



# Nature reporting

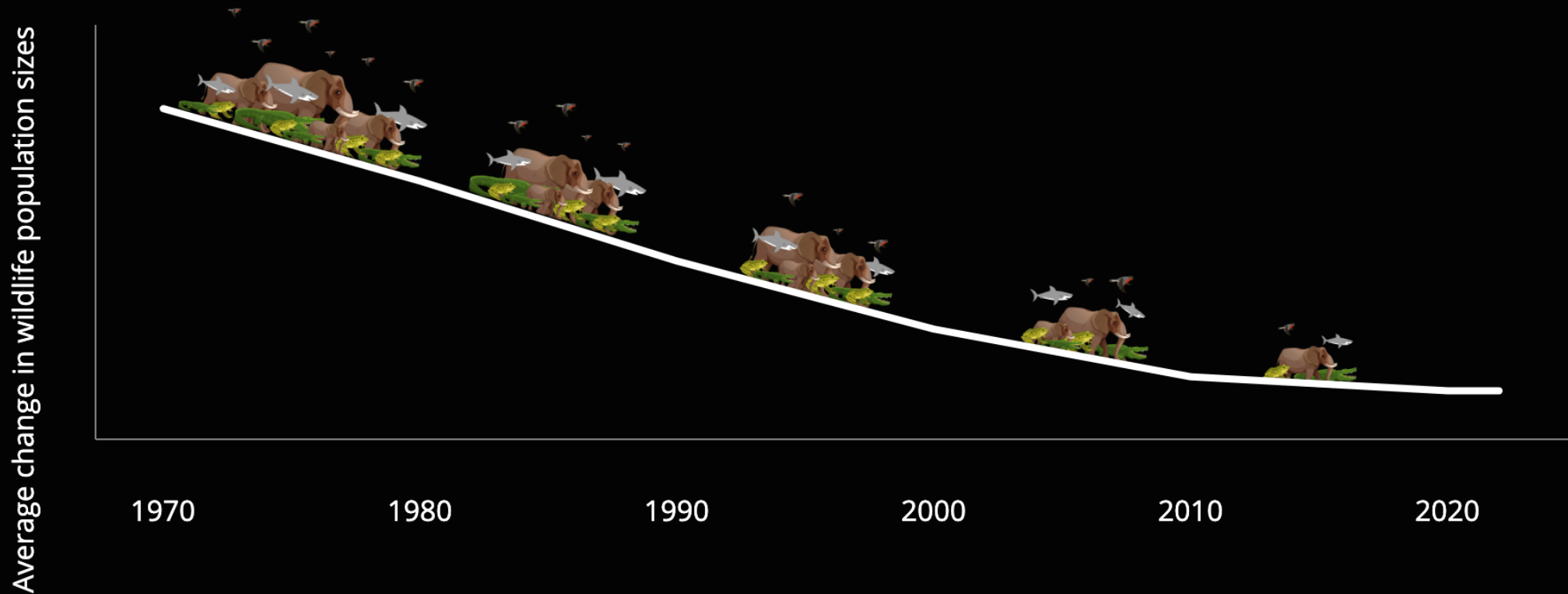
## The new financial frontier

19 September 2025 | Dominic Wall



# NATURE IS DISAPPEARING: THE AVERAGE SIZE OF WILDLIFE POPULATIONS HAS FALLEN BY A STAGGERING 73%

The Living Planet Report 2024 highlights the average change in observed population sizes of 5,495 vertebrate species. It shows a decline of 73% between 1970 and 2020.





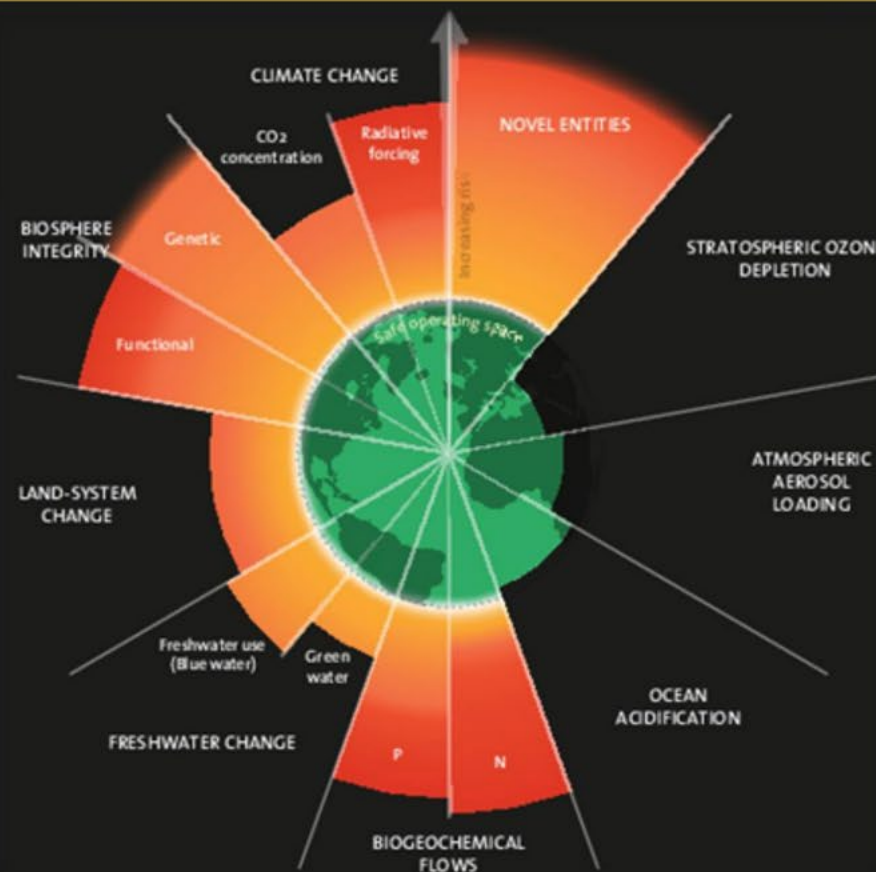
# Why Nature and biodiversity matters to investors

Investors rely on well-functioning economies for the continuation of stable markets. Investors will predominantly be impacted by the degradation of nature through their underlying investments.

## Where are we now?

In September 2023, Scientists quantified all nine of the planetary boundaries that 'regulate the stability and resilience of the earth's system', finding that six of the nine barriers had already been transgressed.

The boundaries are interrelated processes, which means that focusing on climate change alone will not be sufficient for increased sustainability.



Source: [Planetary boundaries - Stockholm Resilience Centre](#)

## How might investors be impacted?



The investment required each year to reverse biodiversity decline by 2030 is estimated as **\$700-967 billion USD**.



**Over 50%** global GDP is moderately or highly dependent on nature.



Of UK financial exposures, **56%** of the total upstream financial exposures have a High or Very High dependence on Ecosystem services



Deterioration of the UK's natural environment could lead to an estimated **12% loss in GDP** which will carry shocks for financial institutions.

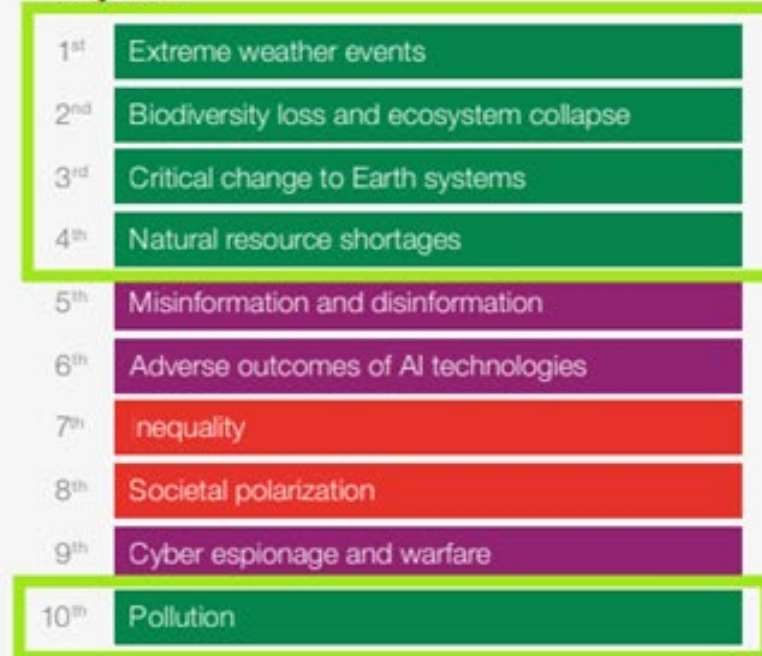
#### Risk categories

- Economic
- Environmental
- Geopolitical
- Societal
- Technological

#### 2 years



#### 10 years



#### Source

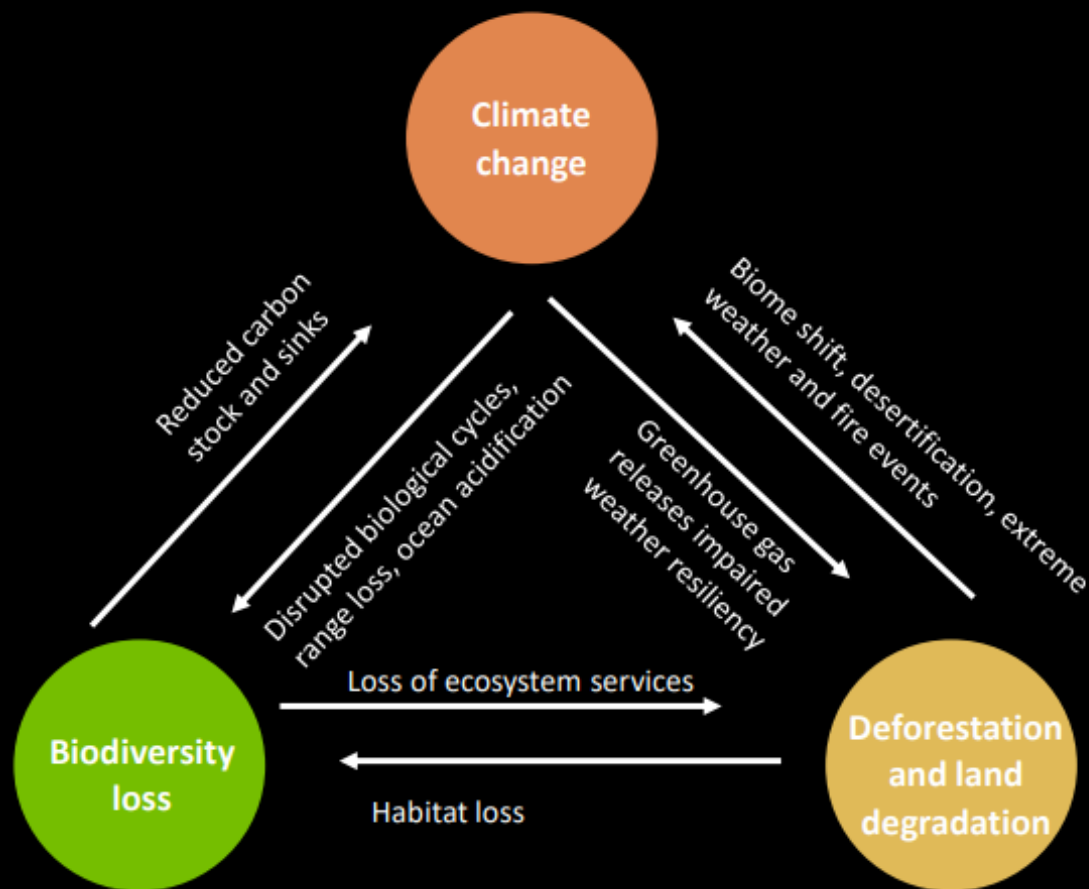
World Economic Forum Global Risks  
Perception Survey 2024-2025.



# Leveraging synergies between Nature and climate

The intertwined climate and nature crises are increasingly recognised as equally urgent and interconnected. Nature-based solutions for climate change offer a prime example of innovative market tools reaching maturity.

## Relationship between natural systems and climate change



Source: United Nations, European Commission

## Leveraging synergies between nature and climate

**Ocean Acidification:** a 40% increase in CO<sub>2</sub> concentration above the pre-industrial level has resulted in a 15% increase in surface sea water pH, threatening marine life.<sup>1</sup>

**Land's absorption of CO<sub>2</sub>:** Terrestrial ecosystems have absorbed an estimated third of human-caused emissions since 1750.<sup>2</sup>

**Forest Fires:** CO<sub>2</sub> emissions from forest fires have surged by 60% globally since 2001, with an extra half a billion tonnes of CO<sub>2</sub> per year linked to fire-favourable weather and increased rates of forest growth.<sup>3</sup>

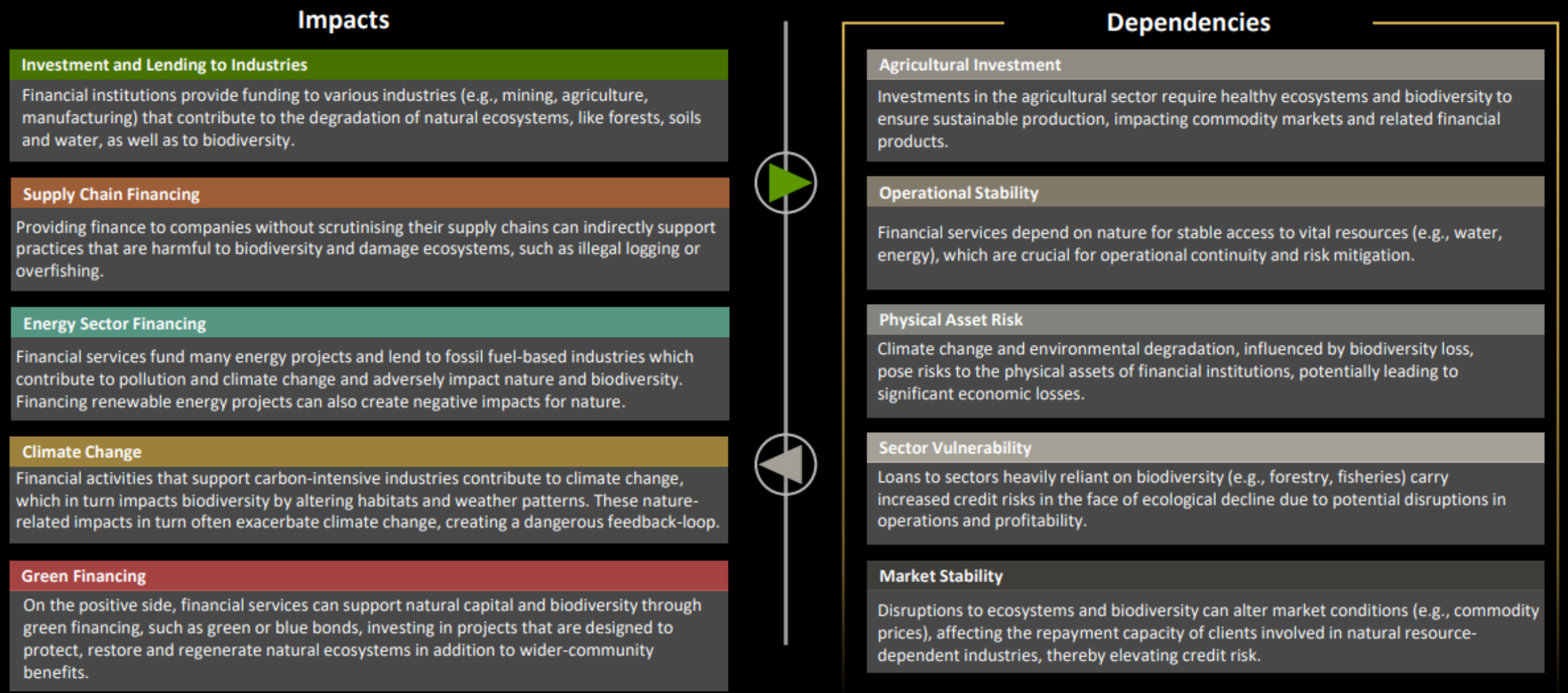
<sup>1</sup> European Environment agency (2024), [Ocean Acidification](#)

<sup>2</sup> The Royal Society, [Climate change and land: the science of working with nature towards net zero](#)

<sup>3</sup> [Global rise in forest fire emissions linked to climate change in the extratropics | Science](#), (2024)

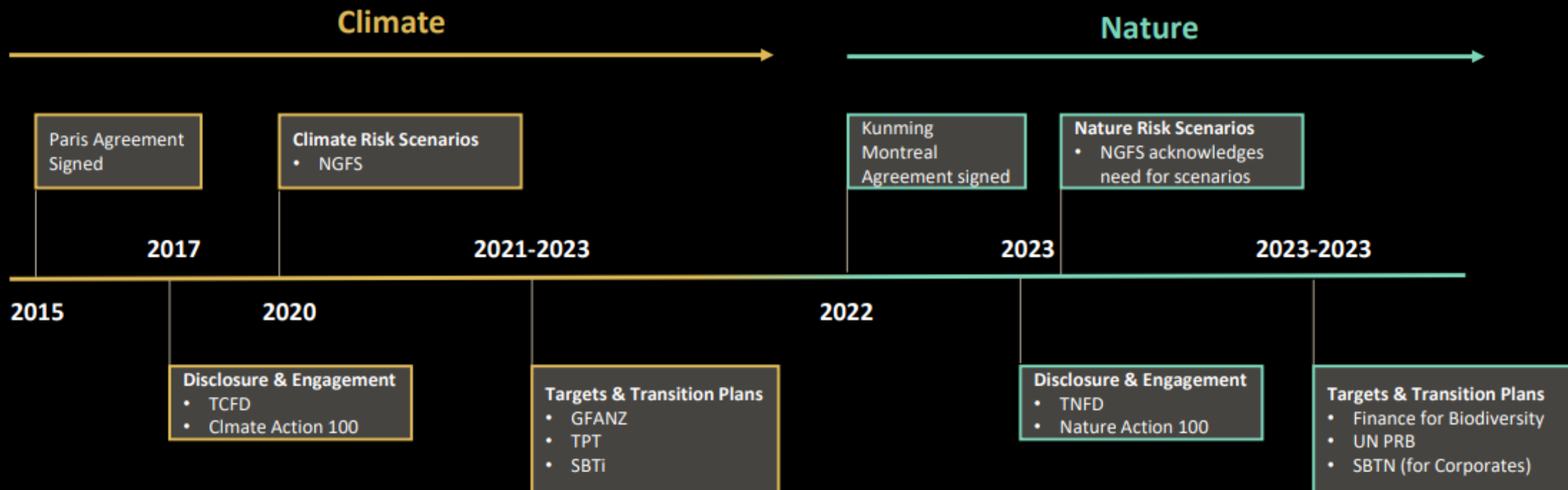
# Financial Services impacts and dependencies on Nature

Financial services have a multifaceted relationship with nature and biodiversity, impacting and being impacted by ecological systems through direct investments and indirect economic activities.



# The development and interoperability of Climate and Nature Regulations

While action on nature-based solutions trails climate efforts, momentum is building. Governments, policymakers, and civil society are increasingly leveraging existing climate approaches to incorporate nature into frameworks, regulations, and strategic action.



## TNFD and ISSB interoperability



The ISSB published its sustainability standards for companies in June 2023, IFRS S1 and IFRS S2, building on the same four pillars as TCFD. The IFRS Foundation and the Taskforce on Nature-related Financial Disclosures (TNFD) have committed to build upon the TNFD's framework in the standards development work of the International Sustainability Standards Board (ISSB). ISSB is undergoing work to explore nature and human capital related standards ("S3 and S4"), due to report in 2026.



# Nature Frameworks and Standards for Investors

Set out below are some of the key regulations and standards that investors should consider.

	Standard / Framework	Outreach	Level of application	Alignment	Direct Operations and value chain	Materiality
Mandatory Regulatory Requirements	ESRS2 & E2-E5/CSRD <sup>1</sup>	EU	Entity level	ISSB, TCFD, TNFD	x	Double Materiality
	SFDR	EU	Product level	-	x	Impact Materiality
Voluntary Frameworks	TNFD	Global	Entity level	ISSB, TCFD	x	Double Materiality
	SBTN	Global	Entity level	GHG protocol, TNFD	x	Impact Materiality
	ISSB S1 <sup>2</sup>	Global	Entity level	ESRS, TNFD, TCFD	x	Financial Materiality
	TPT Transition plans	UK	Entity Level	-	x	n/a

<sup>1</sup> ESRS2 are General disclosure requirements. ESRS E2 cover Pollution, E3 – Water and marine resources, E4 – Biodiversity and ecosystems; and E5 – Resource use and circular economy.

<sup>2</sup> ISSB S1 does not provide specific guidance on the topics related to nature risks. However, themes such as climate change, pollution, land/fresh water/sea-use change, direct exploitation, and invasive alien species could all be considered, and therefore included, as part of sustainability-related information.

## Key Nature Investor initiatives



Global investor-led engagement initiative focused on supporting greater corporate ambition and action to reverse nature and biodiversity loss.



Valuing Water Finance initiative

Global investor-led effort to engage companies with a large water footprint to value and act on water as a financial risk and drive the necessary large-scale change to better protect water systems.



Pledge signatories commit to protecting and restoring biodiversity through their finance activities and investments by:

- (i) Collaborating and sharing knowledge,
- (ii) Engaging with companies,
- (iii) Assessing impact,
- (iv) Setting targets
- (v) Reporting publicly on the above



Early Adopters

Organisations which intend to start making disclosures aligned with the TNFD Recommendation in their corporate reporting by the financial year 2024 (or earlier) or 2025

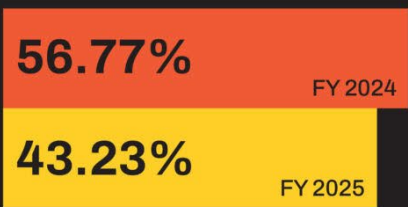


# TNFD Adopters

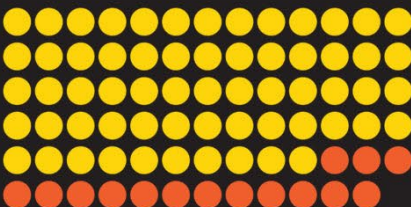
## 57% Increase in Adopters since January 2024



## Financial year Adopters to start reporting



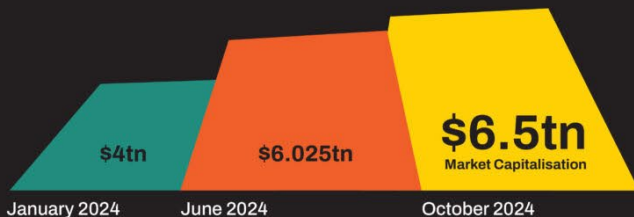
## 62 out of 77 SASB SICS industries covered



## Organisation type



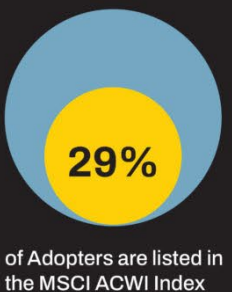
## 63.2% Market cap increase since January 2024



## Adopters by region



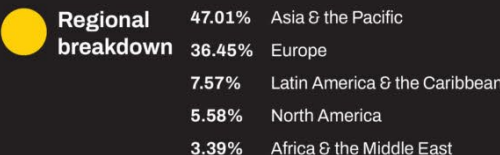
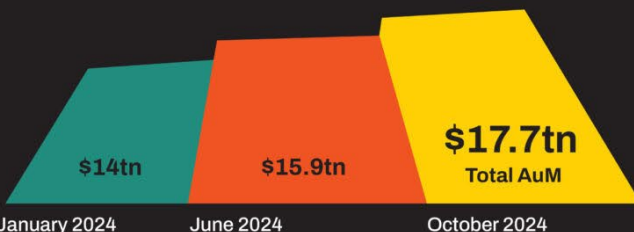
## MSCI ACWI Index



## G-SIBs

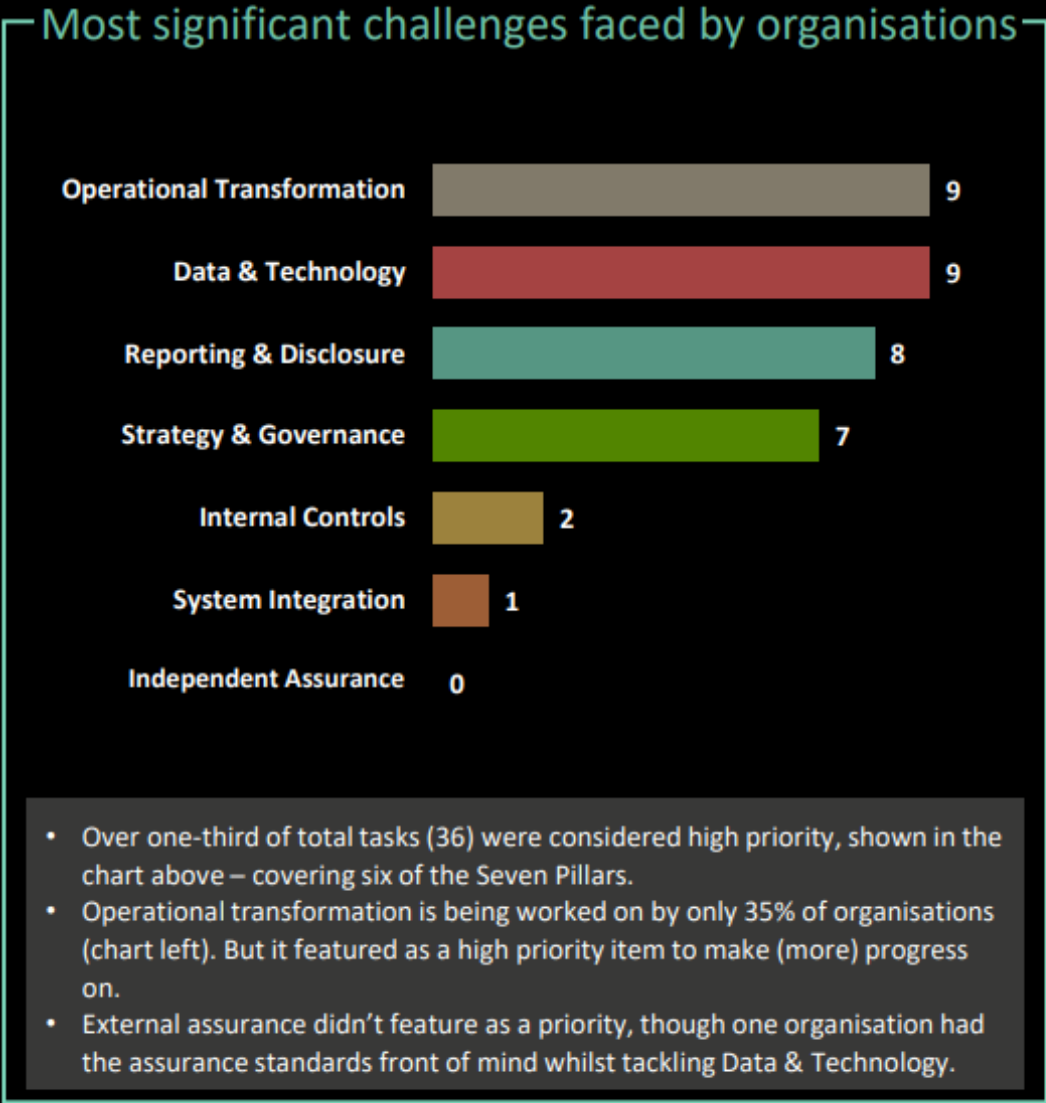
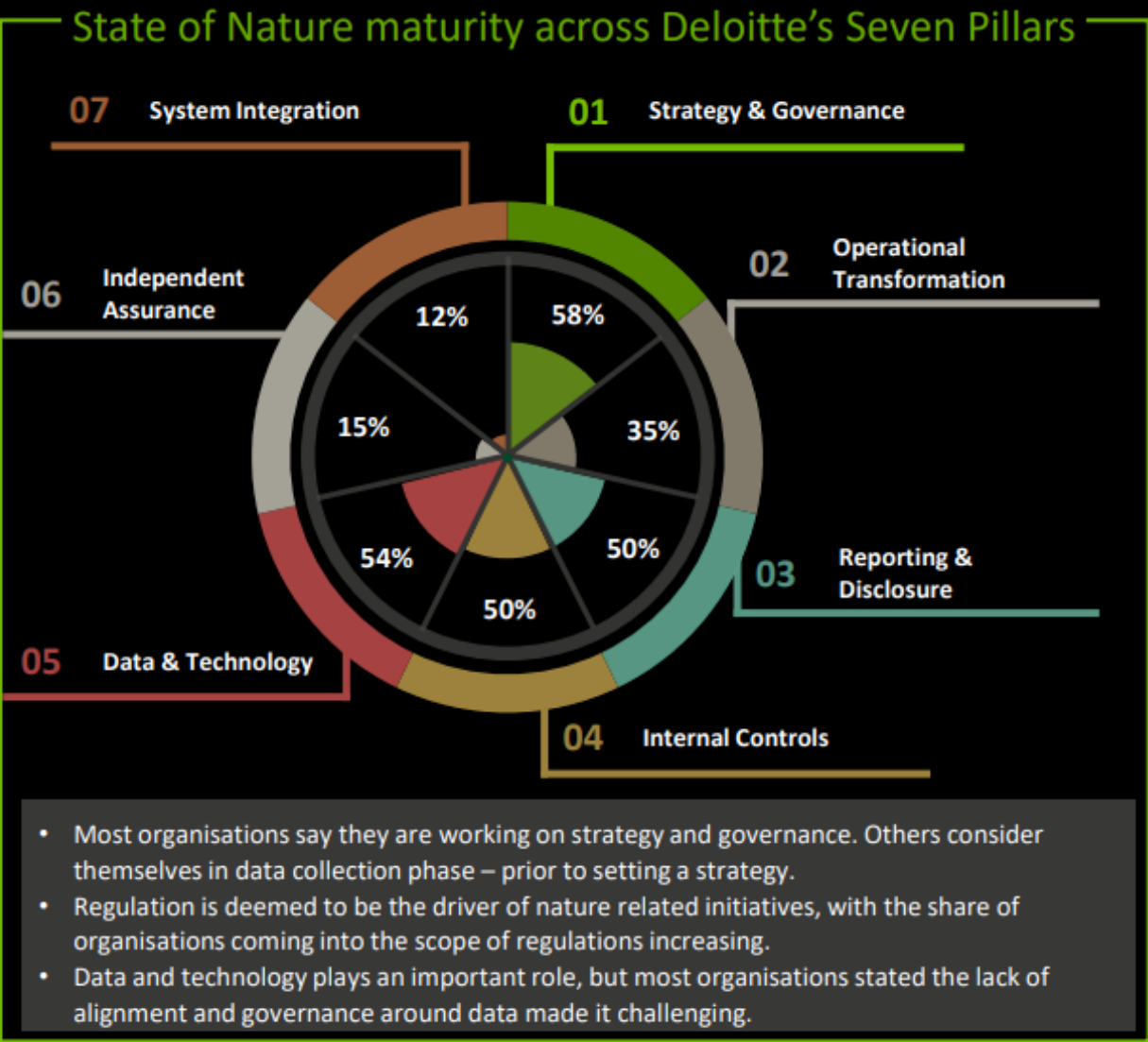


## 26.2% AuM increase since January 2024



# Organisations are at different stages of nature maturity, each bringing its own challenge

In June 2024, Deloitte hosted the inaugural Nature Client Greenhouse, bringing together 33 participants from across the real economy and finance, representing £10 trillion AUM, to share knowledge and experience.



# Where can you start?

Actionable next steps

The Business Case for Board Engagement in Nature



IOM FSA Guidance Note on Managing the Financial  
Risks of Climate Change and Nature Loss



Join the Climate Collective







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