Assessing and Reporting Nature-and-Biodiversity-related Risks & Opportunities
Stocktaking Analysis of Standards and Initiatives

G20 Sustainable Finance Working Group
2023 Priority 2: Enabling finance for the Sustainable Development Goals
Approach

• **The 2023 SFWG work programme** includes a stocktaking analysis of the measures taken so far to assess and report on nature- and biodiversity-related risks and opportunities.

• **Objective**: Based on the stocktaking analysis, the G20 SFWG will make recommendations to the stakeholders on how to improve data and reporting on nature-related information in the future, keeping in mind country-specific circumstances.

• This slide deck consolidates information on certain frameworks and standards for assessing & reporting on nature- and biodiversity-related risks and opportunities.
Acknowledgments

This draft stocktaking analysis was possible thanks to the direct inputs received from:

STANDARDS
- EFRAG
- ISSB
- GRI

FRAMEWORKS
- CAPITALS COALITION
- NGFS
- TNFD

ASSESSMENTS & DATA COLLECTION
- CDP
- SCIENCE BASED TARGETS NETWORK
Timeline (first releases)

**STANDARDS**
- **GRI Biodiversity Standard**
- **PBAF Biodiversity Accounting Standard for the Financial Industry**
- **IFRS**
- **ESRS**
  - Cover all ESG issues including E4 on Biodiversity and ecosystems Standard

**FRAMEWORKS**
- **NGFS Task force “Biodiversity Loss and Nature-related Risks” Framework, Beta Version**
- **TNFD Framework Disclosure Recommendations & LEAP (How to) process**

**ASSESSMENTS**
- **CDP Questionnaires: Climate Change, Forest, Water Security**
- **Natural Capital Protocol**
- **SBTN guidance on science-based targets (SBTs) for nature**

Focus on reporting/disclosure

Dates in the timeline refer to the first final version released. Some updates may be available [ex: PBAF Standard v2022]. Initiatives marked * have already released one or more draft or beta versions.

**GRI304 builds on a series of biodiversity-related GRI guidelines which were first published in 2000 and subsequently revised.**

***EFRAG released the draft ESRS in November 2022 to the European Commission for the legal adoption, changes are possible, final standards to be released in Summer 2023***
Prevailing Approach to Materiality

Additional focus: OPPORTUNITIES

Note: (i) Logos are indicative of the nature/biodiversity-related standards, frameworks and assessments noted on slide 4
(ii) While this slide reflects main approaches to materiality, it is recognized that most approaches include nuances. Readers are encouraged to refer to each entity’s inputs.
### Institution usage

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<th>All companies</th>
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Specific guidance or options for SMEs: GRI, CDP, EFRAG, SBTN (planned)

Note: Logos are indicative of the nature/biodiversity-related standards, frameworks and assessments noted on slide 4.
Geographies Coverage

• All initiatives are applicable regardless of geography and most of them are catering for geography-specificity issues.

• ESRS E4 Biodiversity and ecosystems Standard applies to entities in scope of CSRD, i.e., all large EU companies and all EU & non-EU companies listed in European regulated markets (except listed micro-companies).
Industry Coverage & Sector Guidance Spotlights

**STANDARDS**

**FINANCIAL SECTOR SPECIFIC**

- PBAF (Partnership for Biodiversity Accounting Financials)

  All types of financial institutions, both private and public.

**FRAMEWORKS**

**REAL ECONOMY**

- **EFRAG**
  - Sector specific standards plans for June 2024 (TBC)

- **GRI**
  - Sector Standards. Ex: Aquaculture and fishing

- **ISSB**
  - In line with SASB industry-specific standards

**ASSESSMENTS & DATA COLLECTION**

- **CAPITALS COALITION**
  - Supplementary guidance on Forest Products, Food and Beverage, Finance and Apparel

- **SCIENCE BASED TARGETS NETWORK**
  - Sector-specific limitations and conditions

- **TNF D**
  - Sector specific guidance as per SASB classifications

- **CDP**
  - Specific modules for some industries

*Note: Logos are indicative of the nature/biodiversity-related standards, frameworks and assessments noted on slide 4*
Ecosystem’s components & types

**ABBIOTIC**
Focus on non-living components within ecosystems like: water, soil and atmosphere

**BIOTIC**
Focus on living components within ecosystems like: plants, animals, and bacteria

The following frameworks and assessments provide additional guidance on specific components and/or types of ecosystems:

- **EFRAG**
  - Climate change, pollution, water and marine resources, biodiversity circular economy & resource use
- **GRI**
  - Climate, ocean, freshwater, land, and the biodiversity
- **ISSB**
  - Ex: Water and effluents, soil health
- **ISSB**
  - Tropical forests, rivers and streams, intensively used land, and marine shelf
- **ISSB**
  - Climate, CDSB biodiversity and water Application guidance
- **TDNFD**
  - Specific ecosystems & forest conservation

*Note: Logos are indicative of the nature/biodiversity-related standards, frameworks and assessments noted on slide 4*
Target 15 on Disclosures

Take legal, administrative or policy measures to encourage and enable business, and in particular to ensure that large and transnational companies and financial institutions:

(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;

(b) Provide information needed to consumers to promote sustainable consumption patterns;

(c) Report on compliance with access and benefit-sharing regulations and measures, as applicable; in order to progressively reduce negative impacts on biodiversity, increase positive impacts, reduce biodiversity-related risks to business and financial institutions, and promote actions to ensure sustainable patterns of production.
### Alignment to the Global Biodiversity Framework

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## Collaborations

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* Source of guidance companies may consider, in the absence of a specific ISSB standard

Logos & institution names are indicative of collaborations around the nature/biodiversity-related standards, frameworks and assessments noted on slide 4
Key Upcoming Milestones

Q1/Q2 2023
- Adoption of a first set of standards covering all ESG issues
- Consultation on agenda priority including nature (May)
- EFRAG
- Issuance of IFRS S1 and S2

Q3/Q4 2023
- Consultation on SASB methodology
- GRI
- V2023 updated Biodiversity Accounting Standard
- Technical consultation of the draft integrated Capitals Protocol
- CAPITALS COALITION
- Beta Version: Biodiversity Loss & Nature-related Risks’ Framework (internal)

2024
- First set of ESRS starts to apply
- IFRS S1 and S2 become effective
- Release of revised GRI Biodiversity Standard
- Launch of final integrate Capitals Protocol
- TNFD Framework Launch
- TNFD
- Final beta Framework consultation & conclusion of 150+ pilot tests
- CDP
- New Guidance Released: Climate Change, Forest, Water Security
- Release v1 guidance on SBTs for nature
- Pilot testing for integration of disclosure on plastics
- Integration of IFRS S2 (TBA)

2025
- Adoption of a second set of standards, including sectors-specific and for listed SMEs
- Full target-setting methods
- Adoption of a first set of standards covering all ESG issues
- Consultation on agenda priority including nature (May)
- EFRAG
- Issuance of IFRS S1 and S2
- Consultation on SASB methodology
- GRI
- V2023 updated Biodiversity Accounting Standard
- Technical consultation of the draft integrated Capitals Protocol
- CAPITALS COALITION
- Beta Version: Biodiversity Loss & Nature-related Risks’ Framework (internal)

Draft/Beta/Pilot
- Beta Version II: Biodiversity Loss & Nature-related Risks’ Framework (Publication TBD)
- Integration of IFRS S2 (TBA)
- Consultation on SASB methodology
- Consultation on agenda priority including nature (May)
- EFRAG
- Issuance of IFRS S1 and S2
- Consultation on SASB methodology
- GRI
- V2023 updated Biodiversity Accounting Standard
- Technical consultation of the draft integrated Capitals Protocol
- CAPITALS COALITION
- Beta Version: Biodiversity Loss & Nature-related Risks’ Framework (internal)

Final/Launch
- TNFD Framework Launch
- TNFD
- Final beta Framework consultation & conclusion of 150+ pilot tests
- CDP
- New Guidance Released: Climate Change, Forest, Water Security
- Release v1 guidance on SBTs for nature
- Pilot testing for integration of disclosure on plastics
- Integration of IFRS S2 (TBA)
Contact information: sfwg.secretariat@undp.org

This stocktake has been prepared in April 2023 by UNDP, on behalf of India’s G20 Presidency, as a contribution to the SFWG but has not been endorsed by it nor does it represent the official views or position of the Group or any of its members.

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