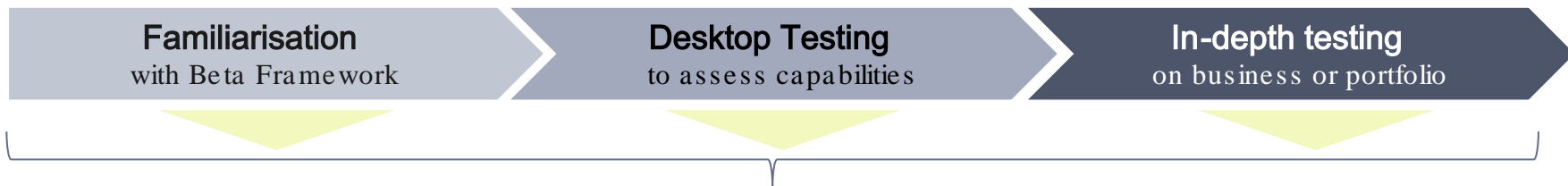
# Pilot Testing Approach – Next Steps

*Independent Pilot Testing will begin on 1 June 2022 until 30 June 2023*

- Encourage testers to start small - desktop pilot testing to start (April – June)
- Encourage careful consideration of scope
- Release additional metrics, targets and data advice in June release
- Independent pilot testing through online platform (from June)
- Pilot testing partner programs with select institutional partners from June



*Prototype  
not a fully  
developed  
framework*



Feedback to the TNFD via <https://framework.tnfd.global>



Taskforce on Nature-related  
Financial Disclosures

# Q&A





Taskforce on Nature-related  
Financial Disclosures

# Thank you

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

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



**Nicole Yazbek-Martin**, Director of Financing Solutions for Nature, Department of Agriculture, Water and the Environment





**Australian Government**

**Department of Agriculture,  
Water and the Environment**

# Taskforce on Nature-related Financial Disclosures: Australian Engagement

March 2022

*Nicole Yazbek-Martin, Financing Solutions for Nature, Department of  
Agriculture, Water and the Environment*



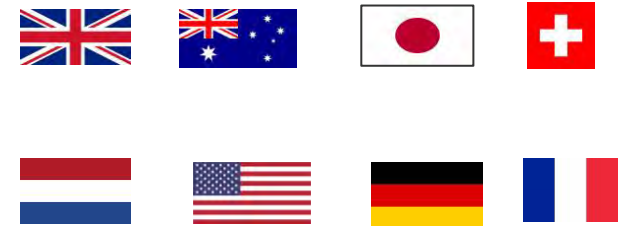
# International Context

## Taskforce on Nature-Related risk Disclosures



International commitments to include nature in economic decision making

Sovereign backing for TNFD



Departments and Agencies across Government involved





# Australia's Engagement

- **Strategic funder** of the TNFD – sits on the TNFD Stewardship Council.
- **Second-largest sovereign funder**, behind the UK Government.
- **Strategic opportunity for Australia** to reaffirm its commitment to biodiversity outcomes, e.g. pursuit of the post-2020 Global Biodiversity Framework
- **Could position Australia as a regional leader in nature financing and the development of environmental markets**



# Nature-based solutions and Natural Capital Market opportunities



## Carbon Markets

- **Farmers and land managers paid** to increase vegetation, protect soils and reduce livestock methane
- **Blue Carbon** opportunities being driven through on-ground demonstration projects and first ERF method
- **Private demand** for carbon credits is growing
- **Reducing costs of** participation means more money for land managers
  - Better soil carbon data and measurement will lower costs



## Biodiversity Markets

- Private sector want carbon credits with **biodiversity co-benefits** (a **premium on carbon price**)
- Developers under the **EPBC Act** need offsets - but offset markets are complicated and shallow.
- **Philanthropic organisations** want to invest in biodiversity
- **Biodiversity trading platform** will make it easy and cost effective for landholders to participate



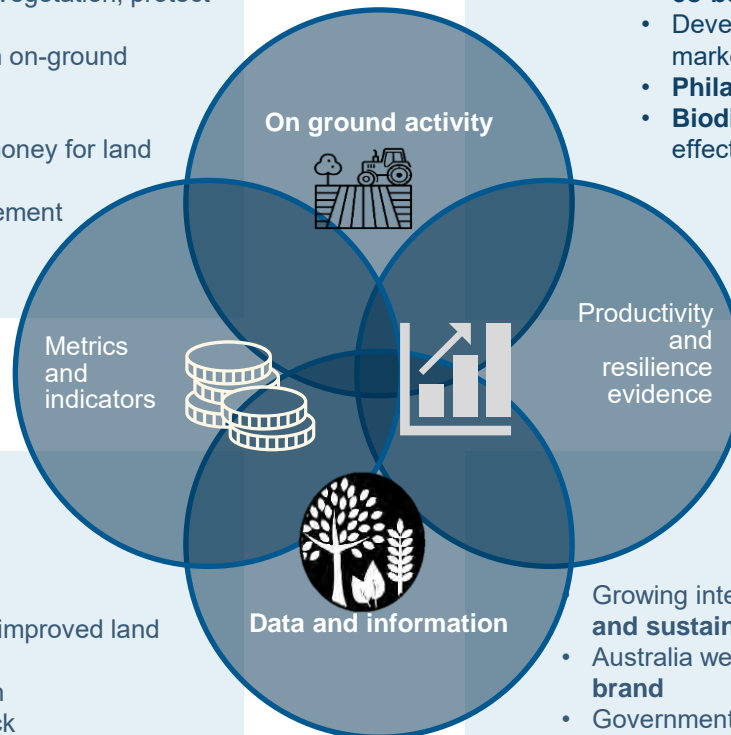
## Productivity and Natural Capital Markets

- **Natural capital metrics** will quantify productivity from improved land stewardship and blue carbon
- **Soil carbon** improvement can increase pasture growth
- **Shelter belts** can increase crop yields, protect livestock
- Increasing **vegetation and ground cover** can reduce salinity and erosion
- Carbon and nature-related financial risk disclosure under the TNFD will drive investment in nature based solutions



## Premium Commodity Markets

- Growing international **demand and investment in low emissions and sustainably managed products**
- Australia well placed to take advantage with **clean, green and safe brand**
- Government-backed **certification provides credibility** to access markets
- **Australian Farm Biodiversity Certification Scheme** will commence in late 2021 to support trade and market access
- **Climate Active** certification helps producers market carbon neutral products



# What Nature-related Financial Risk Disclosure means to DAWE/ Australian Government

Global commitments  
*CBD 30x2030 commitments*

Trade and market access  
*EU trade environmental standards*

Access to finance (risk disclosure)  
*capital markets requiring risk disclosure*

Global Environmental regulation  
*Environmental Act 2021 (UK), EU regulations on nitrogen use etc.*

Supply chain disclosure and traceability  
*Global Reporting Initiative and other corporate disclosure frameworks*

Environmental Markets  
*carbon and biodiversity stewardship*

Facilitate and integrate natural capital data and information.  
Improve analytics and associated platforms

## National Environmental Data Assets

Biodiversity  
Data

Environmental  
Economic  
Accounts

National Soils  
Data

Data sets from  
other agencies  
GA, BoM,  
CSIRO

Land Use and  
Change Data

ABARES, ABS



# ***Forward Work Program***

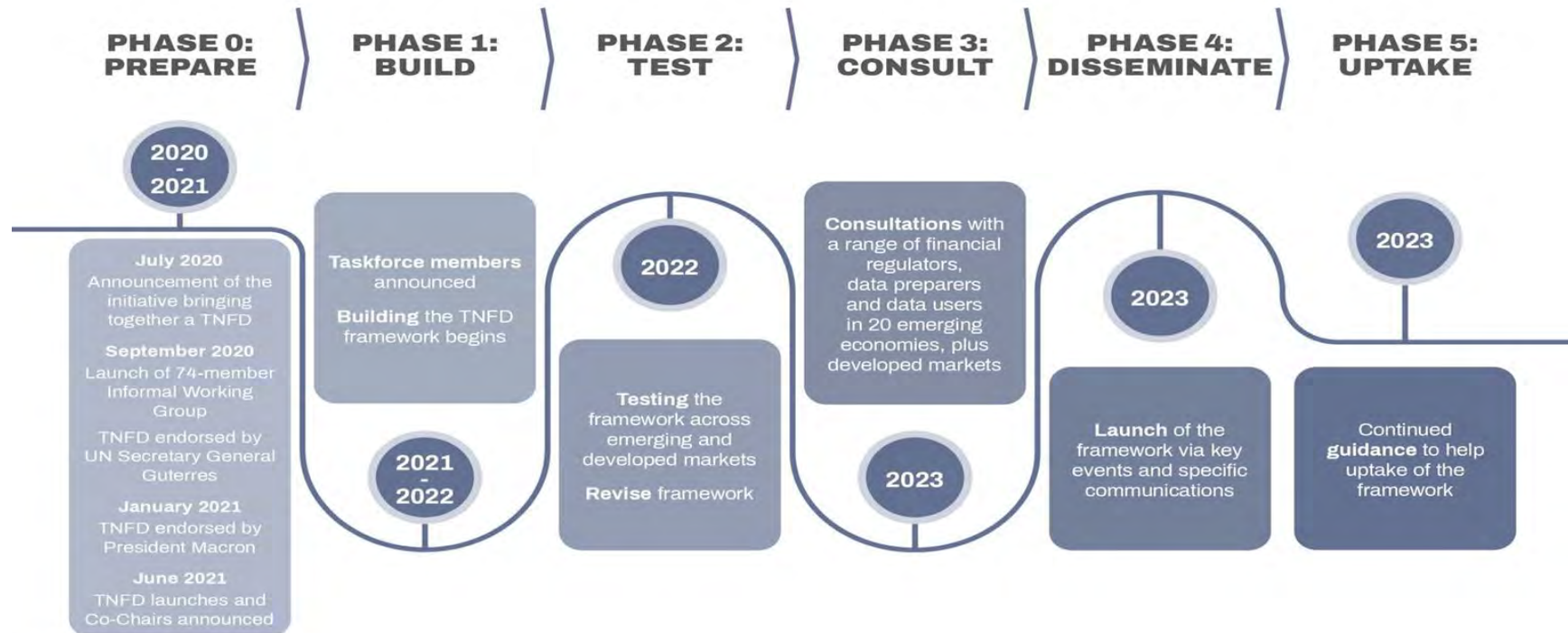
- **Collaborate with the private sector on the beta framework** to ensure Australia's interests are represented and considered by the TNFD secretariat in the design and development of the final framework, and to inform future policy including for standardisation, data and metrics.
- **Information, education and collaboration across government.**
- **Create new and build on existing partnerships to support nature-positive outcomes across the Asia-Pacific region** by leveraging Australia's natural capital expertise and position as a TNFD strategic funding partner.



# Taskforce on Nature-Related risk Disclosures Timelines



- Beta framework released mid March 2022
- Ongoing engagement and piloting to ensure framework meets our needs and that we have the relevant enabling environment (throughout 2022)
- Framework released in 2023





# RI Australia 2022 – 6 & 7 April

- Creating green products while avoiding the wash
- So you've committed, to net zero... what next?
- Net zero: how some of australia's most iconic brands are moving beyond just commitments
- Putting nature at the heart of finance - RIAA's Nature Working Group
- and more!



## Upcoming meeting dates

**Meeting #2:** Thursday 16 June

12pm-1.30pm AEST/2pm-3.30pm NZST

**Meeting #3:** Thursday 15 September

12pm-1.30pm AEST/2pm-3.30pm NZST

**Meeting #4:** Thursday 24 November

12pm-1.30pm AEDT/2pm-3.30pm NZDT



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Responsible Investment  
Association Australasia



February 2022

## *Australian Government Engagement on the Taskforce on Nature-related Financial Disclosures*

- The [Taskforce on Nature-related Financial Disclosures](#) (TNFD) was formally launched in June 2021 to develop a global risk management and disclosure framework for organisations to report and act on evolving nature-related risks and opportunities. The TNFD's overarching objective is to enable and promote global consistency in nature-related reporting and thereby support a shift in global financial flows towards nature-positive outcomes.
- In November 2021, the Australian Minister for the Environment, the Hon Sussan Ley MP, [announced](#) the Australian Government would join the TNFD as a strategic funding partner and member of the TNFD Forum.
- In its capacity as a strategic funding partner, the Australian Government sits on the TNFD Stewardship Council. The Department of Agriculture, Water and the Environment (DAWE) represents Australia at periodic Stewardship Council meetings. The United Kingdom, the Netherlands and Switzerland have also provided funding to the TNFD. The TNFD is supported by the G7 Finance, Climate and Environment Ministers and the G20 Environment Ministers.
- A draft (or "beta") TNFD reporting framework will be released on **15 March 2022**. The TNFD beta framework will be tested globally with financial institutions and corporates. The testing period will run for approximately six months. The testing of the beta framework and subsequent iterations will help inform the final framework, which is due for release in September 2023.
- Among other things, DAWE will be engaging with the private sector to ensure the expertise and experiences of our region are appropriately represented and incorporated into the design of the framework.
- DAWE is pleased to be working with the **Responsible Investment Association Australasia** (RIAA) to engage with both Australian and New Zealand RIAA members interested in trialling the TNFD beta framework. Through the RIAA and other peak bodies, DAWE will disseminate materials and provide updates on the TNFD and beta framework, and formally capture beta participants' experience of trialling the framework. More information will be provided at the RIAA's upcoming **Nature Working Group meeting in March 2022**.



## More information

Go to: [Natural capital: unlocking private sector investment](#)

Email us at: [financingsolutionsfornature@environment.gov.au](mailto:financingsolutionsfornature@environment.gov.au)

## Acknowledgement of Country

We acknowledge the Traditional Custodians of Australia and their continuing connection to land and sea, waters, environment and community. We pay our respects to the Traditional Custodians of the lands we live and work on, their culture, and their Elders past and present.

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## Australia's nature is everyone's business

Nature underpins our lives, our health, and our economy. The air we breathe, the water we drink, the food we eat.

Acknowledging our reliance on nature, the urgency of the twin global crises of biodiversity loss and climate change, and the unique role Australia can play in turning both around, we join the call for Australia to support ambitious global goals for nature to halt and reverse biodiversity loss and achieve a Nature Positive world by 2030.

The world's biodiversity is declining faster than at any other time in human history. 1 million species globally are threatened with extinction. Earth's ecosystems, that underpin our prosperity, are deteriorating at an unprecedented rate.

We know that healthy societies, resilient economies, and thriving businesses rely on nature being in good health. With its ancient but fragile landscapes and unique wildlife, Australia has more at stake than most. But it is also blessed with uncommon opportunities to transition.

A nature positive world will deliver prosperity for Australia.

Governments, businesses, and communities must work together and adopt policies now to reverse nature loss in this decade.

We will make every effort to address our responsibility to protect and restore nature through our investments and business practices, and stand ready to support all governments to do the same.

During the 15th meeting of the Conference of the Parties to the Convention on Biological Diversity – COP15 – we encourage Australia to work with other nations to agree a Global Biodiversity Framework that outlines a mission to halt and reverse biodiversity loss and set us on a path to recovery so that by 2030 nature is in better health than it is now, supported by clear, transformative goals and targets to embed the value of nature in all decision-making.

For background on the global goals for nature and COP15, visit ACF's blog [here](#).

## Terms of Reference – Nature Working Group

### Purpose of RIAA working groups

RIAA hosts a number of member working groups as important communities of practice for members to collaborate and share leading practices and knowledge, as a means of building the capacity of members to be more effective in their work in areas consistent with the RIAA mission:

*“The Responsible Investment Association Australasia (RIAA) works to promote, advocate for, and support approaches to responsible investment that align capital with achieving a healthy and sustainable society, environment and economy.”*

The purpose of working groups are to:

- Provide a community of practice that will help to build the capacity of members to be more effective in their work in areas consistent with the RIAA mission.
- Build members' knowledge and understanding of important aspects of responsible investing and sustainable finance
- Generate and encourage implementation of leading practice approaches within the industry
- Provide an opportunity for members to link with others around important areas related to responsible investment, especially to share information, resources and activities
- Involve members in addressing some of the challenges in the responsible investment industry and working to achieve a constructive pathway forward.
- Gain members views and opinions to aid in the development RIAA policy positions, advocacy, and research work

### Principles of RIAA working groups

As a working group participant, all members agree that they will act in the best long-term interests of the responsible investment sector and the community more broadly, and that in this role they will participate to develop the resources for the sector to develop and improve as a whole, not for individual / organisational gain.

As a result, members commit to the following principles:

Confidentiality – all discussions in the group are confidential and not to be quoted outside the group, unless approval is expressly given by members of the group. Specifically, no statements or quotes made at the working group meeting will be attributed to specific people or organisations outside of that meeting.

No self-promotion – the group (either in meetings or via electronic communication) will not be used to promote the activities, products, services or policies of an individual or organisation, unless expressly requested.

Declaration of conflicts of interest – at the start of each group members will be asked to declare their conflict of interest relating to the topic or agenda. Members will be expected to self-exclude

themselves from any discussions where there are decisions or positions related to their conflict of interest. If they do not, the Chair may request that they do.

Representation – unless specifically agreed, group members are not authorised to represent the working group nor to represent RIAA. Equally, RIAA is not authorised to speak on behalf of members of the working group, nor make representations on the group's behalf unless specifically authorised by the working group, or a subset of the members of the group (in which case that representation will only be on behalf of that subset who have explicitly opted in). RIAA may however speak externally to the types of issues and views being considered by the working group, without specific attribution.

Collaboration between members – the purpose of the working group is to encourage collaboration between members to share insights and leading practices. Members should attend the working groups with the intent of collaborating, not of using material for their (or their organisation's) gain or competitive advantage, or to influence the group to advantage themselves or their organisation. Working Groups must not be used as a platform to self-promote, to criticise other members or to campaign. Members support this spirit of collaboration through constructive engagement.

Positive change in practice / policy – the working groups aim to influence a positive change in policy and practice within the industry. Members are encouraged to share their examples of policy and practice improvements. We champion RI best practice and encourage change through engagement (not calling out bad practice).

Not engage in or discuss competitively sensitive information – working groups will at times involve discussions between competitors, or potential competitors. In accordance with competition law, working group members will not discuss competitively sensitive information nor enter into anti-competitive agreements, and will not share such information, specifically that which is not publicly available information. Competitively sensitive information includes information on pricing, sensitive financial information, non-public strategic information, negotiation or tender information, and information about voting intentions (takeover provisions).

Apolitical - RIAA is an apolitical organization that builds relationships with organisations and individuals with a broad range of beliefs and values.

## **Membership**

RIAA has discretion to decide on membership of the Nature Working Group, which will be made up of RIAA members only.

RIAA, in consultation with the Chair, also has discretion to facilitate the composition of sub-groups to collaborate on specific projects in the spirit of the principles of engagement.

Membership of Working Groups may be denied where it is viewed that inclusion would have an adverse impact on the outcomes of the group. Any decision to that effect would be done in consultation with the Working Group Chair.

Membership of the working group is voluntary and constitutes assent to the Working Group's aims and agreement to the above principles.

Any concerns raised by other members of the Working Group about a Working Group member's conduct may affect that member's ability to continue their engagement in the Working Group. RIAA and the Working Group Chair have discretion to suspend members of the Working Group due to conduct that is not in accordance with the above Principles.

### **Roles**

The working group will inform and provide input, but not make decisions in relation to the policies, positions, strategy or operations of RIAA.

The working group will have the following roles:

#### Co-Chairs – Guy Williams (Deloitte) and Shara Lohrasb (CEFC):

##### **Role:**

- Chair the meetings including, facilitating appropriate discussion, ensuring that everyone in the meeting has the opportunity to participate, ensuring that all members follow the group principles,
- Providing feedback to members who do not meet the principles,
- Overseeing the agenda development,
- Drafting the annual work plan, and
- Ensuring that the annual working group review and report is completed

#### Host – Min Wah Voon (RIAA):

##### **Role:**

- Provides the meeting facilities for the group (video conference, teleconference, meeting and seminar rooms where required)

#### Secretary – Bianca Olguin Malavisi (RIAA)

##### **Role:**

- Preparation of meeting document packs
- distributing meeting packs (including agendas) or other documentation to the working group;
- preparing minutes of each meeting, using the provided template
- preparing a list of action items, and
- compiling a report of each Working Group meeting using the approved template
- Providing the meeting documentation to the RIAA executive officer for endorsement before distributing to the working group members

### **Meetings**

Meetings will be held quarterly for an hour and a half via teleconference.

If required subgroup meetings will be arranged outside of these times at a time convenient to subgroup members.

If both the Chair and the Deputy Chair are not able to attend a scheduled meeting, another member may be formally assigned to Chair the meeting.

### **Workplan**

The working group will develop a work plan of key objectives and tasks, that will be updated each December, for implementation commencing in January. All members will be given the opportunity for input into the plan, and the Chair will be responsible for the final plan. The workplan will be presented to working group members for endorsement at the closest meeting to December, before the workplan is provided to the CEO for endorsement.

### **Annual review**

In December each year, the working group will provide a short report to the CEO on the operations and outcomes of the working group, using the RIAA template. This will include the number of meetings, average attendance at meetings, other events, outputs.

The Chair will also provide a report on the working group's progress against the work plan to the working group for information.

### **Amendment of the Terms of Reference**

The Terms of Reference will be endorsed by the members of the working group, and then approved by the CEO of RIAA. Any amendments or modification to the approved Terms of Reference, must be made in writing from the Chair to the RIAA CEO and reported to the members of the working group.