



Analyzing the Taskforce on Nature-related Financial Disclosures (TNFD) final framework

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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.

	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.

Global Biodiversity Framework vs. TNFD

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

* 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.
- Under TNFD, businesses **do not face legal consequences for harms** they cause to biodiversity or human rights.
- Under TNFD, there is no restriction to corporations **expanding their land or water footprint**.
- TNFD does not address the **commodification of nature** and may exacerbate it.

Thank you

Many NGO & other resources on TNFD can be found at <https://forestsandfinance.org/tnfd/#1-5>

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Joint Open Letter to the TNFD
Your work is undermining the real solutions to the nature crisis

13 October 2022



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](#).

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 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".

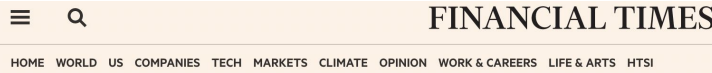
June 2023: Media outlet [Environmental Finance](#) puts key concerns raised in the 2023 CSO open letter to TNFD – including that TNFD has failed to propose disclosures on links to rights violations, lobbying around nature or nature-related complaints against companies, and that it has not included the 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" highlighting concerns with TNFD's current approach and why it is critical that it adopts necessary human rights provisions.

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.



How regulators have relinquished their work to corporate executives

