

The Taskforce on Nature- related Financial Disclosures (TNFD)

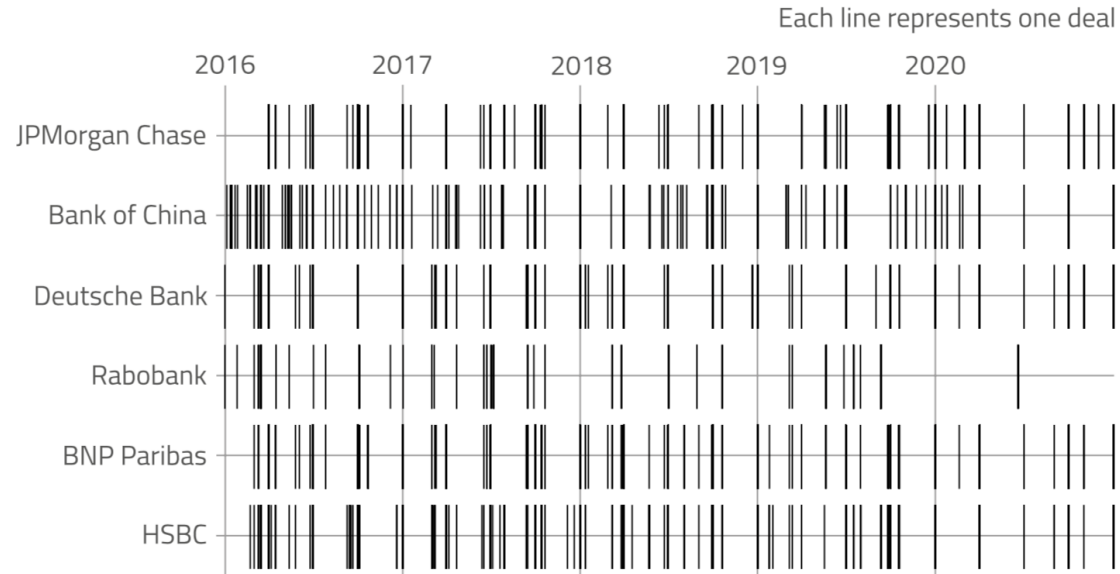
Shona Hawkes, Rainforest Action Network

Presentation to Third World Network, March 2024

Why do financial institutions keep financing biodiversity destruction & human rights abuses?

[Note: Response given by people in the room was 'because it is profitable'].

Frequency of financing and investment deals involving selected banks and top deforesters (2016–2020)



Frequency of loan, credit-facility, shareholding and bondholding deals struck between six focal banks and top deforesters. Some data for 2020 was unavailable at the time the dataset was prepared. *Data source: Profundo/Global Witness.*

Global Witness (2021) [Deforestation Dividends](#) report examined financing from 2016-2020 to 20 agribusiness company groups linked to persistent allegations of forest destruction and/or human rights harms. Financiers provided **USD\$157 billion**. Financial institutions made **\$1.54 billion** in revenue - just from the deforestation-risk linked portion of the financial deal.

Brazil Fines Spanish Bank Santander in Amazon Deforestation

UN office publishes detailed human rights guidance for banks

NGOs File Complaint Against BNP Paribas

ACT Now: Stop Financing of Logging Giants

BY INSIDE PNG - 25/04/2022

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ANZ payment to displaced Cambodian families brings landmark human rights case to a close



(Phnom Penh - Wednesday, November 3, 2021) - Cambodian families who were forcibly displaced by Phnom Penh Sugar Company have received a promised payment from Australia's ANZ bank, which financed the sugar company from 2011-2014. Distribution of the funds, which ANZ agreed to pay in 2020, was complete as of this week, according to Inclusive Development International and Equitable Cambodia, two NGOs that supported the families in their negotiations with the bank and that were tasked with disbursing the funds.

How China's new complaints procedures can prevent 'green' ESG investments from harming local communities

Guidelines now require Chinese banks and insurers to set up grievance mechanisms, which will allow affected communities to speak up - and investors to better address their risks

ASIC launches first Court proceedings alleging greenwashing
Published 28 February 2023

PRESS RELEASE
ILLICIT FINANCIAL FLOWS
Complaint filed against French banks for money laundering and concealment of proceeds from illegal deforestation in the Amazon

STATEMENT | JUNE 7, 2023
Lords back a new law to prevent the financing of illegal deforestation, ahead of key vote
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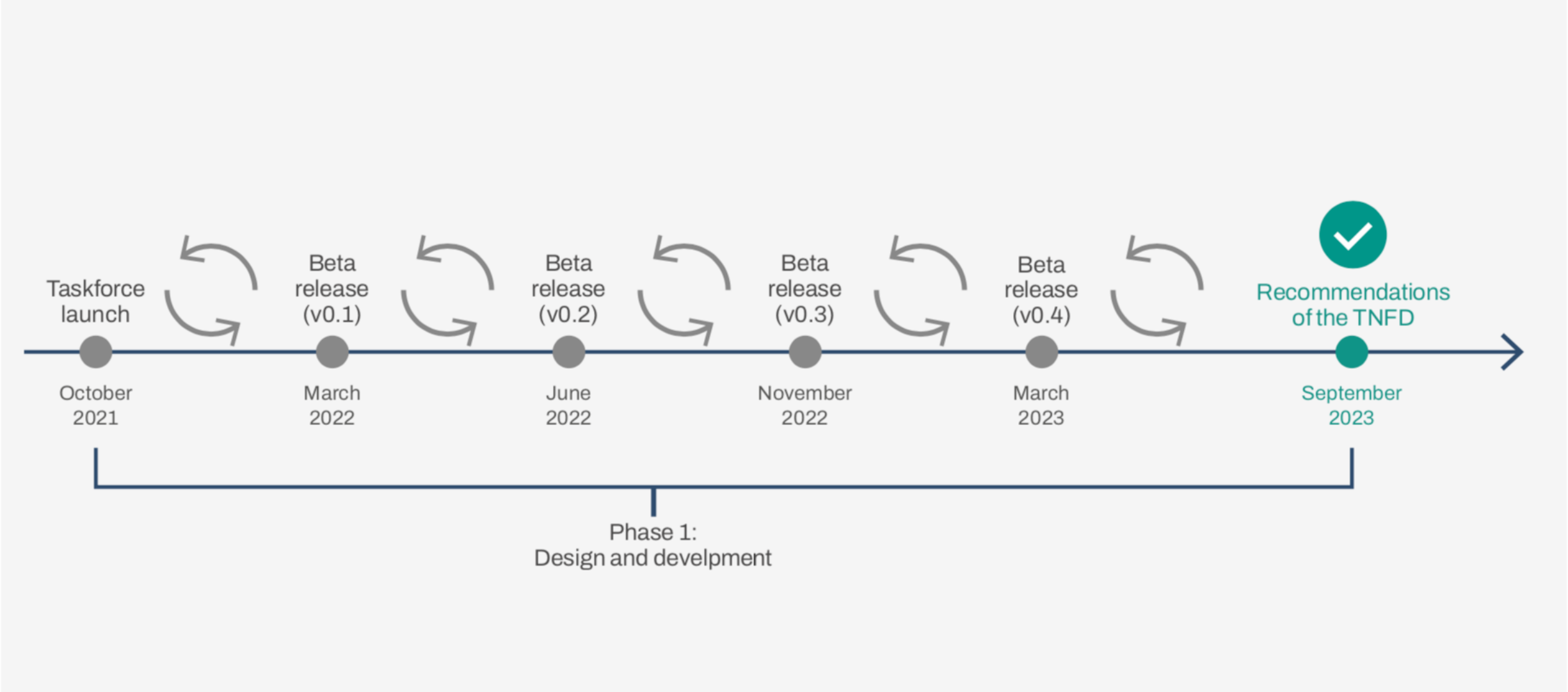
The Taskforce on Nature-related Financial Disclosure

Common questions from rightsholders & CSOs

How TNFD compares to key priorities of those on the frontline of the biodiversity crisis

Would a company or bank:

- Face **legal consequences** for environmental & human rights abuses? **No.**
- **Have to give up the profits** it made from harmful activities & financing? **No.**
- Have to **provide remedy and redress** to people or ecosystems harmed? **No.**
- Disclose **where it is operating, buying from or financing** – so that people can know if a company or bank is linked to problems in their area? **No.**
- **Disclose complaints or allegations** against it of serious environmental or human rights harms? **No.**
- Report where it was linked to illegal practices or **fined for illegal practices?** **Mostly no.**



Source: TNFD



TNFD video: <https://forestsandfinance.org/%20tnfd/>

Also available in Spanish and French, and with Bahasa Indonesia and Portuguese sub-titles.

Video produced in December 2023. Some changes on lobbying and tweaks on human rights – but most issues remain in the final September 2024 framework.

Figure 1: TNFD’s recommended disclosures

Governance	Strategy	Risk & impact management	Metrics & targets
<p>Disclose the organisation’s governance of nature-related dependencies, impacts, risks and opportunities.</p>	<p>Disclose the effects of nature-related dependencies, impacts, risks and opportunities on the organisation’s business model, strategy and financial planning <u>where such information is material.</u></p>	<p>Describe the processes used by the organisation to identify, assess, prioritise and monitor nature-related dependencies, impacts, risks and opportunities.</p>	<p>Disclose the metrics and targets used to assess and manage material nature-related <u>dependencies</u>, impacts, risks and opportunities.</p>
<p>Recommended disclosures</p>	<p>Recommended disclosures</p>	<p>Recommended disclosures</p>	<p>Recommended disclosures</p>
<p>A. Describe the board’s oversight of nature-related dependencies, impacts, risks and opportunities.</p> <p>B. Describe management’s role in assessing and managing nature-related dependencies, impacts, risks and opportunities.</p> <p>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.</p>	<p>A. Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.</p> <p>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.</p> <p>C. Describe the resilience of the organisation’s strategy to nature-related risks and opportunities, taking into consideration different scenarios.</p> <p>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.</p>	<p>A(i) Describe the organisation’s processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.</p> <p>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).</p> <p>B. Describe the organisation’s processes for managing nature-related dependencies, impacts, risks and opportunities.</p> <p>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.</p>	<p>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.</p> <p>B. Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.</p> <p>C. Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.</p>

A ‘TNFD report’ can involve reporting against as few as 1 recommendation and not reporting against the others.

	Issue	Example of positions that could be adopted	TNFD position
1.	Community's right to know	Affected communities can know if a reporting company is operating in, sourcing from or financing activities in their area.	X <u>i.e.</u> TNFD does not recommend reporting: geolocation, supplier lists, exclusion list/investee universe etc.
2.	Materiality	Double materiality: Businesses disclose their impacts on biodiversity & impacts of nature-related issues on business.	X Baseline limited to enterprise value/single materiality.
3.	Claims can be fact-checked on the ground	Public disclosure of datasets & other information allows for TNFD report claims to be independently checked against realities on the ground.	X Basic positions (<u>i.e.</u> 1, 2, 4) & use of high-level metrics means that most claims reported cannot be independently fact-checked.
4.	Systemic reporting of complaints	Businesses systematically disclose a list of complaints or allegations (grievance list) it faces on its biodiversity & human rights practices.	X Taskforce members faced almost 300 allegations of rights abuses over the last 10 years.
5.	Human rights	Human rights central to all parts of the TNFD and seen as fundamental to biodiversity outcomes.	? Recommends companies disclose human rights due diligence – but barriers to HR substantiation in the framework <u>i.e.</u> 1, 4, 6 & broader issues.
6.	Remedy & redress	All reporting companies, including investors, establish a grievance mechanism & show that it is credible & operational.	X Invites organisations to report if they have grievance mechanisms – but doesn't appear to require them.
7.	Lobbying	Businesses report their lobbying positions & practices on nature-related issues, including via industry groups.	? Some recommendation but vague.
8.	Exclusion	There is a process to exclude/suspend companies involved in egregious practices, bad faith reporting or greenwashing.	X

	Issue	Example of positions that could be adopted	TNFD position
	Commodification of nature	There is serious and systemic engagement with recommendations from the Intergovernmental Platform on Biodiversity & Ecosystem Services – including the role market-based thinking has placed in exacerbating biodiversity loss.	X TNFD’s potential to escalate the commodification of nature through new ‘nature markets’ has never been interrogated
	Profits from harm	Any profits connected to biodiversity or human rights harms are not retained – for example, through remedy & redress.	X Under TNFD, companies can keep 100% of any profits made from biodiversity & human rights harms.
	Accountability	Companies reporting under TNFD clearly state that legal accountability is fundamental to ‘transition risk’ & endorse environmental defender-led work on corporate accountability laws on environmental & human rights. TNFD definitively states that as a corporate-written framework it should absolutely not be considered as the basis of future laws.	X There is deep critique that TNFD is distracting from & undermining laws that would create actual risk for biodiversity harms.

Additional risk: TNFD will steer companies to act on their most financially impactful issues related to biodiversity. **NOT** to focus on their worst impacts on biodiversity. For example, TNFD doesn’t require a company to act on extinction risks.

“It is hard to argue how investors benefit by not being informed that a company is facing a complaint, why it is more credible for data to take a form that cannot be independently fact-checked or how chaotic, non-standardised and unreliable data will help analyse biodiversity risks.”

– Rainforest Action Network [Op ed](#) in Green Central Banking

TNFD is NOT ‘aligned’ with the Kunming-Montreal Global Biodiversity Framework.

Target 15:

”a) Regularly monitor, assess, and **transparently disclose** their risks, dependencies and **impacts** on biodiversity, including with requirements for all large as well as transnational companies and financial institutions along their operations, supply and value chains, and portfolios;”

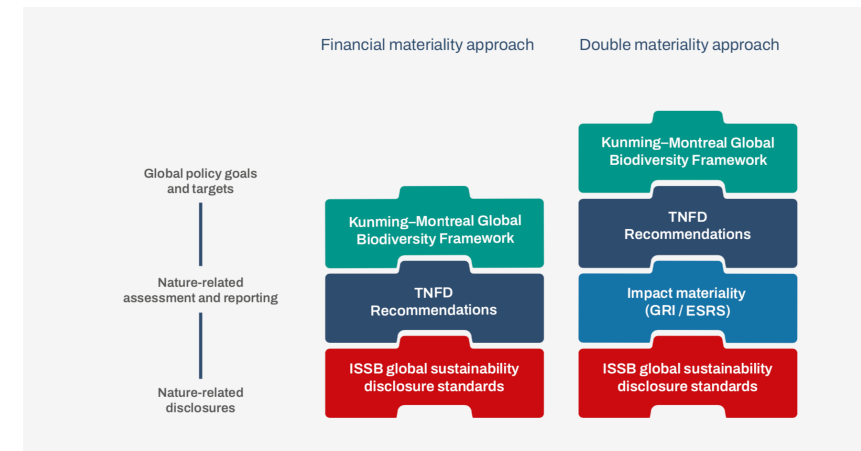
* TNFD’s baseline does not recommend impact reporting, unless it is legally required.

* TNFD doesn’t ‘transparently disclose’ – it cannot be fact-checked & local communities can’t even find out about the company’s links to their area.

Target 14 calls on governments to enact policies, regulations etc to align public and private flows with biodiversity targets.

* Under TNFD businesses: are able to **keep 100% of the profits** they make off biodiversity and human rights harms, **do not face legal consequences for harms** they cause to biodiversity or human rights and there is no restriction to corporations **expanding their land or water footprint**.

* TNFD does not address the **commodification of nature** and may exacerbate it.



Portion of large agribusiness traders business in high forest-risk commodities and if they would meet a 10% 'as material' threshold

Company group	% of company operations linked to forest-risk commodities Palm oil, soy, beef.	% of supply chain financially impacted before being seen 'as material'.	Clearly in scope for 'as material' metrics reporting.
ADM	Palm: 4.74% Soy: 4.74%	None. As sits below 10%.	No.
Bunge <i>Sits on TNFD.</i>	Palm: 3.84% Soy: 3.84%	None. As sits below 10%.	No.
Cargill	Palm: 3% Beef: 0.5% Soy: 3%	None. As sits below 10%.	No. As Cargill is private, enterprise value definition of what is material to 'end-users' also unclear.
COFCO	Palm: 10.95% Soy: 21.91%	30.5%.	Not feasible. Would require almost 1/3 of all high-risk commodity business to be financially impacted.
Louise Dreyfus	Palm: 1.82% Soy: 1.82%	None. As sits below 10%.	No.
JBS <i>The world's largest meatpacker.</i>	Beef: 16.3%	61.5%	Not feasible. Would require almost 2/3 of all high-risk commodity business to be financially impacted.
Olam <i>Previously sat on TNFD.</i>	Palm: 3.92% Soy: 3.92%	None. As sits below 10%.	No.
Wilmar <i>Controls an estimated 40% of global palm oil trade.</i>	Palm: 18.67% Soy: 7.49%	38.5%	Not feasible. Would require almost 40% of all high-risk commodity business to be financially impacted.

What is the baseline at which we could say that a company clearly *hasn't* disclosed financially material information?

Auditors often see a 10% impact on a company's value, share price etc is as the point where something is unequivocally **financially material**.

Also, how can investors know if they agree or disagree that a biodiversity harm is **not** financially material – if they aren't aware of the harm?

Based on data available at:
<https://forestsandfinance.org/wp-content/uploads/2022/10/FF-2022-Full-update-Segment-country-adjusters-for-upload-220919.xlsx>

How much can we trust a so-called solution to the biodiversity crisis – if biodiversity experts do not understand it and were not core to its development?...

Green Central Banking

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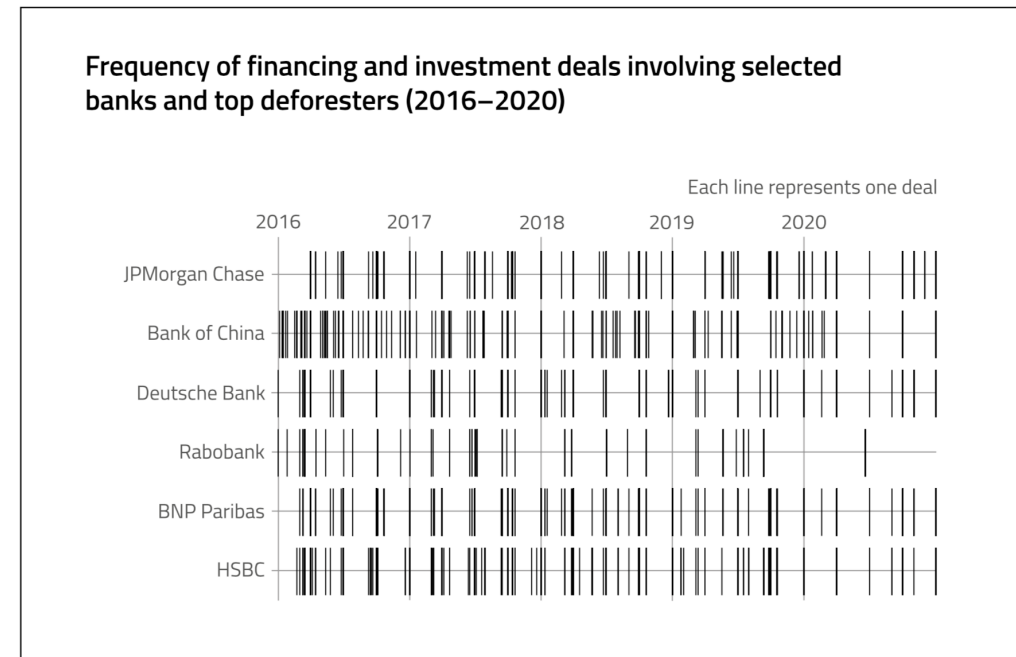
The TNFD is written by corporations, not biodiversity leaders... and it shows

*“While the case for action is clear, business and finance organisations today **do not have the information they need** to understand the risks and opportunities for their organisation that result from their impacts and dependencies on nature.”*

“We aim to provide decision makers in business and capital markets with better quality information through corporate reporting on nature that improves enterprise and portfolio risk management. Robust information on nature-related issues allows business to incorporate nature-related risks and opportunities into their strategic planning, risk management and asset allocation decisions. Better information in the hands of investors and other capital providers can help shift the flow of global capital to more positive outcomes for nature and society.”

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

But remember...



Frequency of loan, credit-facility, shareholding and bondholding deals struck between six focal banks and top deforesters. Some data for 2020 was unavailable at the time the dataset was prepared. Data source: Profundo/Global Witness.

Has TNFD shifted the behavior of its own taskforce members?

- BNP Paribas is [facing legal action](#) over its links to deforestation.
- Bank of America remains the fourth largest [banker of fossil fuels](#).
- [Bayer](#) and [Dow](#) continue to rack up penalties or [environmental violations](#).
- In 2022, BlackRock was [kicked out of a UN Women](#) partnership after mass outcry given its own social and environmental record.

According to The Canary, TNFD members have faced close to [300 allegations of rights abuses](#) over the last 10 years & ploughed hundreds of billions of dollars into climate-wrecking. Several appear multiple times on [investor exclusion lists](#).

*Non-taskforce members who are ‘early adopters’ include **Vale, Drax, Newmont & Tokio Marine.***

COMPANY	CURRENT PARENT	CURRENT PARENT INDUSTRY	PRIMARY OFFENSE TYPE	YEAR	AGENCY	PENALTY AMOUNT
Monsanto Co.	Bayer	chemicals	environmental violation	2023	private lawsuit-federal	\$45,000,000
Bayer CropScience LP and Monsanto Company	Bayer	chemicals	consumer protection violation	2023	NY-AG	\$6,900,000
Monsanto Co.	Bayer	chemicals	environmental violation	2023	VA-AG	\$80,000,000
Monsanto	Bayer	chemicals	environmental violation	2023	PA-ENV	\$33,333,333
BAYER HEALTHCARE LLC	Bayer	chemicals	workplace safety or health violation	2023	OSHA	\$40,125
Monsanto Company	Bayer	chemicals	environmental violation	2022	NH-AG	\$25,000,000
Monsanto Co. and Solutia Inc. and Pharmacia, LLC	Bayer	chemicals	environmental violation	2022	NH-AG	\$25,000,000
Monsanto Co. and Solutia Inc. and Pharmacia, LLC	Bayer	chemicals	environmental violation	2022	OH-AG	\$80,000,000
Bayer Corporation	Bayer	chemicals	False Claims Act and related	2022	DOJ_CIVIL	\$40,000,000
Monsanto Company	Bayer	chemicals	environmental violation	2022	private lawsuit-federal	\$537,500,000
Monsanto Company	Bayer	chemicals	environmental violation	2022	OR-AG	\$698,000,000

Violation Tracker data for Bayer, accessed 27 March 2024.

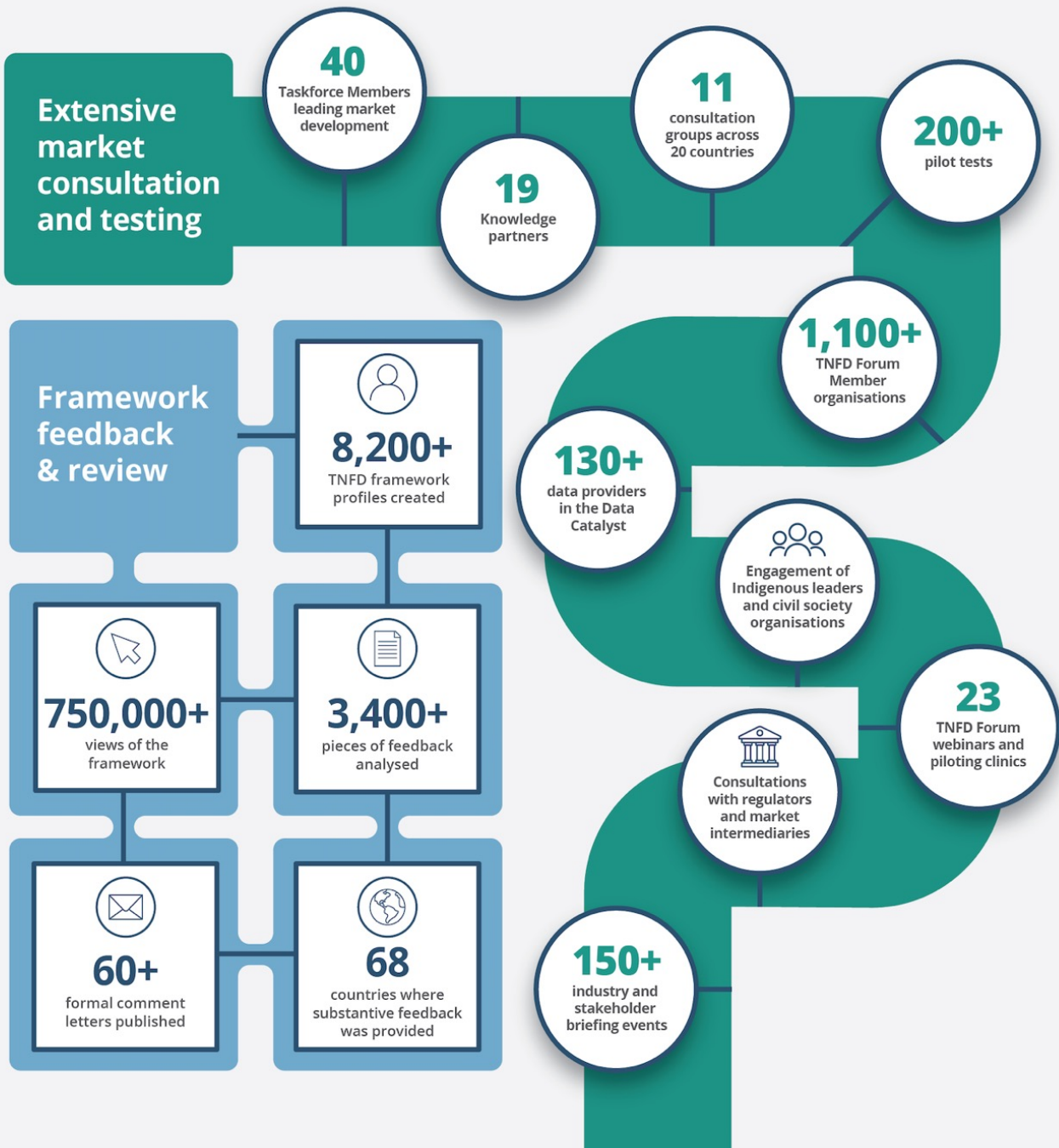
Is TNFD evidence led?

TNFD claims to be ‘science-based’ – but it is not evidence led.

It doesn’t claim to be evidence led or based on any research that determines what interventions are **likely to work or not work** to shift corporate behaviour.

Additional points:

- ‘Radical uncertainty’ of predicting where and how biodiversity impacts will occur difficult for scientists, let alone corporations.
- Can we trust companies to self-report their own bad practices?
- Those tracking financial sector behaviour usually point to the lack of accountability, ability to profit off harms but never lose money & hiding what/who they finance as key issues.
- TNFD doesn’t delegitimise a company’s capacity to profit off biodiversity destruction or human rights abuses.
- CSOs, Indigenous Peoples and environmental defenders have sent [various open letters, press releases etc](#) raising concerns that TNFD will be the ‘next frontier in corporate greenwashing’.
- TCFD on climate released in 2017. Yet oil and gas companies making record profits. On regulation: Australia adopting ‘climate-related financial risks reporting’ – while over 100 fossil fuel projects are in the pipeline. US ESG debate also highlights the risk of setting the level of ambition as so low.



Source: TNFD

Solely made up of corporations. No gov't officials, no scientists, no IPs, no CSOs, no smallholders.
"Leaders" include: Dow Inc, BlackRock, Bayer AG, Suzano, Bank of America, Anglo American, Bunge, KPMG, BNP Paribas, HSBC. Not clear who appointed them.

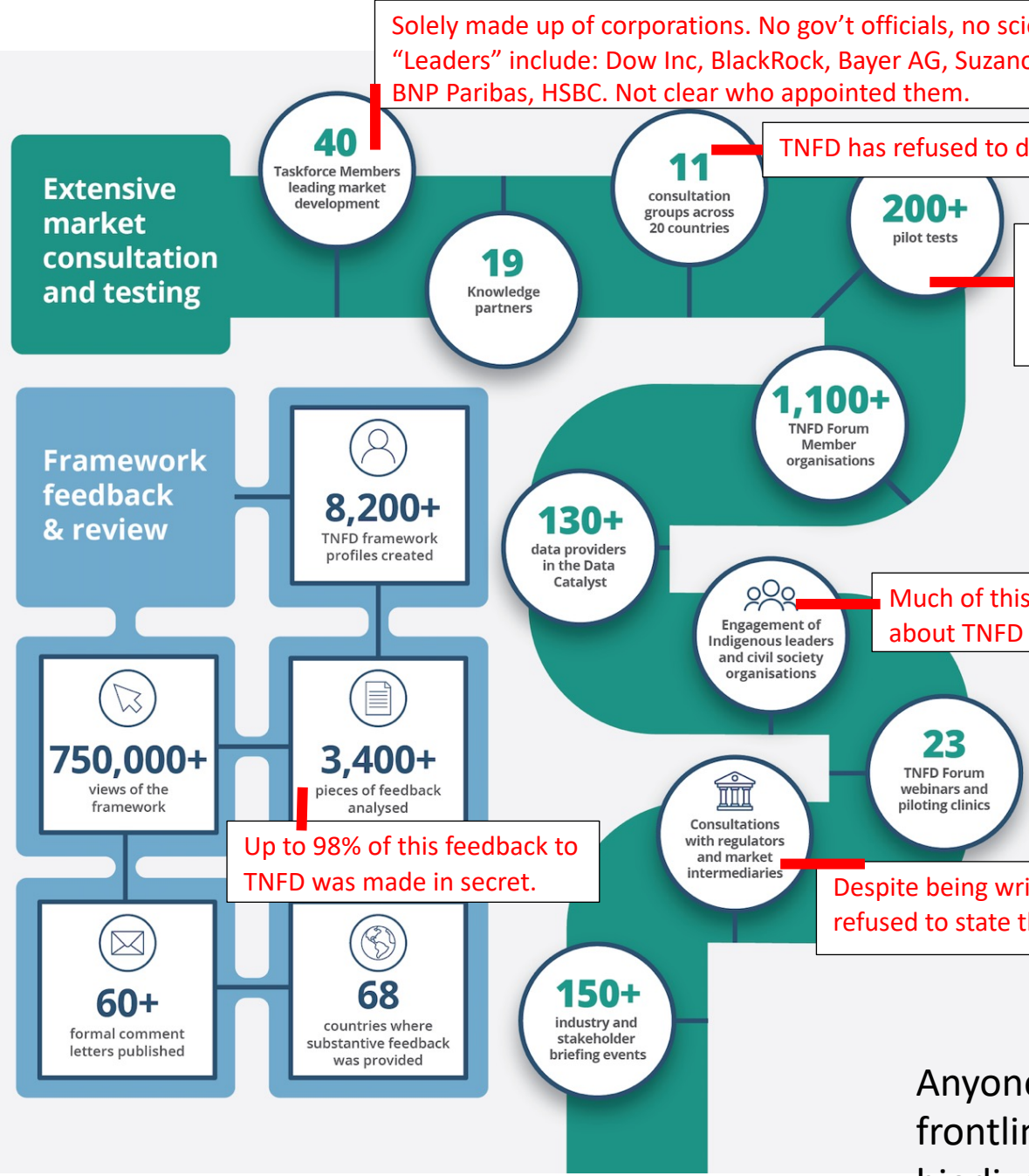
TNFD has refused to disclose who is in/not in the consultation groups.

Companies trialled TNFD tools for assessment/reporting & gave feedback. There was no pilot to test if TNFD's framework would catch biodiversity harms or lead to greenwashing. During its development TNFD didn't provide a single example of what a TNFD report would look like.

Much of this 'engagement' was CSOs & IPs raising profound concerns about TNFD and greenwashing risks.

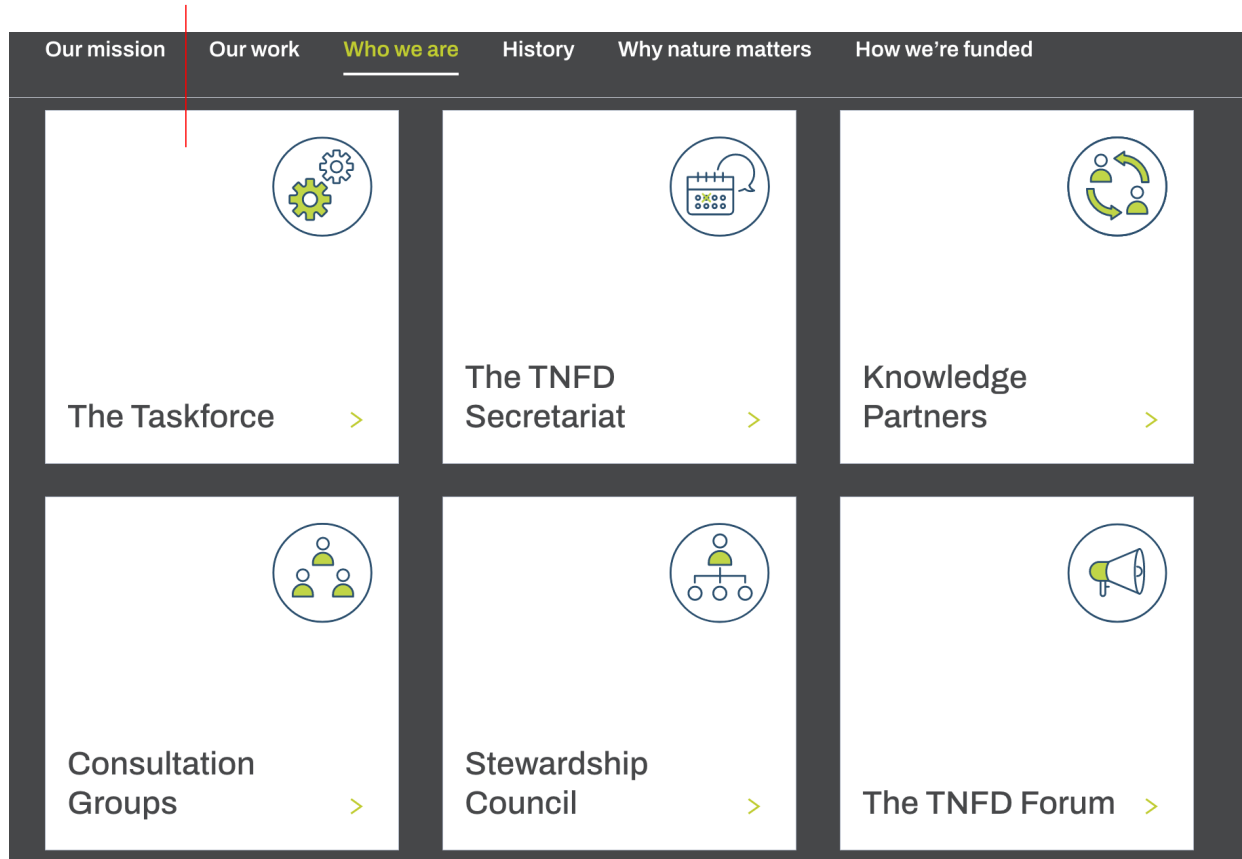
Despite being written by corporations, for corporations TNFD has refused to state that it is not an appropriate blueprint for regulation.

Anyone who cares about biodiversity – especially those on the frontlines – have a right to understand any proposed solution to the biodiversity crisis. Yet how many biodiversity experts understand what TNFD is, what it is proposing and who makes the decisions?



Up to 98% of this feedback to TNFD was made in secret.

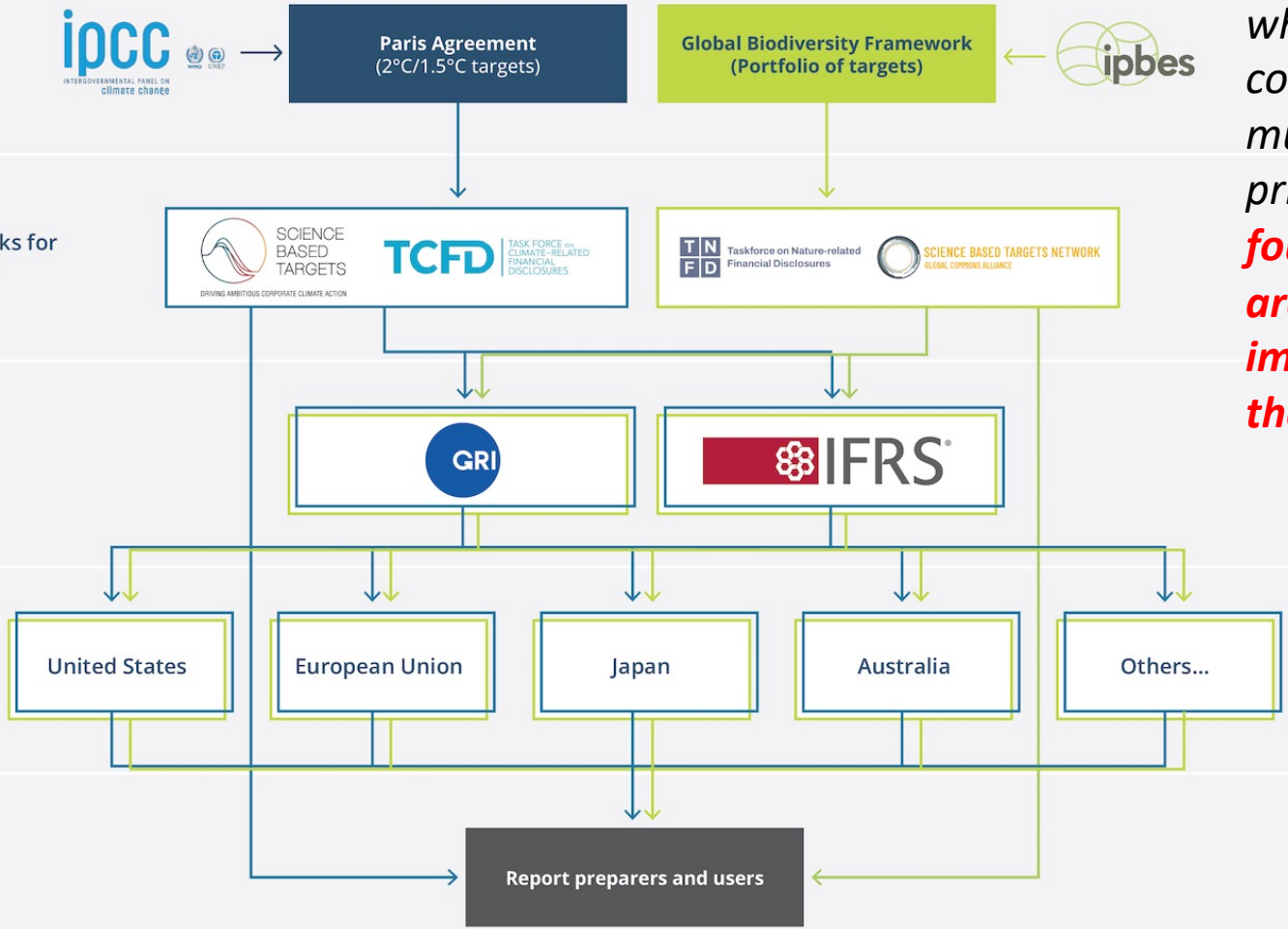
The Taskforce – made up of staff from 40 corporations is the ultimate decision-maker on TNFD



How does this structure meet the basic good governance principles of UNDP, UNEP, GEF and other donors?

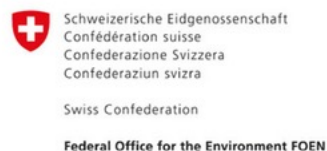
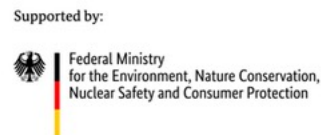
Source: TNFD

Where TNFD fits in the emerging reporting architecture



*“While it is a valuable, carefully considered contribution to this space, this week’s publication by the TNFD should be seen for what it is: a document produced by a group of corporate and financial executives, which must inevitably reflect their interests and priorities. **It cannot be a legitimate foundation for a massively important new area of regulation, which will have implications for every person and species on the planet.**” – [FT](#)*

How we are funded



TNFD does not disclose its total funding.
A conservative estimate is that it's received
over USD\$50 million.

Remember...

Corruption, money-laundering & bribery is also a market failure.

However, the response was not to support the market to create “bribery-free bonds” or “anti-corruption transition finance”.

It was to create clear legal obligations for financial institutions and consequences for when they fail to follow them.

In many, if not most, jurisdictions it is perfectly legal for a financial institution to finance a company engaged in environmental crime or unable to show how it's core operations are legal. So long as a “financial crime” hasn't occurred.

Timeline And Resources

Below is a summary of some key documents and events, starting with the most recent. As well as key TNFD documents it also includes documents relevant to issues put forth by NGOs and networks, particularly in the [May 2023 Open Letter to TNFD](#).

January 2024: Global Witness is quoted by [Reuters](#) in an article about TNFD. This raises several concerns including that “TNFD will increase data availability, but it won’t change the incentives for making a quick buck from funding companies that treat nature like a disposable resource”.

January 2024: At Davos, TNFD announces a [list of 320 ‘early adopter’ companies](#) that will start TNFD reporting in 2024 and 2025. Several CSOs issue a [joint media release](#) in response.

January 2024: A [committee of UK MPs investigating how to stop finance flowing to companies deforesting abroad](#) reject the TNFD’s theory of change, concluding more data reporting would be insufficient without a national due diligence law to ensure financial actors cut off deforestation clients in practice.

January 2024: French publication [Novethic article](#) on TNFD references CSO critique of TNFD including its failure to require reporting on complaints about biodiversity or human rights, that it doesn’t sufficiently take into account the rights of communities where companies operate nor require reporting based on double materiality.

November 2023: The article, [‘Moving beyond a tokenistic participation of Indigenous Peoples in nature financing’](#), written by an anonymous Indigenous author, critiques the TNFD – and various other initiatives – approach to Indigenous Peoples’ rights.

November 2023: Green Central Banking publish an article [‘The TNFD is written by corporations, not biodiversity leaders...and it shows’](#) authored by Rainforest Action Network.

October 2023: RAN [presentation](#) on the final TNFD framework at a [side event](#) to the UN Principles on Responsible Investment in Person conference. This includes highlighting that the TNFD framework does not align with the Kunming-Montreal Global Biodiversity Framework.

September 2023: RAN makes a [submission to the UK Environmental Audit Committee](#) in response to its call for views on TNFD. The submission provides an overview of concerns related to TNFD’s processes, structure and final framework recommendations.

September 2023: The Canary article [The corporations making up the Taskforce on Nature-related Financial Disclosure hold a prolific record of ecological and human rights violations](#) writes that company groups on the TNFD taskforce have faced close to 300 allegations of rights violations in just 10 years.

September 2023: The [FT](#) critiques the lack of black representation and geographic representation on the TNFD taskforce and notes: “While it is a valuable, carefully considered contribution to this space, this week’s publication by the TNFD should be seen for what it is: a document produced by a group of corporate and financial executives, which must inevitably reflect their interests and priorities. *It cannot be a legitimate foundation for a massively important new area of regulation, which will have implications for every person and species on the planet.*” [Green Central Banking](#), [Bloomberg](#) and [Eco-Business](#) reporting also reference CSO concerns.

September 2023: CSOs issue a joint press release on the launch of TNFD: [‘Final framework launches to ongoing fears of greenwashing’](#).

September 2023: TNFD’s [final framework](#) is launched at an invite-only event in New York, with [additional documents](#).

September 2023: Rainforest Action Network releases a [pre-emptive press release](#) ahead of the TNFD framework launch, based on TNFD’s failure to act on key greenwashing concerns throughout its process.

August 2023: An [Eco-Business article](#) about TNFD notes that it has been welcomed by market participants but that “NGOs are skeptical of whether it will address the role of large companies in driving biodiversity loss” and cites the [May 2023 CSO Open Letter](#).

June 2023: An article by Rainforest Action Network is published on the BankTrack website: [‘Two months ago 62 organizations and 3 Goldman Environmental Prize winners wrote an Open Letter to the TNFD: No one responded’](#).

July 2023: An [open access article](#) in the academic journal [Conservation Letters](#) [“Risky Business”](#) raises many concerns about the TNFD, including that it is a form of corporate capture of public decision-making.

June 2023: A [letter published in the journal Nature](#), led by a Professor of Accounting and Risk, cites the recent CSO open letter and raises concerns about the lack of scientists in TNFD’s governance structures, and the risks of corporate capture including a “greenwashing risk” of regulatory processes. [Environmental Finance](#) reports on the Nature article under the heading [‘TNFD criticised for lack of scientists in governance’](#).

June 2023: Media outlet [Environmental Finance](#) puts key concerns raised in the 2023 CSO open letter to TNFD – including that TNFD has failed to propose disclosures on links to rights violations, lobbying around nature or nature-related complaints against companies, and that it has not included the voices of youth or a gender analysis of its work. In response, TNFD discusses its stakeholder engagement but does not respond to the substantive points raised.

June 2023 – A new [briefing paper](#) calls on financial institutions to commit to five key principles to align their activities with the Global Biodiversity Framework. It is written by the Bank Information Centre, BankTrack, Friends of the Earth US and Rainforest Action Network.

June 2023: Forest Peoples Programme publishes a blog [‘TNFD must integrate the rights of indigenous peoples and local communities in its framework’](#)

June 2023: A submission to TNFD from the [School of Biological and Behavioural Sciences](#), Queen Mary University of London notes that “there is a risk that insufficient attention to the extinction crisis undermines the credibility of the TNFD Framework”. [Carbon Pulse](#) report on the submission.

June 2023: The [International Indigenous Forum on Biodiversity](#) makes a submission to the TNFD. It makes a host of recommendations, particularly raising that TNFD does not align with Indigenous Peoples’ rights under international human rights law or the more rights-centered framework of the Kunming-Montreal Global Biodiversity Framework. NGOs [Forest Peoples Programme](#), [BankTrack](#) and [Global Witness](#) also make submissions. As of September 2023 public comment letters no longer seem to appear on the TNFD website. The Forests & Finance coalition has an archive of all public comment letters which can be accessed [here](#). Almost two-thirds of comment letters on v.4 were not public.

May 2023 – 62 civil society organizations and networks – whose members include over 370 groups across 85+ countries on six continents – as well as three winners of the Goldman Environmental Prize write an [open letter](#) to the Taskforce on Nature-related Financial Disclosures (TNFD) highlighting that its final draft fails to address some of its worst flaws that will facilitate greenwashing. See also a press release [here](#). [Capital Monitor](#) report on the letter.

March 2023 – Before the release of the TNFD’s final draft, Rainforest Action Network publishes a blog on [Key questions to ask of TNFD’s final draft](#). This includes highlighting a real-world example of the types of concerns that poor nature-related reporting can lead to.

March 2023 – Throughout early 2023, cross-party UK parliamentarians, NGOs and even a TNFD co-founder raise concerns that instead of the government regulating the UK financing behind deforestation – as [advised by its own taskforce](#) – TNFD is [promoted as a solution](#) (i.e. statements by [Lady Boycott](#) and [Global Canopy](#)). In January, the former Chair of Barclays UK and the UK government-appointed Global Resources Initiative taskforce publicly [wrote](#) that *“[The GRI] analysis concluded this to be necessary because risk reporting mechanisms such as the Taskforce on Nature-related Financial Disclosures (TNFD) and voluntary net zero pledges are insufficient to prevent deforestation financing.”*

March 2023 – Global Witness briefing [TNFD will not stop UK banks from financing deforestation, contrary to the government’s argument](#).

March 2023: TNFD launches the fourth draft of its framework.

February 2023 – RAN provides a detailed [submission to TNFD on draft 3](#) of its proposed framework. This repeats various concerns raised by rightsholder and civil society groups since version 1 and presents evidence of the TNFD’s adverse impacts on public policy.

December 2022 – [Impact Investor](#) reports on civil society concerns about TNFD. Mongabay’s [comprehensive rundown](#) of COP 15 notes concerns about the environmental and social record of several TNFD taskforce members.

December 2022 – The Global Forest Coalition, Friends of the Earth International, the CBD Alliance, EcoNexus and the Forests and Finance coalition raise concerns about TNFD throughout COP 15 in Montreal. This includes at press conferences on [7 December](#), [15 December](#), [16 December](#) and [19 December](#), at panels and video screenings on [8 December](#) and [13 December](#), in the EcoNexus publication provided to delegates on [15](#) and [17 December](#), in a high-level meeting with the CBD Executive Secretary, in [press releases](#) and [briefings](#) and in questions raised to TNFD representatives at events. This includes concern that a corporate push for TNFD-style business reporting at COP 15 usurped long-standing community calls focused on legal accountability for business impacts on nature and people.

December 2022 – Friends of the Earth International [Nature of Business](#) report raises concerns about corporate capture of global biodiversity discussions, including the role of TNFD.

December 2022 – The Global Forest Coalition and Forests and Finance coalition release a 4-minute [video about TNFD](#) in English, [French](#), [Spanish](#), [Bahasa Indonesian](#) and [Portuguese](#). This video is included in the [Women’s Earth and Climate Action Network briefing on COP 15](#).

December 2022 – Trilogue discussions in the EU agree on a new law to combat deforestation in imported forest-risk commodities, and commit to developing a [regulatory proposal](#) on financial institutions’ links to deforestation.

November 2022 – The civil society CBD Alliance releases an update of its paper [‘The ingredients for a successful Global Biodiversity Framework’](#), which includes critique of TNFD.

November 2022: Civil society groups’ [press release on TNFD’s draft 3](#): ‘TNFD’s reputation as the next frontier for corporate greenwashing on nature remains firmly intact’. Rainforest Action Network collates its [first impressions on TNFD’s draft](#).

November 2022: TNFD releases its Beta v.03 [framework](#) as well as a series of other papers accessible [here](#).

November 2022: Rainforest Action Network [presentation](#) to the International Indigenous Forum on Biodiversity on TNFD.

October 2022: Rainforest Action Network [presentation](#) to Global Canopy discussing proof of concept examples of how TNFD could incorporate human rights reporting.

October 2022: [Bloomberg](#) covers the October CSO open letter (see below) and taskforce member BNP Paribas goes on the record for being ‘all for’ double materiality in TNFD.

October 2022: 48 organizations and networks – whose members include over 220 organizations on 6 continents – write an [open letter to TNFD](#) with “profound concerns” about its work.[xi]

Civil society statements, press releases, Indigenous Peoples’ submissions etc at: <https://forestsandfinance.org/%20tnfd/#1-5>

Technical note on ‘materiality’:

To paraphrase, the baseline for TNFD is to report on how biodiversity will impact on your business (see ISSB definition below).

Unless, local law requires a company to report on its impacts on biodiversity – as well as how biodiversity will impact its business (double materiality) - then a company should do this. A company can also choose to do double materiality reporting.

The EU **already requires** double materiality reporting. China is currently proposing to also require double materiality for major stock exchanges. TNFD’s level of ambition is *below* what is already in law in at least one of the world’s major trading blocks.

ISSB definition of materiality:

“An entity shall disclose material information about the sustainability-related risks and opportunities that could reasonably be expected to affect the entity’s prospects. In the context of sustainability-related financial disclosures, information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports, which include financial statements and sustainability-related financial disclosures and which provide information about a specific reporting entity.”