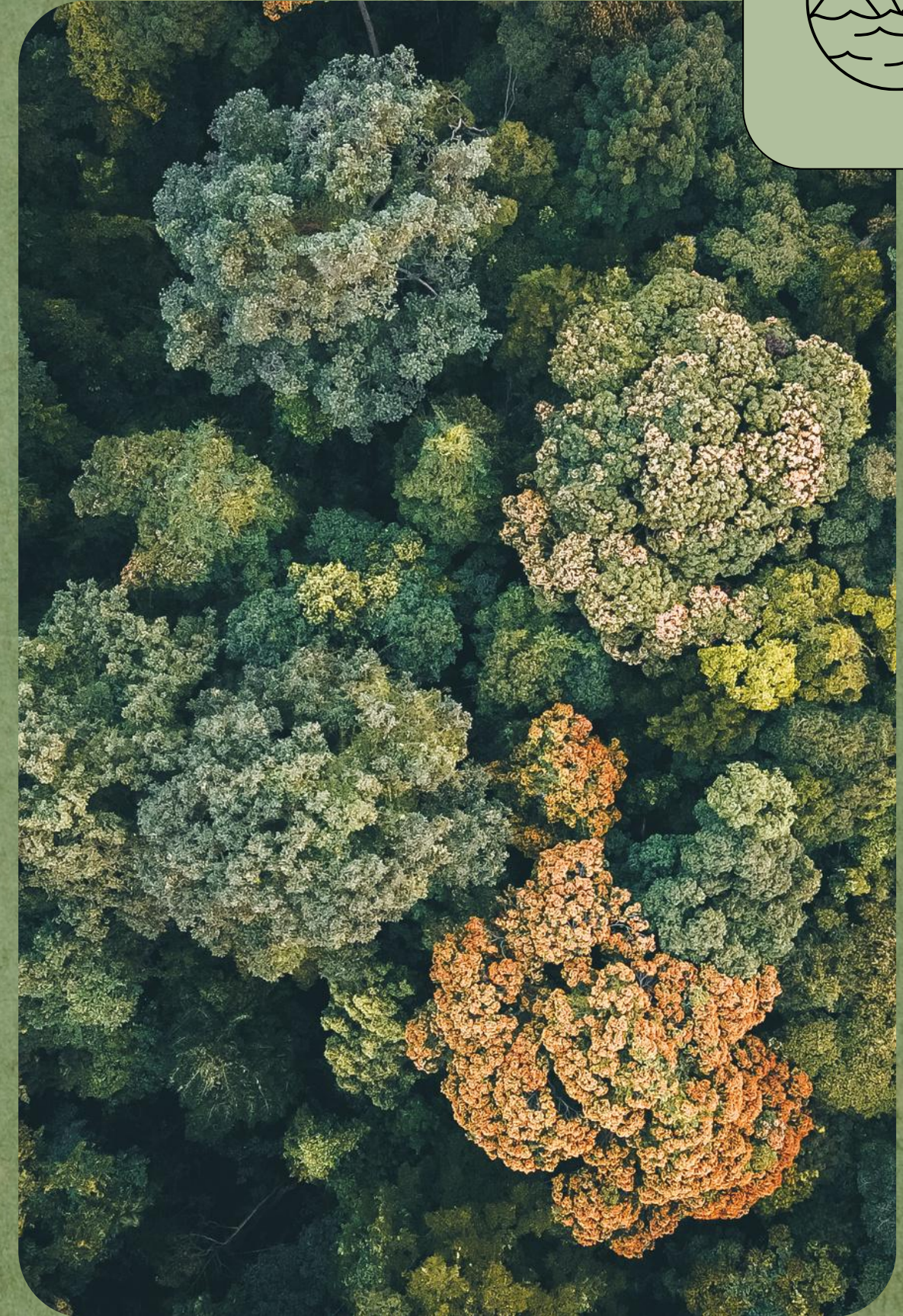


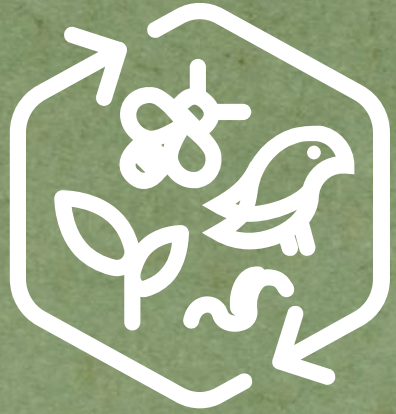
CAIA WEBINAR

Overview of the TNFD and South Africa Consultation Group

YASEEN LOCKHAT
The Banking Association South Africa



State of Nature



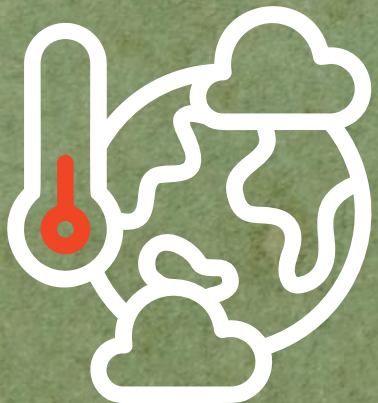
**69% Decline In Wildlife Populations Between 1970
And 2018 (TNFD, 2023)**



**300–400 Million Tons of Heavy Metals, Solvents,
and Toxic Sludge are Dumped Annually Into The
World's Waters (IPBES, 2019).**



**Over 1/3 of Forests Have Been Cut Down, Half
Within The Last Century (TNFD, 2023)**



CLIMATE-NATURE NEXUS

- Climate Change is a driver of Nature loss
- Nature loss exacerbates climate change



The Importance of Nature

\$44 TRILLION, OVER HALF OF GLOBAL GDP IS MODERATELY OR HIGHLY DEPENDENT ON NATURE AND ITS SERVICES (WEF, 2020).

BUSINESS RELY ON
CLEAN WATER, FERTILE
SOIL, CLIMATE
REGULATION, AND
POLLINATION

LOSS OF NATURE
CREATES PHYSICAL,
TRANSITION, LEGAL, AND
REPUTATIONAL RISKS.

LIKENED TO CLIMATE
CHANGE

BUSINESSES ARE
INCREASINGLY BEING
ASKED TO MEASURE,
MANAGE, AND DISCLOSE
THEIR IMPACTS AND
DEPENDENCIES ON
NATURE.

HEALTHY ECOSYSTEMS
REDUCE SUPPLY CHAIN
DISRUPTION RISK,
LOWER COSTS, AND
ENHANCE RESILIENCE TO
SHOCKS.

“South Africa’s economy from tourism to fishing, farming and industry, the products and services provided by nature support people’s wellbeing, livelihoods, jobs and security.”

UN BIOFIN

Why Nature

Percentage of direct and supply chain GVA with high, medium and low nature dependency, by industry



Overview of the TNFD Recommendations

A Global market-led, Science Based, initiative.

Framework for organizations to **identify, assess, manage, and disclose** nature-related dependencies, **impacts, risks, and opportunities**.

Four Pillars: Governance, Strategy, Risk & Impact Management, Metrics & Targets.

LEAP Approach: An optional structured process on “How to” assessment guidance.

Alignment with **TCFD, ISSB, GRI** and the goals of the **GBF**

The IFRS foundation and the TNFD are collaborating on nature reporting as part of the ISSB Work



The recommended disclosures

The recommended disclosures encourage integrated climate-nature reporting, building on the TCFD approach

→ 14 recommended disclosures

→ Same structure, language and approach as TCFD

→ Organised around four pillars:

Governance

Strategy

Risk & Impact Management

Metrics & Targets

TNFD recommended disclosures

Governance

Disclose the organisation's governance of nature-related dependencies, impacts, risks and opportunities.

Recommended disclosures

A. Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.

B. Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.

C. Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.

Strategy

Disclose the effects of nature-related dependencies, impacts, risks and opportunities on the organisation's business model, strategy and financial planning where such information is material.

Recommended disclosures

A. Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.

B. Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.

C. Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.

D. Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.

Risk & impact management

Describe the processes used by the organisation to identify, assess, prioritise and monitor nature-related dependencies, impacts, risks and opportunities.

Recommended disclosures

A(i) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.

A(ii) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).

B. Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities.

C. Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.

Metrics & targets

Disclose the metrics and targets used to assess and manage material nature-related dependencies, impacts, risks and opportunities.

Recommended disclosures

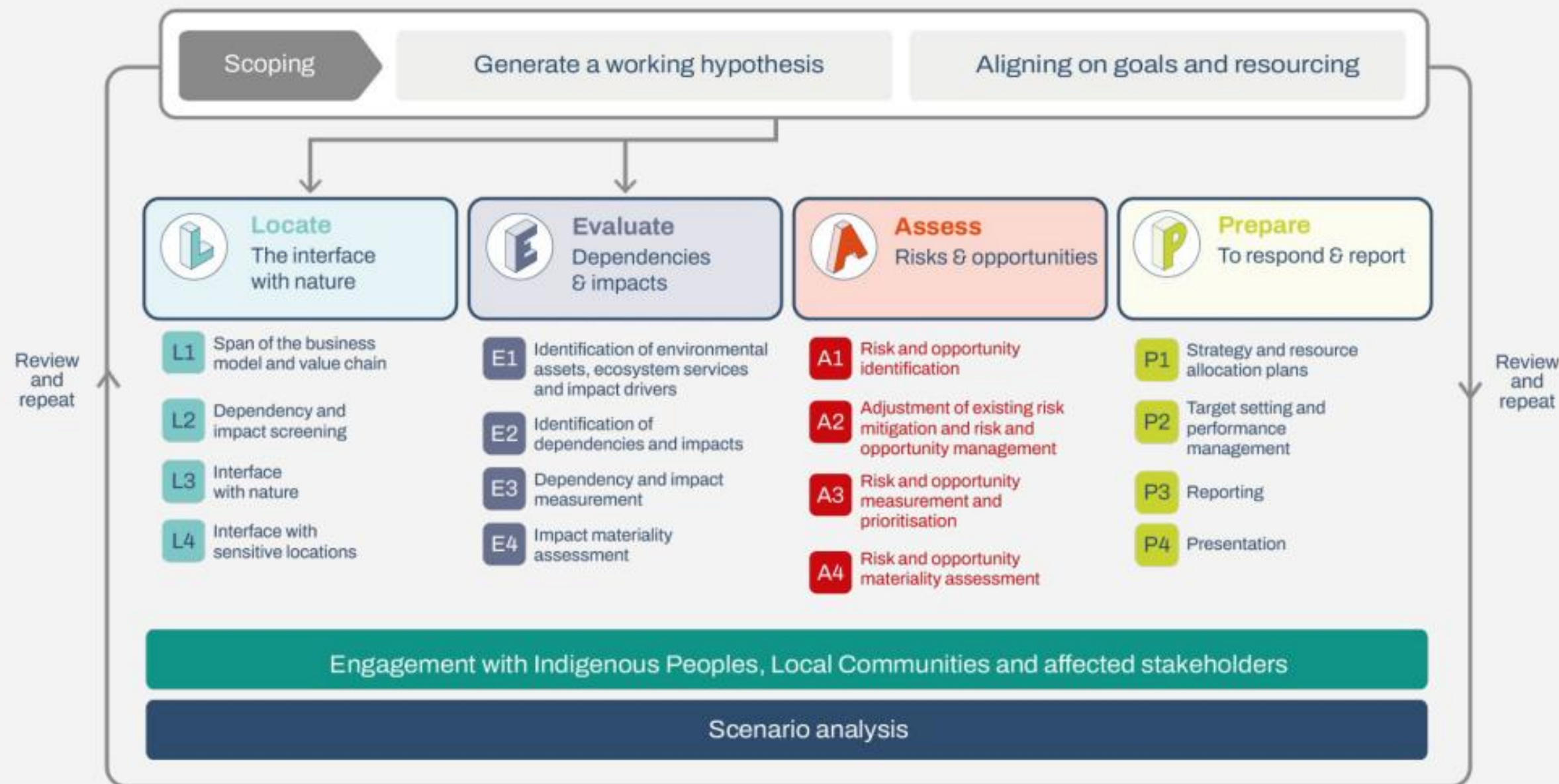
A. Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.

B. Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.

C. Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.

Additional implementation guidance - the LEAP approach

Responding to market feedback for 'how to' guidance, the TNFD has developed, pilot tested and released a comprehensive assessment process for nature-related issues to help inform decisions regarding materiality and disclosure



- Leveraging existing frameworks and tools including the Natural Capital Protocol and SBTN target setting methods
- Enables both impact and financial materiality assessment aligned with European (CSRD) and ISSB requirements
- Based on extensive market feedback and pilot testing by over 240 institutions globally

TNFD Consultation Groups

Consultation Groups are regional, or country platforms designed to support awareness of the TNFD recommendations and additional guidance, identify current knowledge and understanding gaps on nature-related issues, and build capacity for nature-related reporting across markets.

There is no obligation to become a signatory of the TNFD recommendations no cost



SA TNFD Consultation Groups

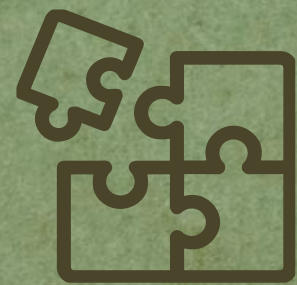
Co-convened by the Banking Association and the National Business Initiative

In line with the TNFD we want it to be market led and thus it will be built on a Community of Practice.

Has three focus areas



Awareness



Capacity
Building



Influence

Inception phase:
Draft Terms of Reference
Conducting a survey to inform a workplan.



Contact:

Yaseenl@banking.org.za

[Survey Link](#)

