

Reporting on nature: from global goals to local legislation, nature reporting requirements are becoming increasingly integrated

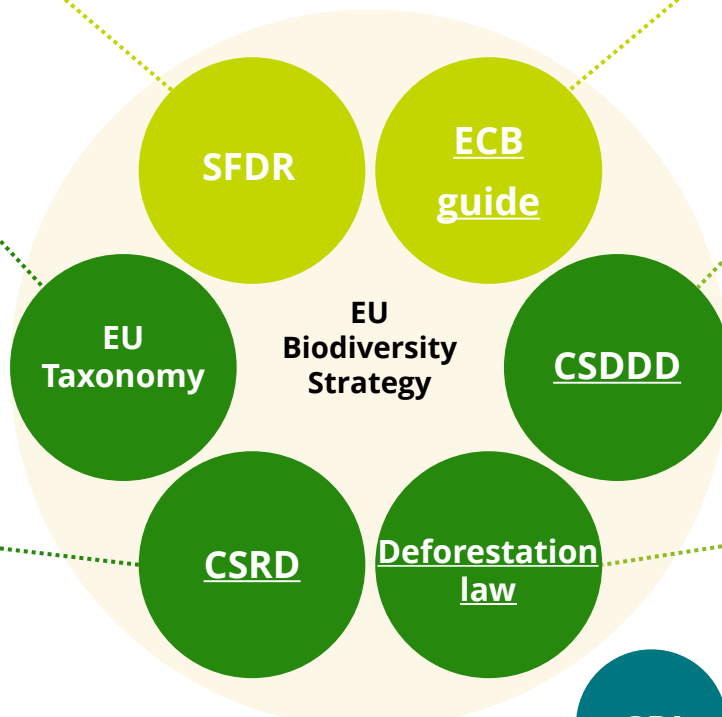
In late 2022, the **Post-2020 Global Biodiversity Framework (GBF)** was agreed at the 15th Conference of the Parties to the United Nations Convention on Biodiversity. The GBF sets a roadmap to halt and reverse nature loss, with four goals and 23 targets for 2030, mostly at a country-level. The **GBF recognises the importance of the business community and financial sector as economic enablers of the goals of the GBF**, including through Target 15, which focuses on the need to report on nature-related “risks, dependencies and impacts on biodiversity”. **Within the EU, there are a range of regulations, directives, frameworks and standards which require companies to report on nature**, and which provide frameworks to support that reporting, in line with Target 15.

Target 15: Companies and Financial Institutions “(...) regularly **monitor, assess, and transparently disclose** their **risks, dependencies and impacts** on biodiversity (...) along their operations, supply and value chains and portfolios”.

European regulatory landscape on *nature*

European Biodiversity Strategy 2030

The strategy aims to halt the loss of biodiversity and the degradation of ecosystem services by 2030. It is a core part of the **European Green Deal** and was a key input for the negotiations on COP15.



Sustainable Finance Disclosure Regulation

The SFDR requires European Financial Institutions to consider the share of investments with a principal adverse impact (PAI) on the environment, including **biodiversity indicators**.

EU Taxonomy

Establishes a common classification of economic activities significantly contributing to environmental objectives. One of the six environmental objectives is the **protection and restoration of biodiversity and ecosystems**, and for the other objectives the “Do no significant harm” principle applies to the considerations in that objective.

Corporate Sustainability Reporting Directive

Companies subject to the CSRD will be required to report in line with the ESRS. For topics found to be material, companies will need to report in accordance with ESRS4 on **Biodiversity and ecosystems**, ESRS2 on **Pollution** and ESRS3 on **Water & Marine resources**.

Taskforce on Nature-related Financial Disclosures

A framework under development for companies to assess, manage and report on their **nature-related dependencies, impacts, risks and opportunities**. The framework is included as a reference in multiple standards such as CSRD, GRI, etc.

European Central Bank guide on climate-related and environmental risks for banks

Sets expectations for significant institutions directly supervised by the ECB, including incorporating climate-related and **environmental risks** within their business strategy, governance, risk management and disclosure.

Corporate Sustainability Due Diligence Directive (under negotiation)

Aims to promote sustainable and responsible corporate behaviour, by integrating human rights and **environmental** concerns into business operations and corporate governance; and publicly disclosing details of due diligence processes.

EU Deforestation law

Aims to reduce the EU's impact on **deforestation** and decrease GHG emissions and **biodiversity** loss by imposing due diligence obligations on companies selling commodities linked to a high risk of deforestation.

Global Reporting Initiative 304

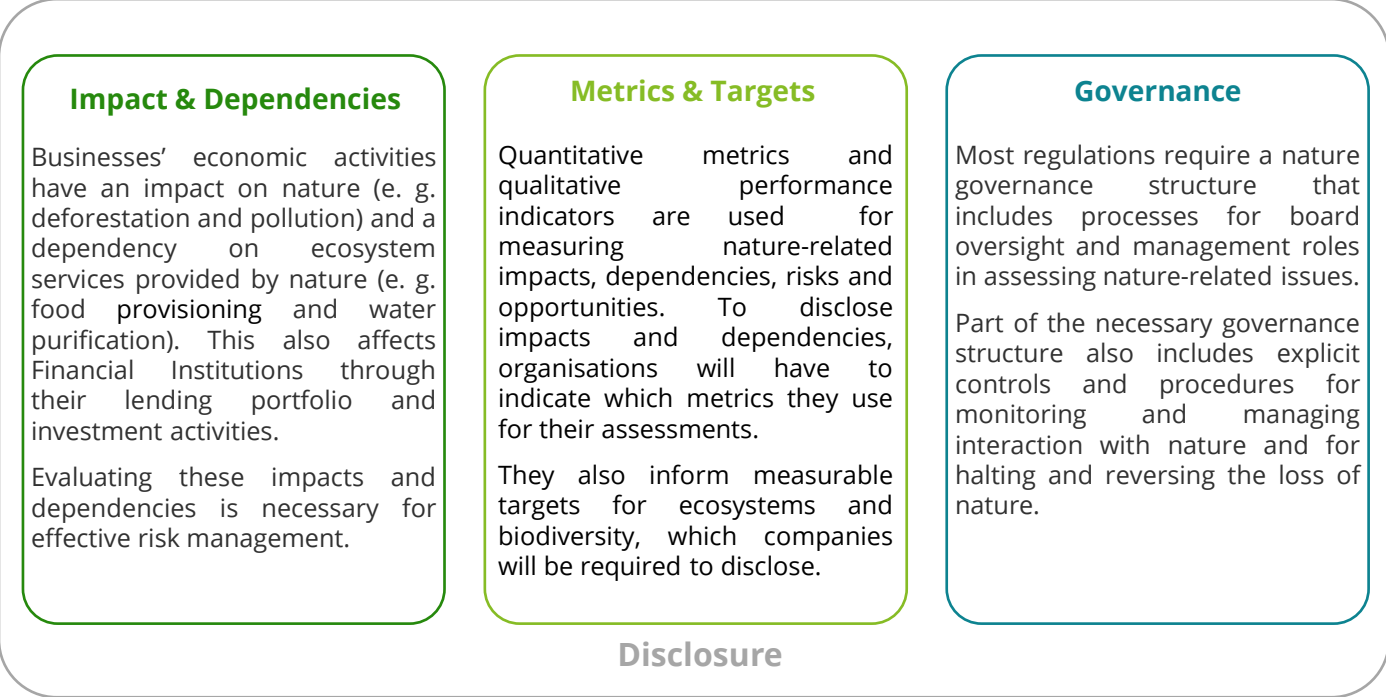
Reporting is required on **impacts on biodiversity**, changes to the **state of biodiversity, direct drivers of biodiversity loss**, and impacts on people.

International Sustainability Standards Board

Global baseline for sustainability reporting, to **provide information** to investors and global capital markets and stakeholders.

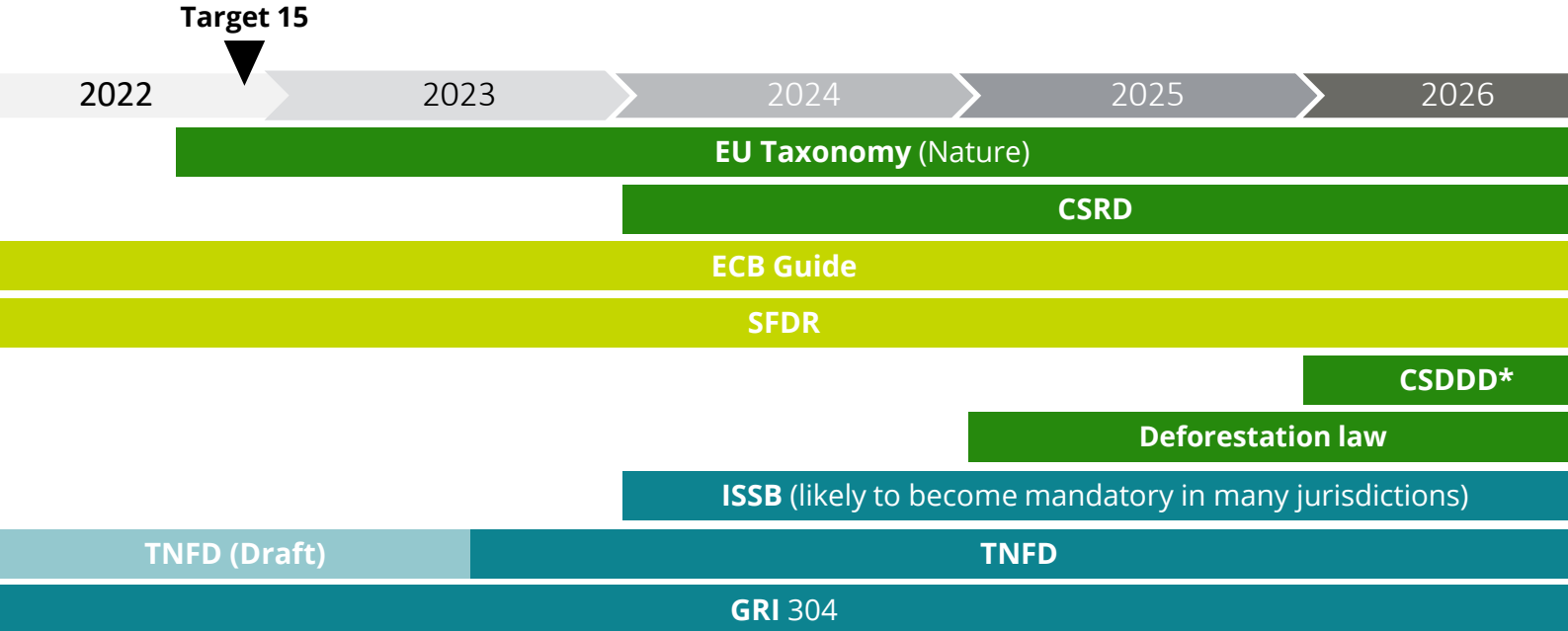
Core elements of nature standards, regulations and frameworks

Regulatory initiatives often share key elements related to specific disclosure requirements and recommendations. Companies can take advantage of these commonalities by identifying overlaps and building on existing information. Below are some of the key elements shared by many of the different regulatory initiatives highlighted above.



Timeline –reporting on nature

The timeline below illustrates when relevant regulatory initiatives will come into effect. Certain regulations such as the CSRD have phasing-in periods that provide additional time for companies to prepare and align.



● Large companies (incl. Financial Institutions) ● Financial Institutions ● Voluntary Standards and Frameworks

* Under development and subject to enlarged scope

Pathway - Include nature on the agenda

There are **clear potential advantages** for companies which begin work now on **managing and reporting on their nature-related dependencies, impacts, risks and opportunities**. These include: increased transparency and accountability, which may **improve reputation and investor confidence**; and the opportunity to improve the **effectiveness of their strategy and transition planning**, both in terms of compliance with other regulatory initiatives and [better managing the risks posted by nature for their business](#)

"The **European Green Deal**, as Europe's growth strategy, puts us at the forefront of this [Global Biodiversity Fund] global economic transformation." – President von der Leyen, *EU President*



"**Every actor**, be they from society, government and the productive and financial sectors **has a vital part to play in living in harmony with nature** for the health of our planet and our future." – *Elizabeth Maruma Mrema, CBD Executive Secretary*

Contact Us



Geneva Claesson

Global Nature Lead | Partner | Risk Advisory | CA
Email: gclaesson@deloitte.ca



Simon Brennan

EMEA Sustainability Regulation Hub | Head
Email: sbrennan@deloitte.co.uk



Anne-Claire van den Wall Bake

Partner | Risk Advisory | NL
Email: ACvandenWallBake@deloitte.nl



Ramon Bravo Gonzalez

EMEA Sustainability Regulation Hub | Sr. Manager
Email: rbravogonzalez@deloitte.uk



Florence Arke

Sr. Consultant | Risk Advisory | NL
Email: floarke@deloitte.nl



Laura MacKay

EMEA Sustainability Regulation Hub | Sr. Consultant
Email: lamackay@deloitte.nl

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