Working towards natural capital accounting and integrated reporting by financial institutions

Vicky Beukes, Social and Environmental Risk Manager , Nedbank
Chair of NCD Working Group 4: Disclosure & reporting

Natural Capital Declaration
Financial sector leadership on natural capital

Secretariat:

UNEP Finance Initiative
Innovative financing for sustainability

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Agenda

- Natural Capital Declaration and Roadmap
- Integrated Reporting and natural capital
- Steps towards accounting for and reporting on natural capital
- Understanding and disclosing natural capital linked to portfolios
- NCD Working Group 4 work plan for natural capital disclosure and reporting
- Q&A

Natural capital and financial institutions

- NC is the stock of ecosystems that yields a renewable flow of goods and services that underpin the economy and provide inputs and benefits to businesses and society (e.g. food, fibre, water, energy, timber, climate security).
- Companies depend and impact on natural capital through extraction and production.
- Over-exploitation of natural capital will cause growing price volatility and business constraints across the world economy.
- Financial institutions are exposed indirectly through loans, investments or insurance.
- Growing need to address exposure to risks from natural resource constraints and pollution issues embedded in financial products.

Natural Capital Declaration

Convened by

UNEP Finance Initiative
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About the NCD and Roadmap

- **Finance-led**, **CEO-endorsed** initiative to **mainstream** natural capital in loans, bonds, equities and insurance, as well as accounting & reporting.
- Focus on the **global financial sector**: banks, institutional investors, fund managers, insurance firms, who are working alongside supporter organisations.
- Jointly managed by **UNEP FI** and **Global Canopy Programme**
- Launched at **Rio+20** in June 2012**.**
- **45 financial institution signatories.**

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NCD signatories (October 2013)

www.naturalcapitaldeclaration.org

NCD supporters (October 2013)

NCD Roadmap and Business Plan

Outline of objectives for implementation 2013-2016

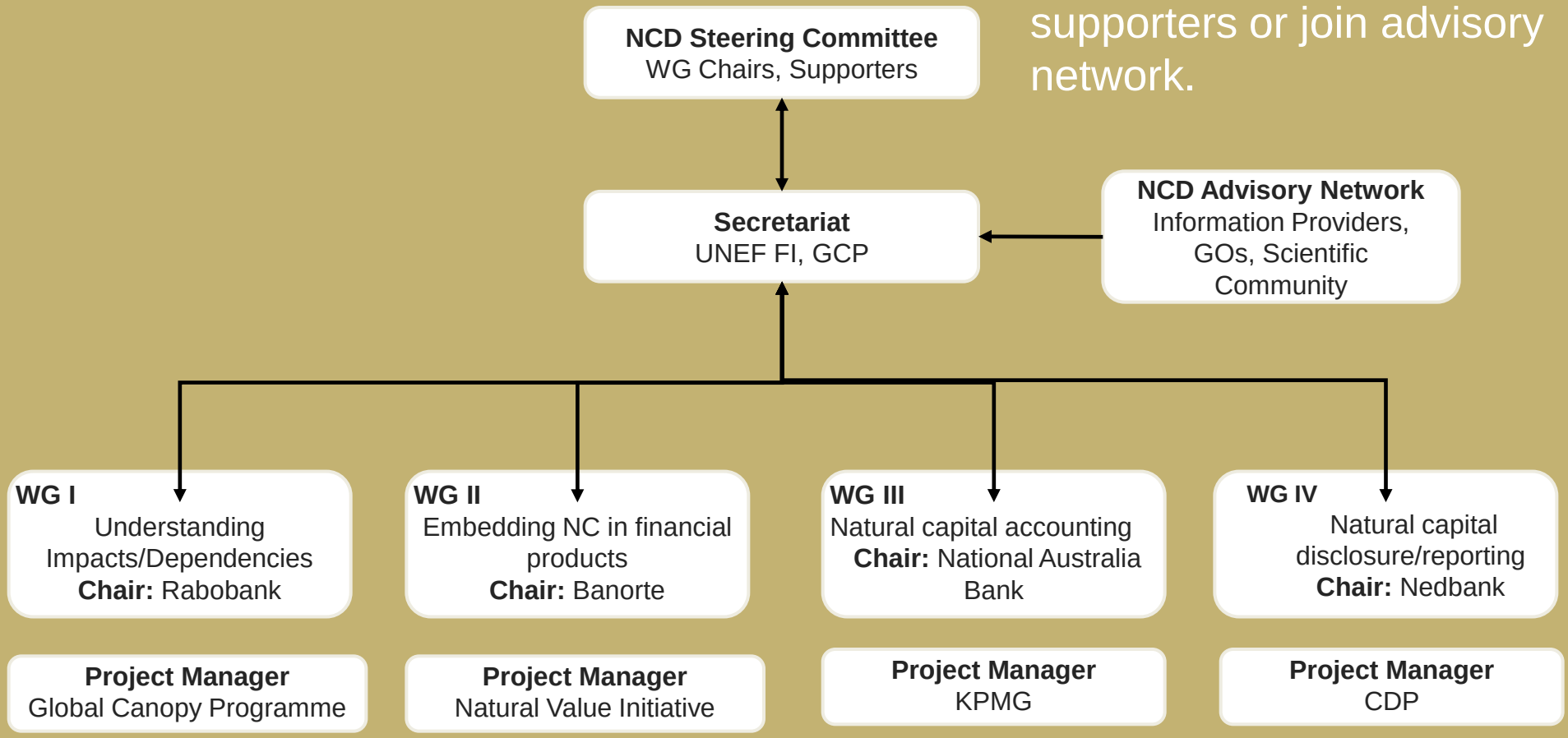
- Signatory financial institutions are working to understand, embed, account for and report on natural capital factors by 2020.
- Aim to strengthen management of risks and opportunities and increase resilience of financial products (e.g. investments, loans).
- Developing systematic and structured approaches to address natural resource, pollution and climate change challenges.
- Working Groups will develop practical guidance, methodologies, tools, frameworks and indicators to build capabilities for signatory financial institutions to implement the NCD commitments.

4 working groups for 4 commitments

Working Group	NCD commitment
1. Understand	Build understanding of risks and opportunities linked to impacts and dependencies on natural capital through operations, supply chains and portfolios.
2. Embed	Develop methodologies to integrate natural capital considerations into financial products and services
3. Account	Develop methodologies to incorporate natural capital into accounting by financial institutions.
4. Disclose/report	Develop guidance for natural capital disclosure and reporting using an integrated approach.

Governance NCD

Seek multidisciplinary knowledge and expertise by inviting non-financial organizations to become supporters or join advisory network.



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INTEGRATED REPORTING <IR>

www.theiirc.org

Who is the IIRC?

Chair: Prof Mervyn King
CEO: Paul Druckman

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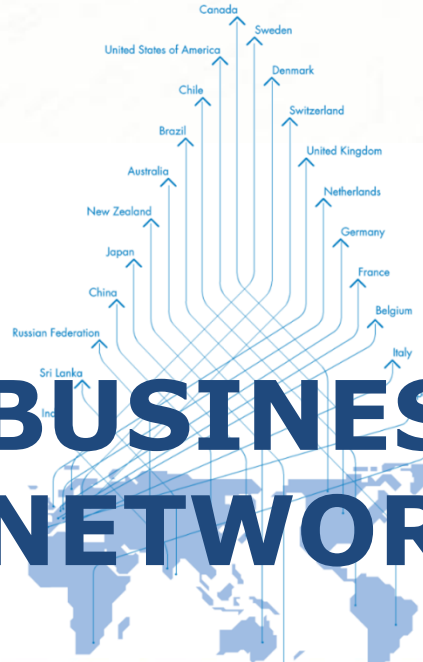
IIRC PILOT PROGRAMME



BUSINESS NETWORK

INVESTOR NETWORK

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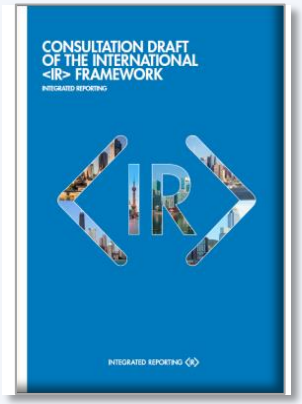
The Journey so far…

Discussion Paper

Prototype Framework



Summary of comments

Background Papers

PP Yearbook

Behaviour Change

Emerging <IR> Database

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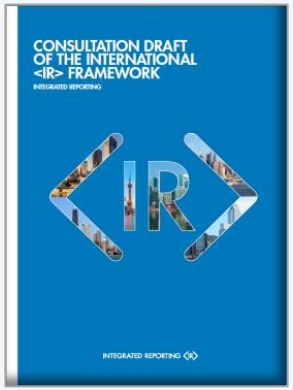
The Journey so far... ...and ahead

Discussion Paper

Prototype Framework



2014
Work Plan

Summary of comments

Background Papers

Pilot Programme Yearbook

Behaviour Change

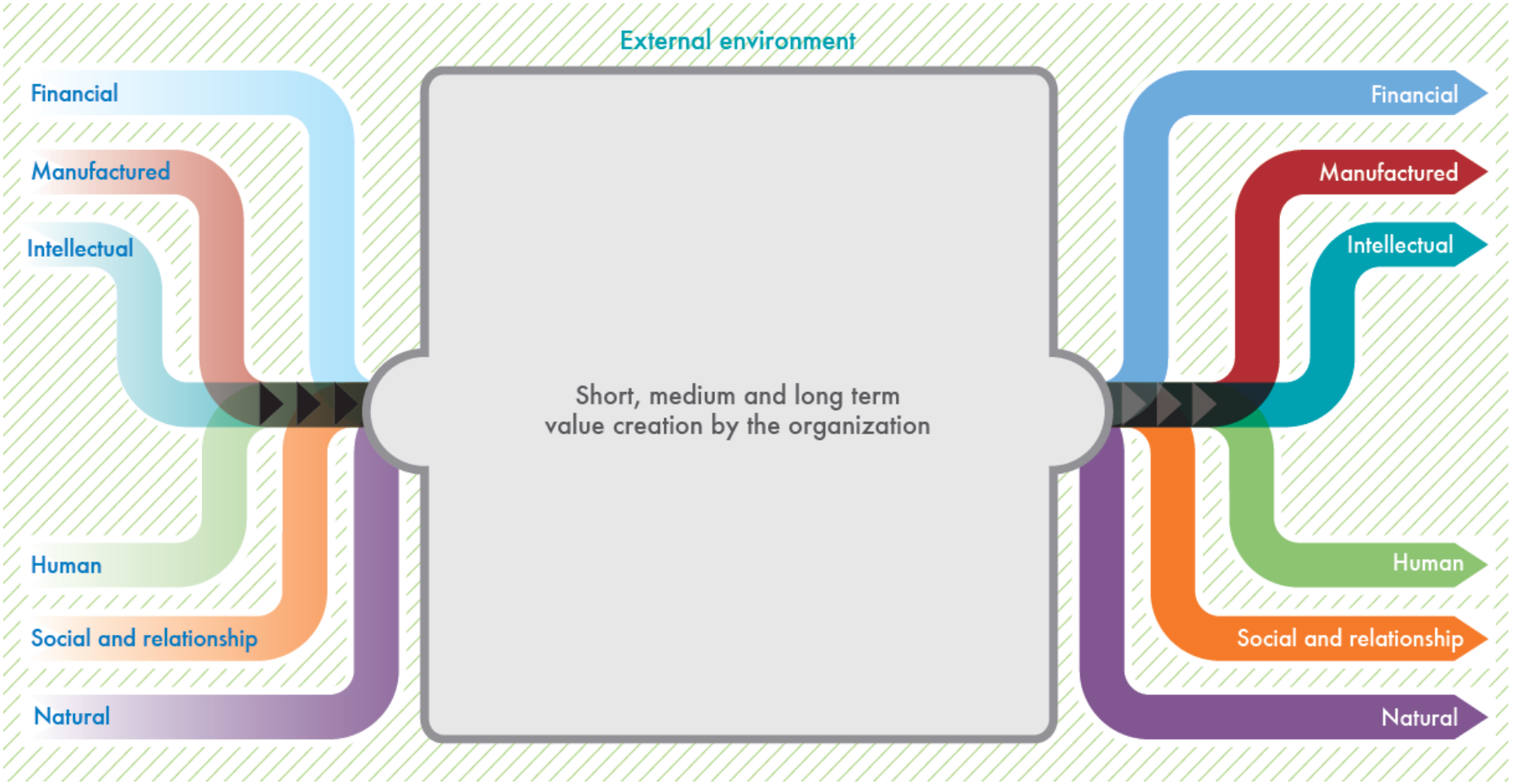
Emerging <IR> Database

Framework (2013)

December 2013
The Framework

INTEGRATED REPORTING <IR>

Value creation process



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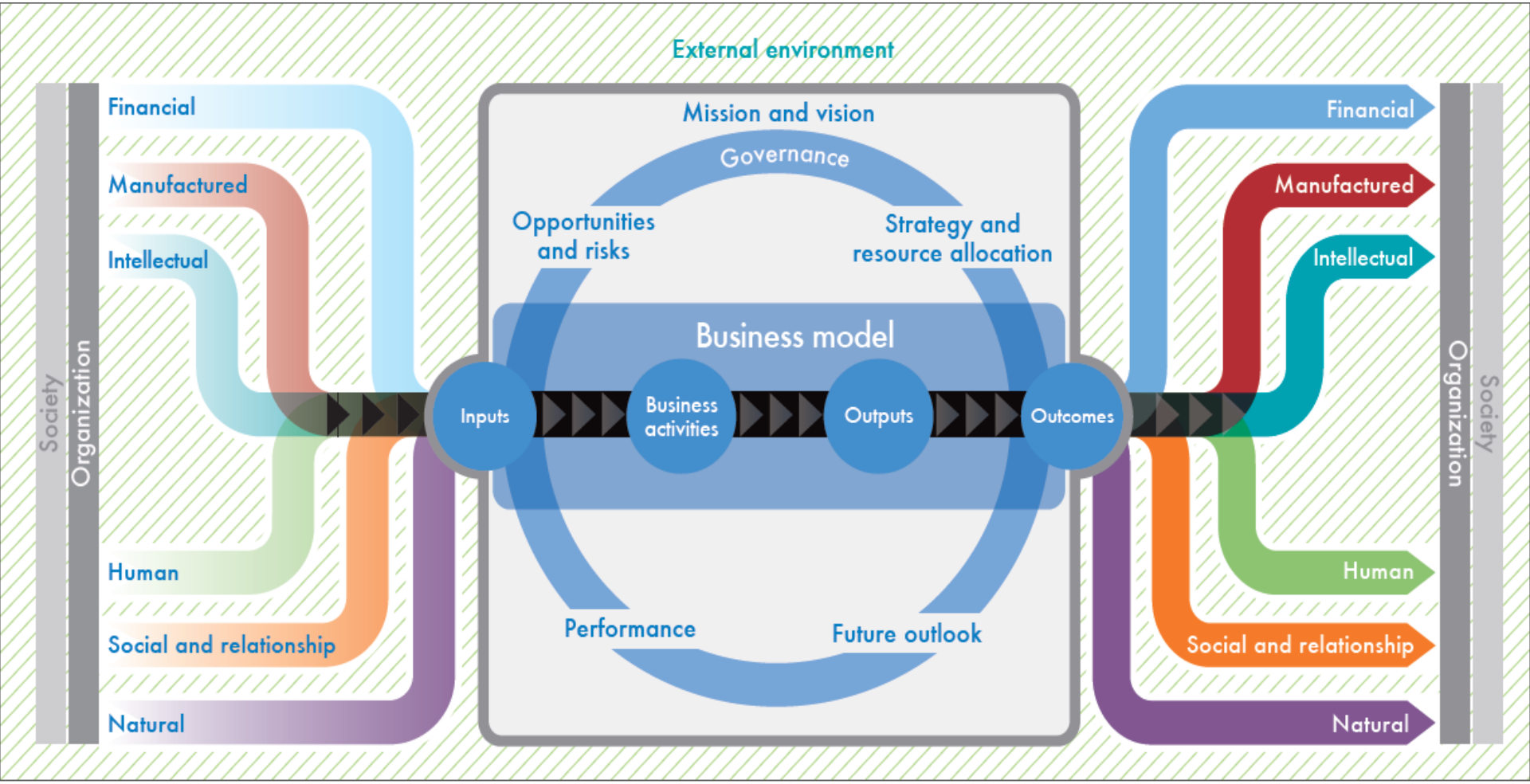
Value creation process



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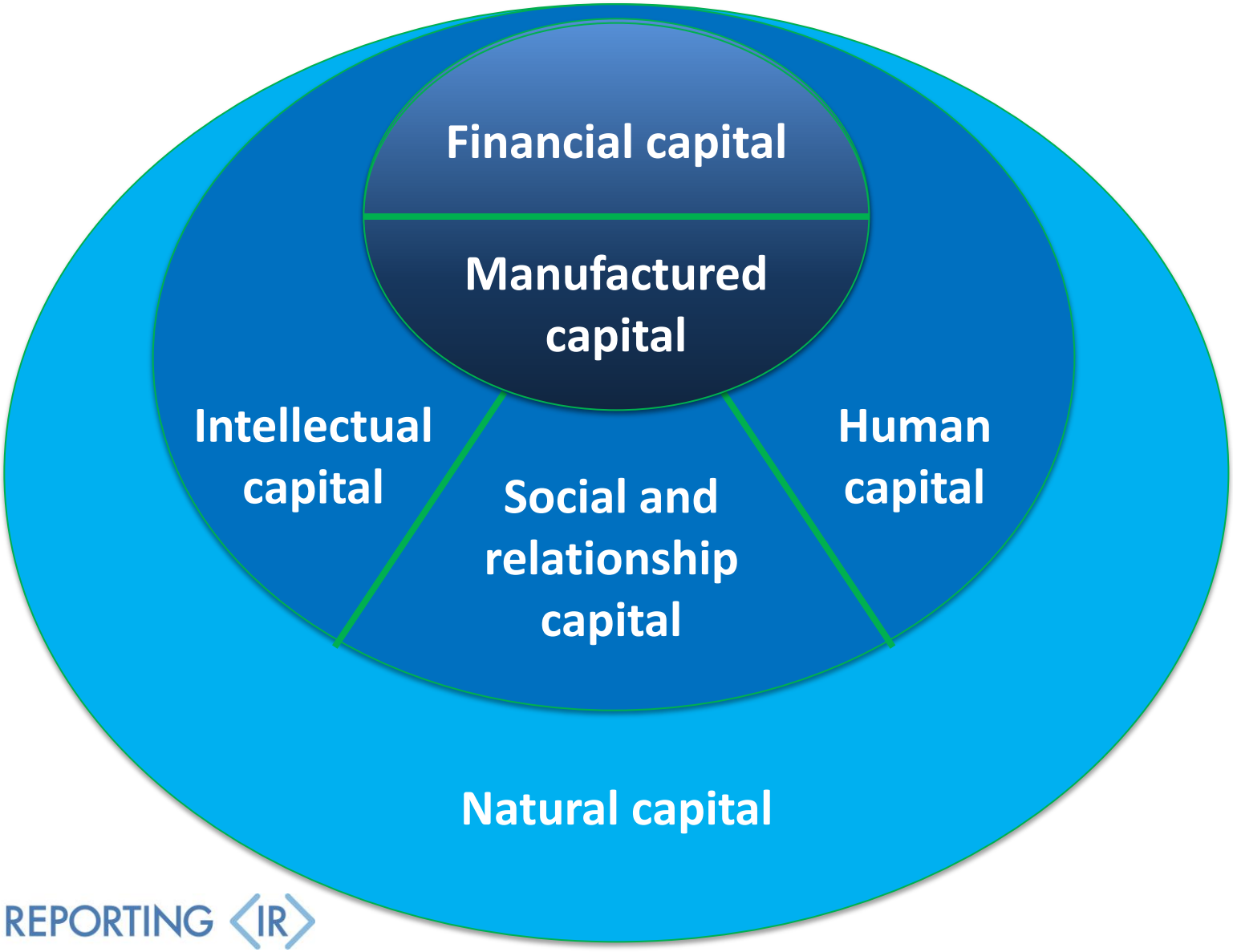
The capitals



National Australia Bank

Natural Capital Declaration:
bringing natural capital accounting and integrated reporting together

A NAB case study

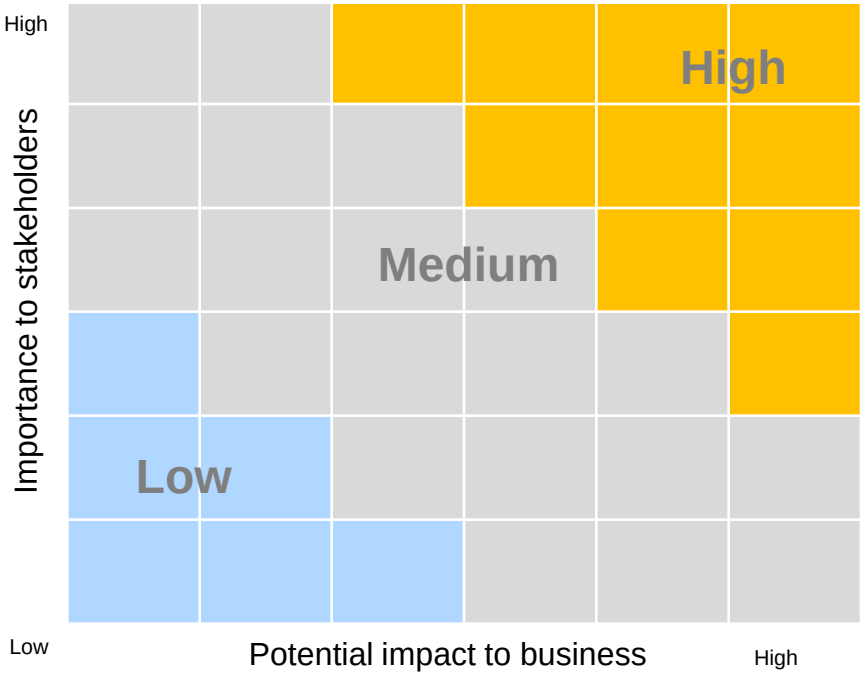
Rosemary Bissett
Enterprise Risk
30 October 2013

nab MLC Clydesdale Bank Yorkshire Bank Bank of New Zealand Great Western Bank

Materiality process

- Uses annual benchmarking, research and a variety of stakeholder feedback mechanisms to refresh and prioritise our CR Issues Map
- Materiality assessment framework helps prioritise issues based on potential impact on our business and significance to our stakeholders
- Assessment guides the content of our annual reporting and is an input to current and future strategic planning
- KPMG ensure our materiality process is robust and independently reviewed

Framework for Materiality



- Environmental impact of our operations
- Managing exposure to environmental risks
- Responsiveness to environmental market opportunities

Our reporting journey

- 2004 – began publishing a stand alone CR Review
- 2009 – better message and data alignment between CR Review and Shareholder Review

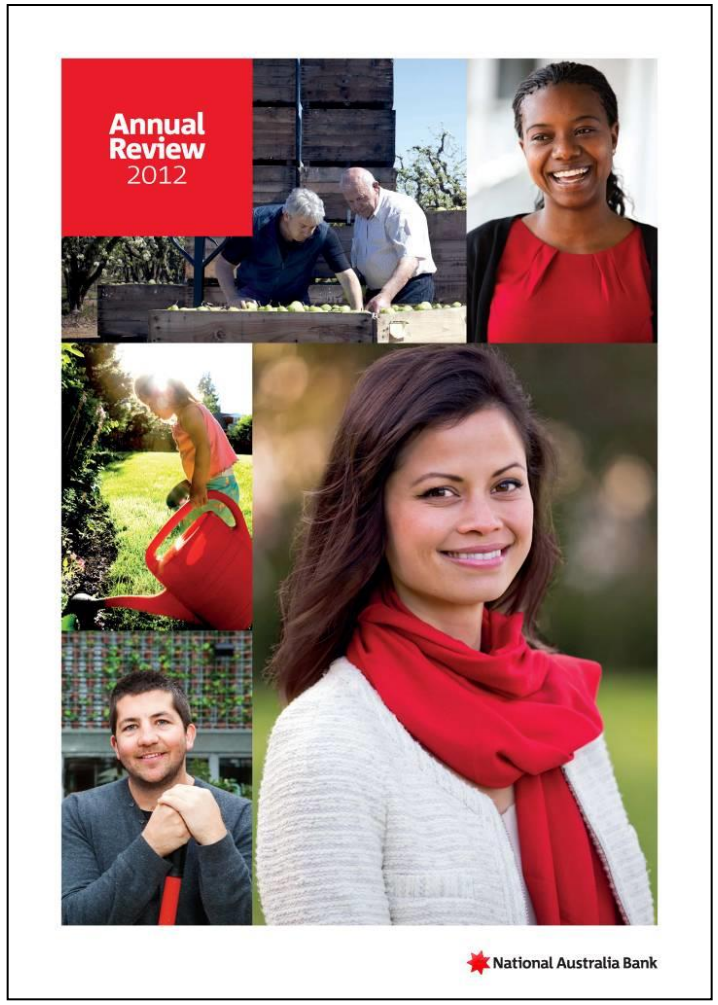
  Asked ourselves why two documents?

- 2010 – first integrated Annual Review, using guidance from PwC and Accounting for Sustainability
- 2011 – **joined the IIRC pilot** (one of 4 Australian companies)
- 2013 – producing 4th integrated report and 2nd in line with draft IIRC guidelines

Integrated reporting – rationale

One Report allows us to:

- illustrate who we are as a company and how culture and CR are a fundamental part of how we do business
- bring together material information about our business so we can better articulate how we create and sustain value for our stakeholders
- create a single source of truth – helping our shareholders and stakeholders to find the information they require
- reporting more effectively and efficiently



Supplemented by…

Dig Deeper Papers

Series of web-based reports providing greater detail in each of our commitment areas.

GRI Index

National Australia Bank

Our environmental agenda

CLIMATE CHANGE (2007)

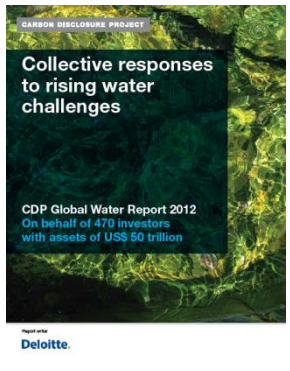
- Developing products and services
- Understanding risks and opportunities
- Sharing our experience with others
- Engaging and assisting our people

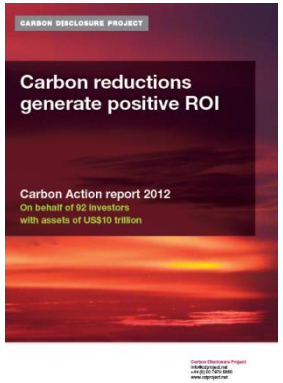
RESOURCE EFFICIENCY (2010)

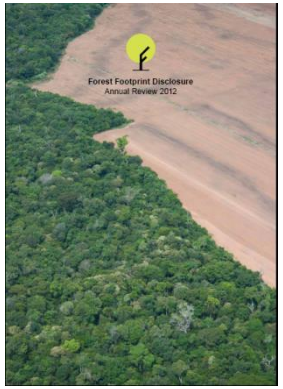
- Improving resource efficiency
- Continuing employee engagement and developing positive environmental behaviours
- Embedding sustainability into purchasing decisions

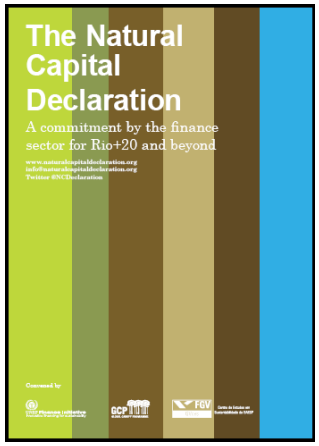
NATURAL VALUE (2011)

- Building thought leadership
- Considering risk and revenue dependencies and hardwiring into business decisions
- Engaging our people
- Building product and service responses
- Developing tools and valuation methodologies





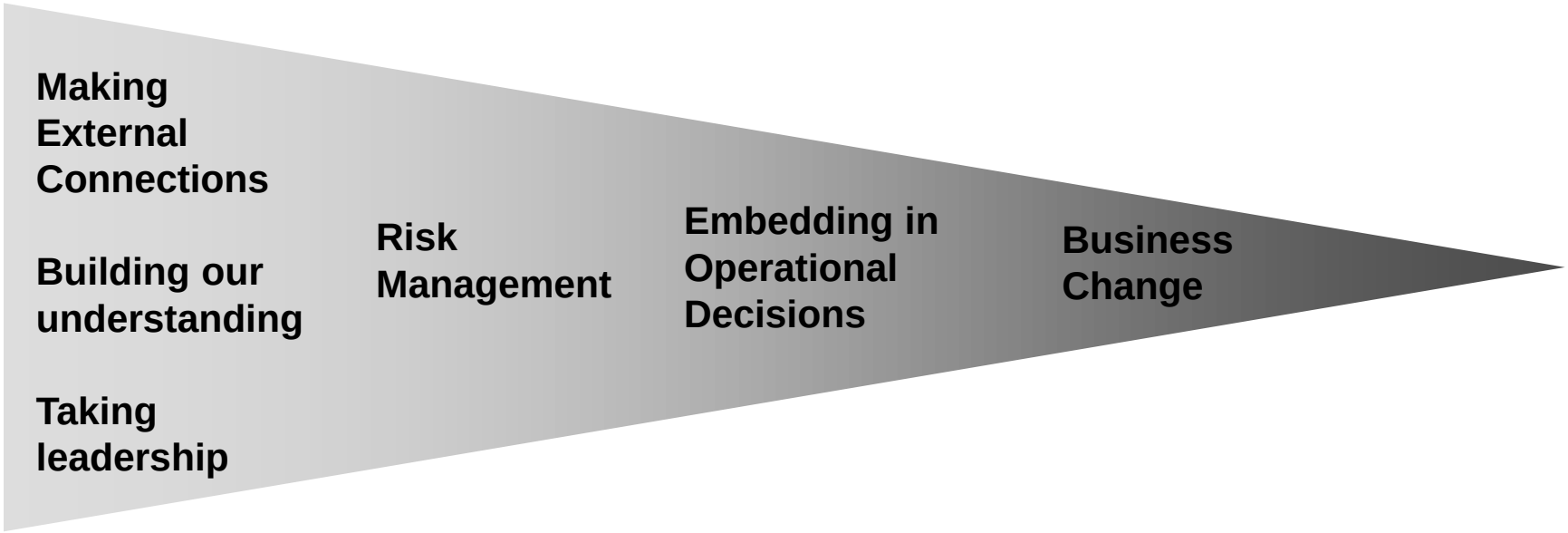




One of two inaugural signatories in 2011

National Australia Bank

Our approach….



Learning by doing….

- Operational reporting (GHG Protocol Scope 3 standard) and targets
- Work with Trucost and others
- Equator Principles and internal ESG risk reporting

Reporting practices: from…

From simple reporting on greenhouse emissions from energy use……

2003 Annual Report

Energy Efficiency*

	UK	Aus	NZ
Energy Use mWh	137,129	149,290	26,700
CO_2-e tonnes	44,934	171,101	12,015
CO_2-e tonnes/employee	3.46	3.96	2.06
CO_2-e tonnes/m^2	0.13	0.26	0.08

*year ended September 30, 2002

2004 Corporate Responsibility Report

Environment Resource Use

	Australia	UK & Ireland	New Zealand
Energy (mWh)	207,184	110,387	22,789
mWh/FTE	9.28	8.27	5.23
Water (m^3)	702,359	153,063	n.a
m^3/FTE	31.47	11.47	n.a
Copy paper (t)	1,309	654	238
Sheets/FTE	11,734	9,824	10,916
Recycled paper (t)	1,189	2,030	553
General Waste (t)	5,889	2,827	n.a

CO_2 emissions

	Australia	UK & Ireland	New Zealand
Energy			
tCO_2-e	248,073	27,256	9,799
tCO_2-e/m^2	0.35	0.08	0.07
tCO_2-e/FTE	11.11	2.04	2.25
Vehicles			
No. 'tool of trade' vehicles	799	290	n.a
tCO_2-e/vehicle	6.94	8.03	n.a

Differences in environment data may exist for the following reasons:
Building efficiency levels may differ; Energy consumption differs according to climate;
Country conversion rates for tCO_2-e varies according to type of energy mix. e.g. coal/hydro/wind.
*n.a = not available; t = tonnes; FTE = Full Time Employee; tCO_2-e = tonnes of CO_2 equivalents.

To .....

performancesummary*

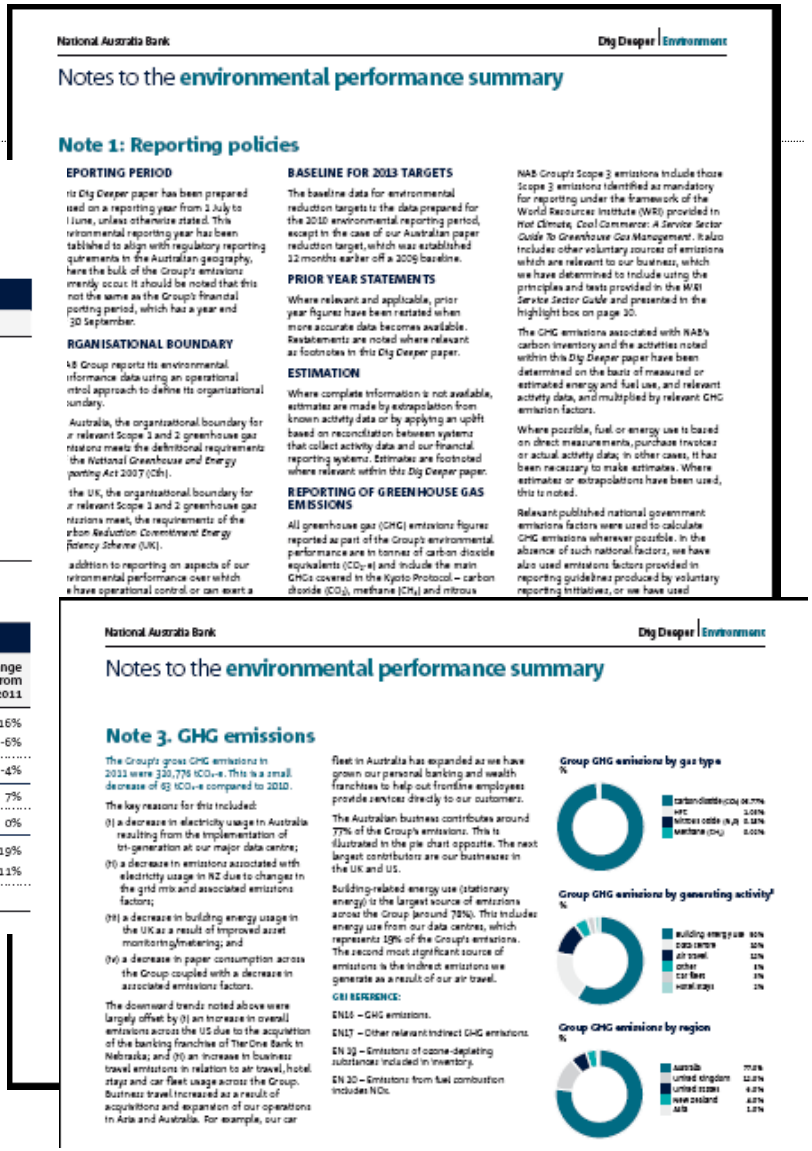
STATEMENT OF POSITION FOR THE GROUP

Indicator	Units	Notes	2011	2010	2009	2008	2007	2006
Employee numbers^	FTE		45,146	43,285	38,544	39,041	38,927	38,850
Property space occupied	m^2		1,133,041	1,222,142	1,064,482	1,075,805	1,124,696	1,123,583
Operating expense~	$m		(7,977)	(7,862)	(7,580)	(7,276)	(7,428)	(7,647)
Underlying profit~	$m		9,620	8,776	9,376	8,138	7,142	7,581
Water consumption (estimate)**	kL	7	840,156	753,107	772,799	871,988	550,369	601,073
Waste to landfill (estimate)**	tonnes	5	3,277	3,514	3,620	3,637	NR	NR
A3 & A4 office paper purchased	tonnes	4	2,066	2,199	2,177	1,958	NR	NR
Net energy consumption	GJ	2	1,144,876	1,115,506	1,001,087	955,748	1,043,292	1,069,359
Gross GHG emissions	tCO_2-e	3	320,776	320,839	266,750	263,261	266,212	278,640

SUMMARY OF GROUP GREENHOUSE GAS (GHG) EMISSIONS

(tCO_2-e emissions)	Notes	2011 performance	2010	2009	2008	2007	2006	% change from 2010 to 2011
Scope 1 emissions	3, 6	25,688	22,084	16,019	15,335	19,089	19,396	16%
Scope 2 emissions	3	174,437	186,479	193,709	207,020	210,018	243,262	-6%
Gross Scope 1 and 2 GHG emissions		200,125	208,563	209,728	222,355	229,107	262,658	-4%
Scope 3 emissions	3, 4, 5, 6	120,651	112,276	57,022	40,906	37,105	15,982	7%
Gross GHG emissions		320,776	320,839	266,750	263,261	266,212	278,640	0%
Renewable Electricity (RE)	9	(21,970)	(27,068)	(37,103)	(28,935)	(13,331)	(25,687)	-19%
Voluntary carbon offsets purchased (offsets)	9	(298,806)	(42,040)	(18,314)	(16,000)	0	0	611%
Net GHG emissions (after RE and offsets)	9	0	251,731	211,333	218,326	252,881	252,953	

Modelled on PwC's Typico report



National Australia Bank — Dig Deeper | Environment

Notes to the environmental performance summary

Note 1: Reporting policies

EPORTING PERIOD

is *Dig Deeper* paper has been prepared ised on a reporting year from 1 July to l June, unless otherwise stated. This vironmental reporting year has been tablished to align with regulatory reporting quirements in the Australian geography, here the bulk of the Group's emissions rrently occur. It should be noted that this not the same as the Group's financial porting period, which has a year end 30 September.

RGANISATIONAL BOUNDARY

AB Group reports its environmental nformance data using an operational ntrol approach to define its organizational undary.

Australia, the organizational boundary for r relevant Scope 1 and 2 greenhouse gas nissions meets the definitional requirements the *National Greenhouse and Energy porting Act 2007* (Cth).

the UK, the organizational boundary for r relevant Scope 1 and 2 greenhouse gas nissions meet, the requirements of the rbon *Reduction Commitment Energy ficiency Scheme* (UK).

addition to reporting on aspects of our vironmental performance over which e have operational control or can exert a

BASELINE FOR 2013 TARGETS

The baseline data for environmental reduction targets is the data prepared for the 2010 environmental reporting period, except in the case of our Australian paper reduction target, which was established 12 months earlier off a 2009 baseline.

PRIOR YEAR STATEMENTS

Where relevant and applicable, prior year figures have been restated when more accurate data becomes available. Restatements are noted where relevant as footnotes in this *Dig Deeper* paper.

ESTIMATION

Where complete information is not available, estimates are made by extrapolation from known activity data or by applying an uplift based on reconciliation between systems that collect activity data and our financial reporting systems. Estimates are footnoted where relevant within this *Dig Deeper* paper.

REPORTING OF GREENHOUSE GAS EMISSIONS

All greenhouse gas (GHG) emissions figures reported as part of the Group's environmental performance are in tonnes of carbon dioxide equivalents (CO_2-e) and include the main GHGs covered in the Kyoto Protocol – carbon dioxide (CO_2), methane (CH_4) and nitrous

NAB Group's Scope 3 emissions include those Scope 3 emissions identified as mandatory for reporting under the framework of the World Resources Institute (WRI) provided in *Hot Climate, Cool Commerce: A Service Sector Guide To Greenhouse Gas Management*. It also includes other voluntary sources of emissions which are relevant to our business, which we have determined to include using the principles and tests provided in the WRI *Service Sector Guide* and presented in the highlight box on page 30.

The GHG emissions associated with NAB's carbon inventory and the activities noted within this *Dig Deeper* paper have been determined on the basis of measured or estimated energy and fuel use, and relevant activity data, and multiplied by relevant GHG emission factors.

Where possible, fuel or energy use is based on direct measurements, purchase invoices or actual activity data; in other cases, it has been necessary to make estimates. Where estimates or extrapolations have been used, this is noted.

Relevant published national government emissions factors were used to calculate GHG emissions wherever possible. In the absence of such national factors, we have also used emissions factors provided in reporting guidelines produced by voluntary reporting initiatives, or we have used

National Australia Bank — Dig Deeper | Environment

Notes to the environmental performance summary

Note 3. GHG emissions

The Group's gross GHG emissions in 2011 were 320,776 tCO_2-e. This is a small decrease of 63 tCO_2-e compared to 2010.

The key reasons for this included:

(i) a decrease in electricity usage in Australia resulting from the implementation of tri-generation at our major data centre;

(ii) a decrease in emissions associated with electricity usage in NZ due to changes in the grid mix and associated emissions factors;

(iii) a decrease in building energy usage in the UK as a result of improved asset monitoring/metering; and

(iv) a decrease in paper consumption across the Group coupled with a decrease in associated emissions factors.

The downward trends noted above were largely offset by (i) an increase in overall emissions across the US due to the acquisition of the banking franchise of TierOne Bank in Nebraska; and (ii) an increase in business travel emissions in relation to air travel, hotel stays and car fleet usage across the Group. Business travel increased as a result of acquisitions and expansion of our operations in Asia and Australia. For example, our car fleet in Australia has expanded as we have grown our personal banking and wealth franchises to help our frontline employees provide services directly to our customers.

The Australian business contributes around 77% of the Group's emissions. This is illustrated in the pie chart opposite. The next largest contributors are our businesses in the UK and US.

Building-related energy use (stationary energy) is the largest source of emissions across the Group (around 78%). This includes energy use from our data centres, which represents 19% of the Group's emissions. The second most significant source of emissions is the indirect emissions we generate as a result of our air travel.

GRI REFERENCE:

EN16 – GHG emissions.

EN17 – Other relevant indirect GHG emissions.

EN 19 – Emissions of ozone-depleting substances included in inventory.

EN 20 – Emissions from fuel combustion includes NOx.

Group GHG emissions by gas type %

Group GHG emissions by generating activity[2] %

Group GHG emissions by region %

National Australia Bank

NCD WG 3: Accounting for natural capital

Chair: Rosemary Bissett, National Australia Bank

Project Manager: KPMG Australia

Working Group 3 aims to build capacity for financial institutions to meet the NCD commitment to:

“Work towards building a global consensus for the integration of Natural Capital into private sector accounting and decision-making; supporting, when appropriate, the related work of the TEEB for Business Coalition, and other stakeholders.”

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Draft work plan for Working Group 3

Current developing implementation plan for 2014-2016

1. **Phase 1**: Mapping study to identify approaches, techniques, tools and initiatives to account for natural capital in financial statements.

2. **Phase 2**: Create detailed work plan to develop methodologies to quantify natural capital across portfolios and in financial accounts.

3. **Phase 3**: Develop and test methods for financial institutions to account for natural capital in reporting.

Consultative approach engaging NCD signatories and supporters (E.g., Nedbank, BBVA, Rabobank, ASN Bank, Kenya Commercial Bank, ACCA, TEEB for Business, GRI, WBCSD) and other experts in accounting, portfolio measurement, natural capital and environmental economics.

NATURAL CAPITAL ACCOUNTING & REPORTING

The challenges to approaching natural capital accounting in financial services products and services

Lauren Smart
Executive Director
Trucost

THE LINK BETWEEN NATURAL & FINANCIAL CAPITAL

TRUCOST

NEWMONT

Mine project in danger of being cancelled

The project was suspended in 2011 at the request of Peru's central government following protests in Cajamarca by anti-mining activists. Fears are that the mine will threaten water supplies. Cancellation of the project would have serious ramifications for Newmont's growth prospects and revenue.

MULBERRY

36 per cent decline in pre-tax profits

The rising cost of raw materials, such as leather, caused Mulberry's gross margins to decline to 61.3 per cent in the six months to the end of September, from 66.2 per cent a year previously

	2012	2020
REVENUE	X	↓
COST OF GOODS SOLD	X	↑
OPERATING PROFIT	X	↓
OPERATING EXPENSES	X	↑
DEPRECIATION	X	↑
EBIT	X	↓
INTEREST	X	↓
TAX	X	↑
PROFIT AFTER TAX	X	↓

$9.6 billion cost to U.S. power sector of implementing new mercury emission limits

The U.S. Environmental Protection Agency finalized the Mercury and Air Toxics Standards for new coal- and oil-fired power plants. The emission limits are expected to cost the industry around $9.6 billion to implement and have already had an effect on the building of new coal-fired power plants in the U.S

H&M

30 per cent drop in first-quarter net profits.

Cotton prices increased by 150% from 2010 levels. To keep their model of 'cheap chic' H&M decided to internalise the increased input costs, rather than passing through to the consumer.

	2012	2020
MARKET VALUE	X	↓

ADM

Share price falls 12% within a month

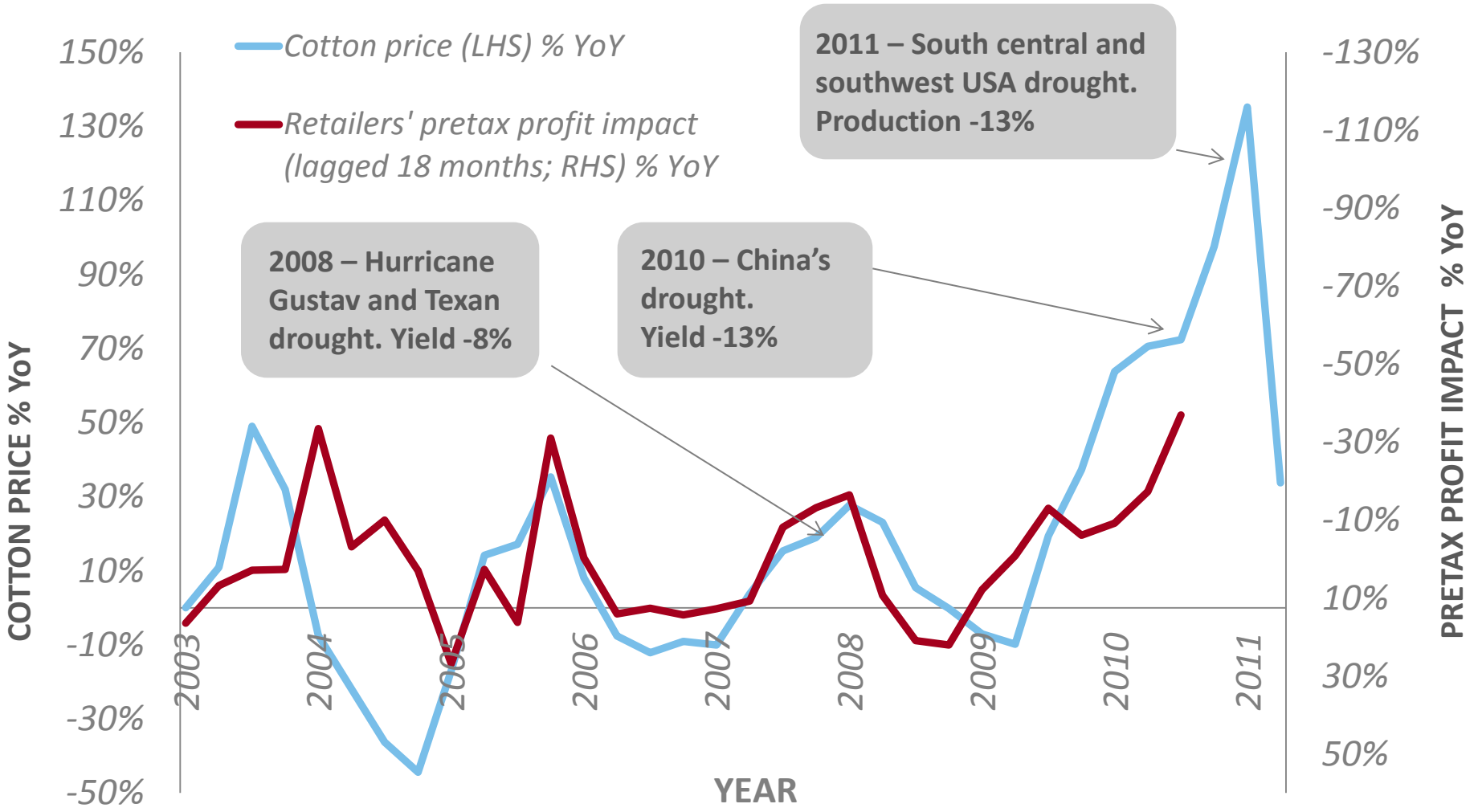
Shares in Archer Daniels Midland, the world's largest corn processor, fell as corn prices surged amid fears that a widening U.S. drought will trim size of the corn crop.

Tyson

Shares fell 6% in a day

Tyson shares fell after the company cut its full-year revenue forecast and posted quarterly earnings that missed analysts' estimates as feed costs rose. Tyson said the 2012 drought in the U.S., which led to higher grain costs, is also leading to increased costs for hog and cattle producers.

Cotton Prices & Pre-Tax Profit Impact



Source: Trucost analysis; H&M, Gap & Fast Retailing; Factset data

FTSE Commodity Exposure Index: Concealed Commodity Risk

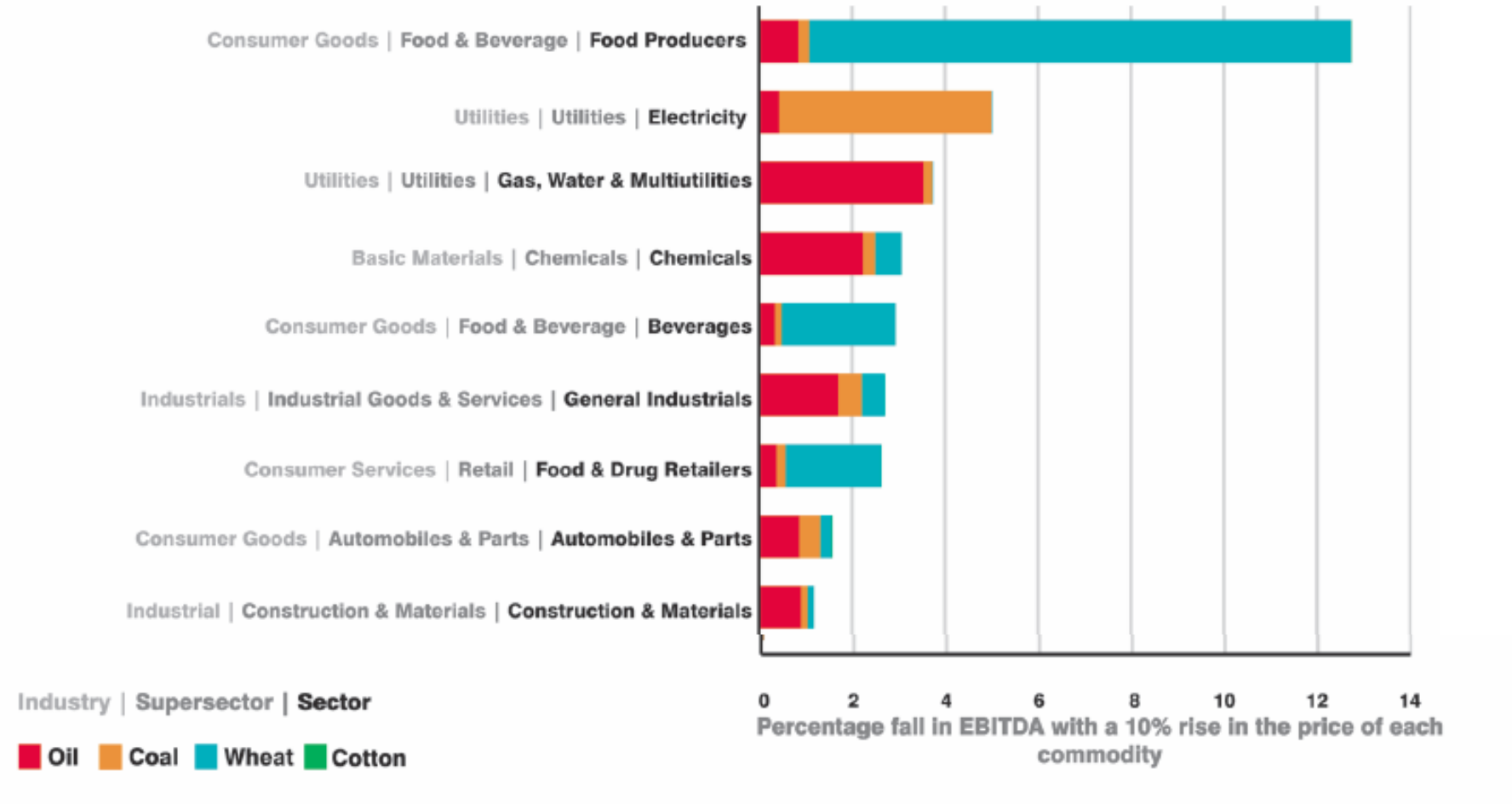


Figure 1: Sector Ranking on average change in earnings with a 10% increase in commodity prices

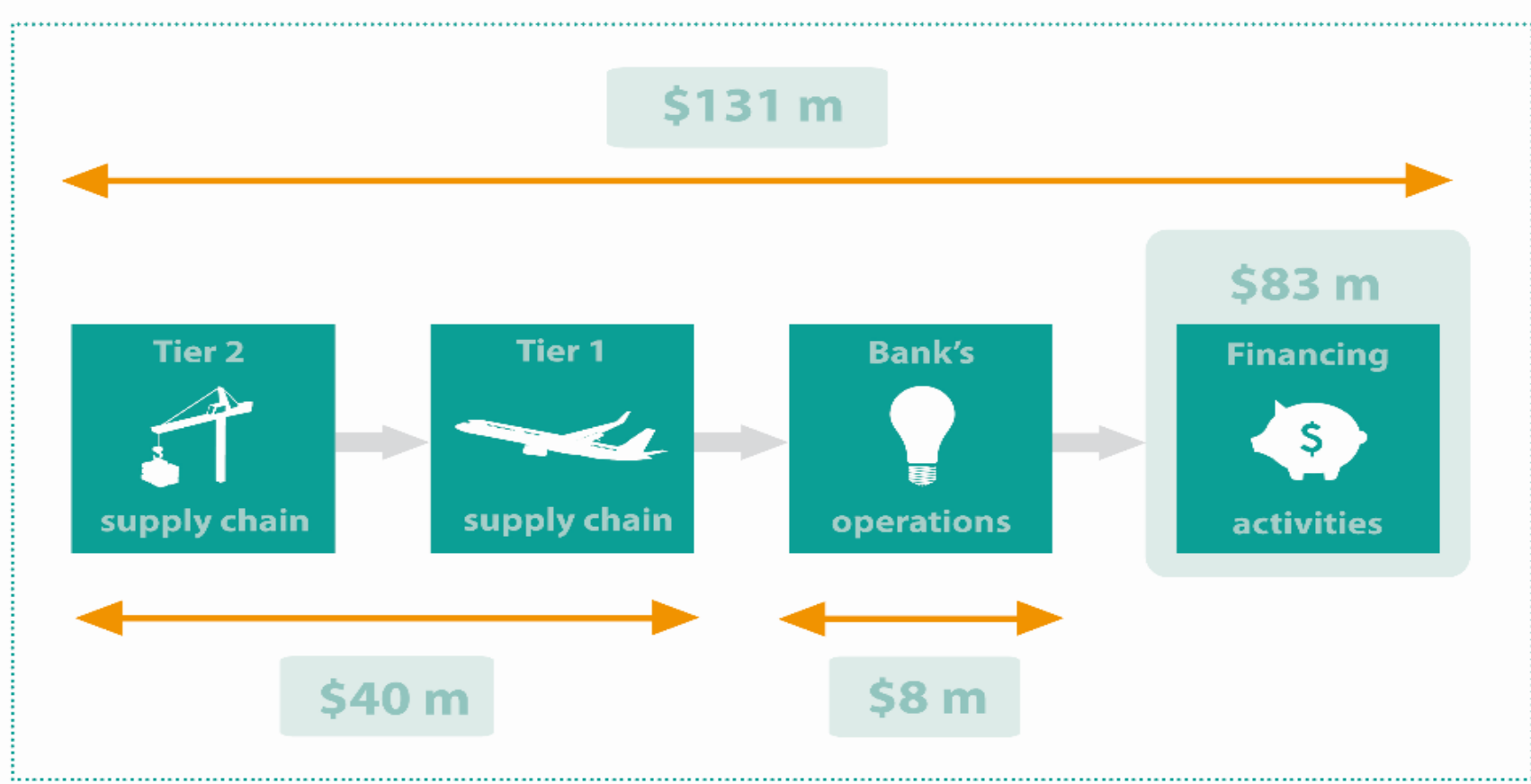
STARTING POINT: IDENTIFYING MATERIAL RISK AREAS

PUMA'S ENVIRONMENTAL PROFIT & LOSS ACCOUNT
world's first E P&L

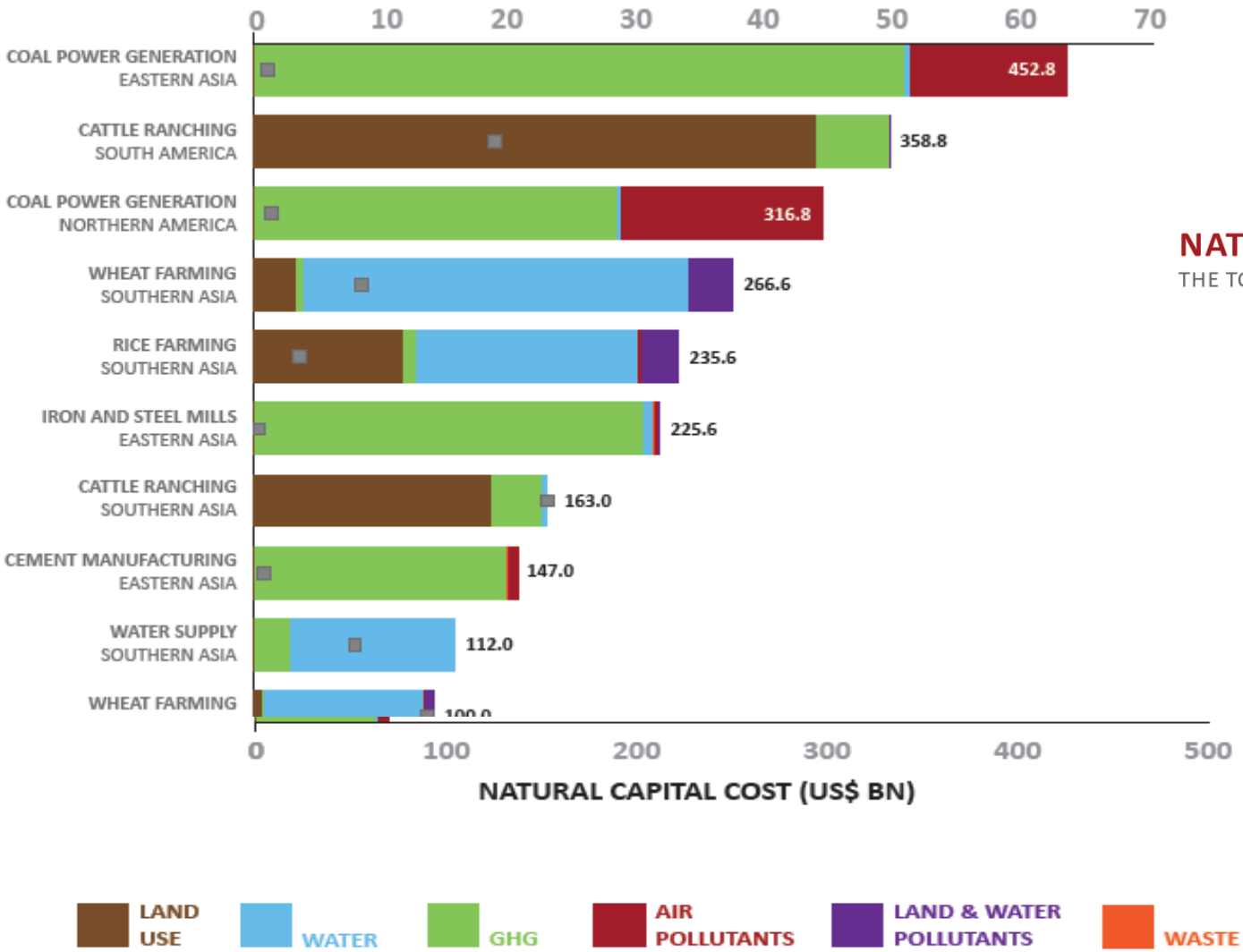
	Water use $ million	GHGs $ million	Land use $ million	Other air pollution $ million	Waste $ million	TOTAL $ million	% of total
	33%	32%	26%	7%	2%	100%	
TOTAL	47	47	37	11	3	145	100%
PUMA operations						8	6%
Tier 1						13	9%
Tier 2						14	10%
Tier 3						27	19%
Tier 4						83	57%

www.trucost.com

For Financial Institutions Investments are where the risk is



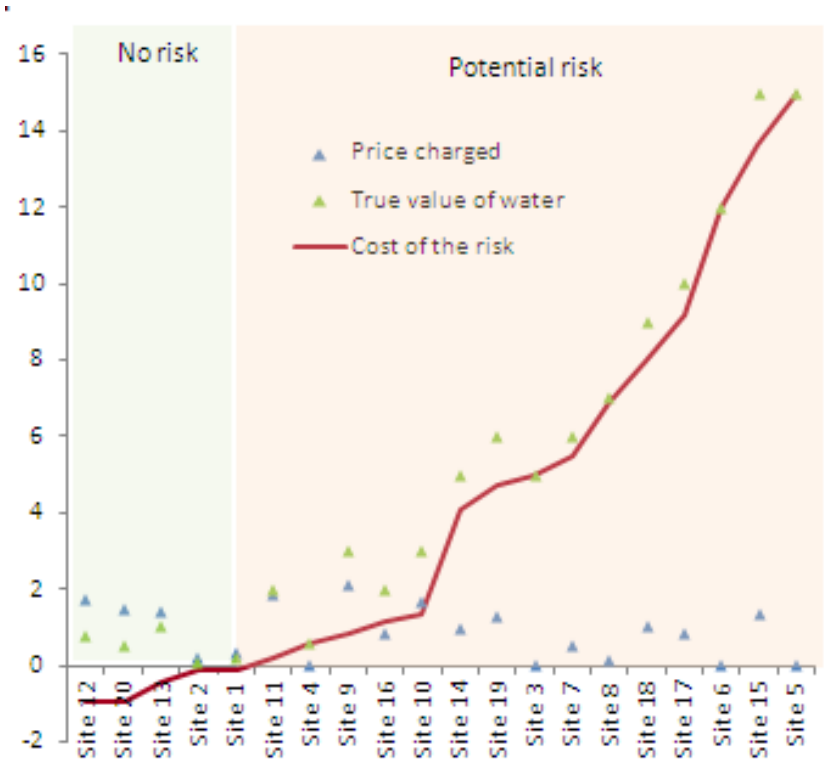
IDENTIFY SECTORS/ REGIONS OF EXPOSURE

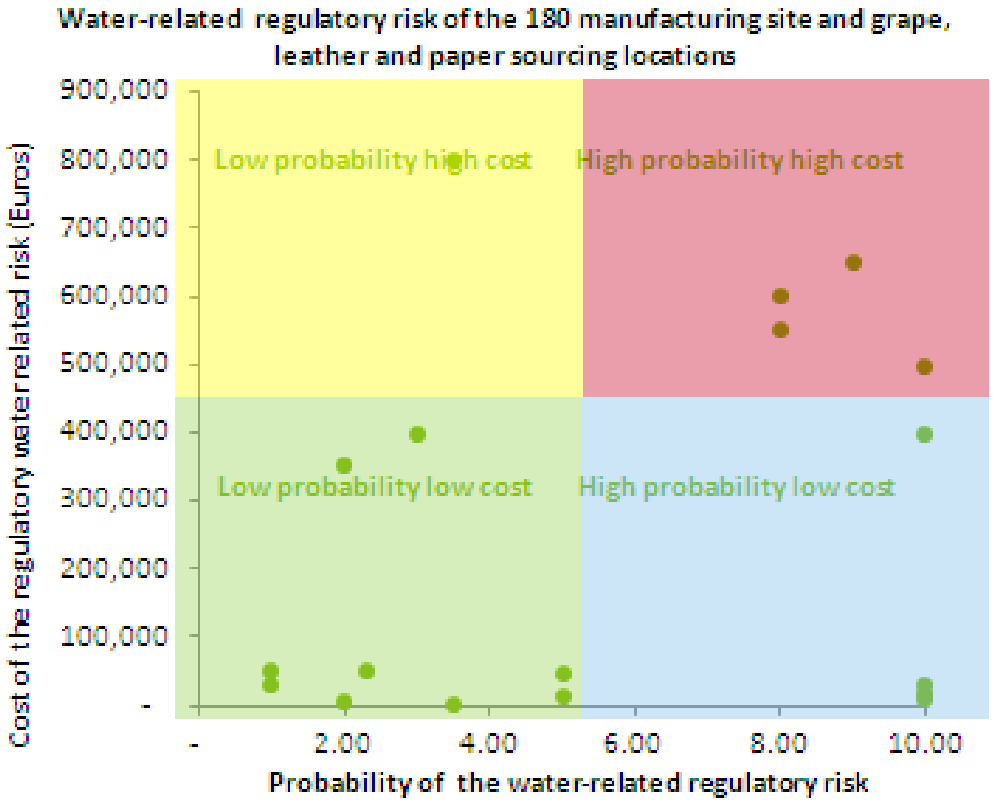


TEEB for Business Coalition

NATURAL CAPITAL AT RISK:
THE TOP 100 EXTERNALITIES OF BUSINESS

CASE STUDY: LUXURY GOODS COMPANY - RISK WEIGHTING WATER EXPOSURE

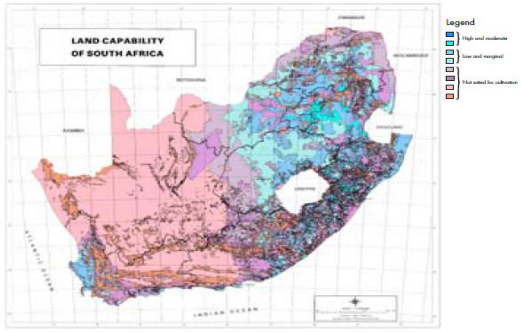




PROJECT FINANCE

Deep Analysis at Project/Investment Level

Investment of $xmn in Freeland Cattle Farm in Clarens, Kwazulu Natal, South Africa

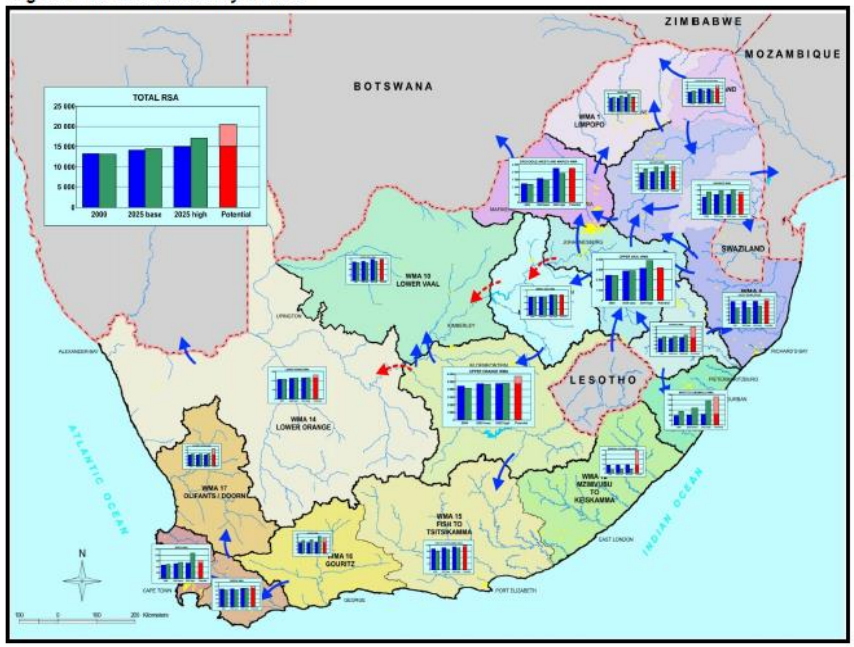


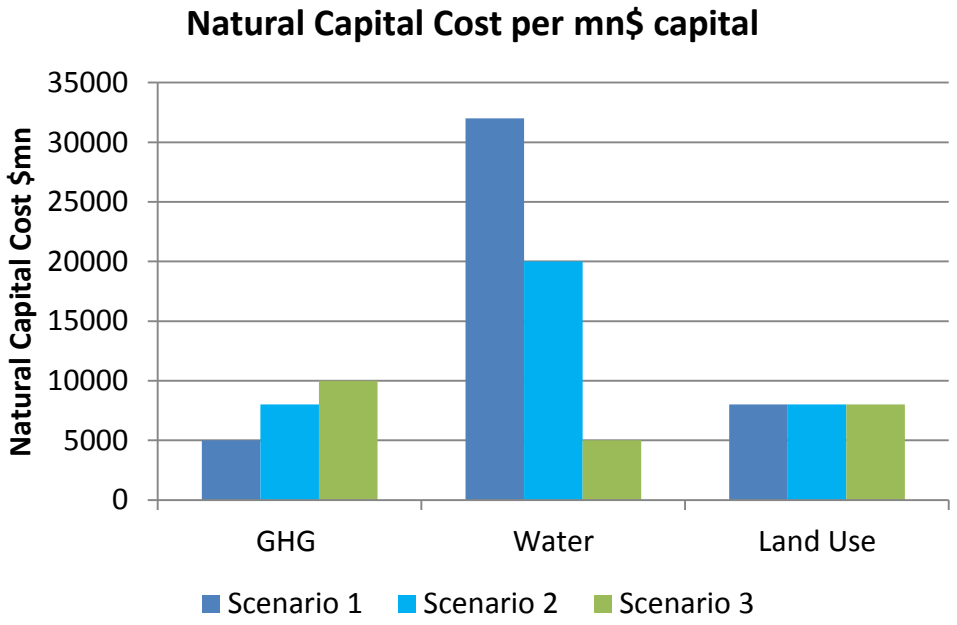
Land capability including climate restrictions
Source: Institute for Soil, Climate and Water, Agricultural Research Council

Integrate regionally specific & business specific analysis

Environmentally adjusted IRR

Figure 5 Water availability vs use





Integrated Fundamental Valuation

Equity Research

TRUCOST

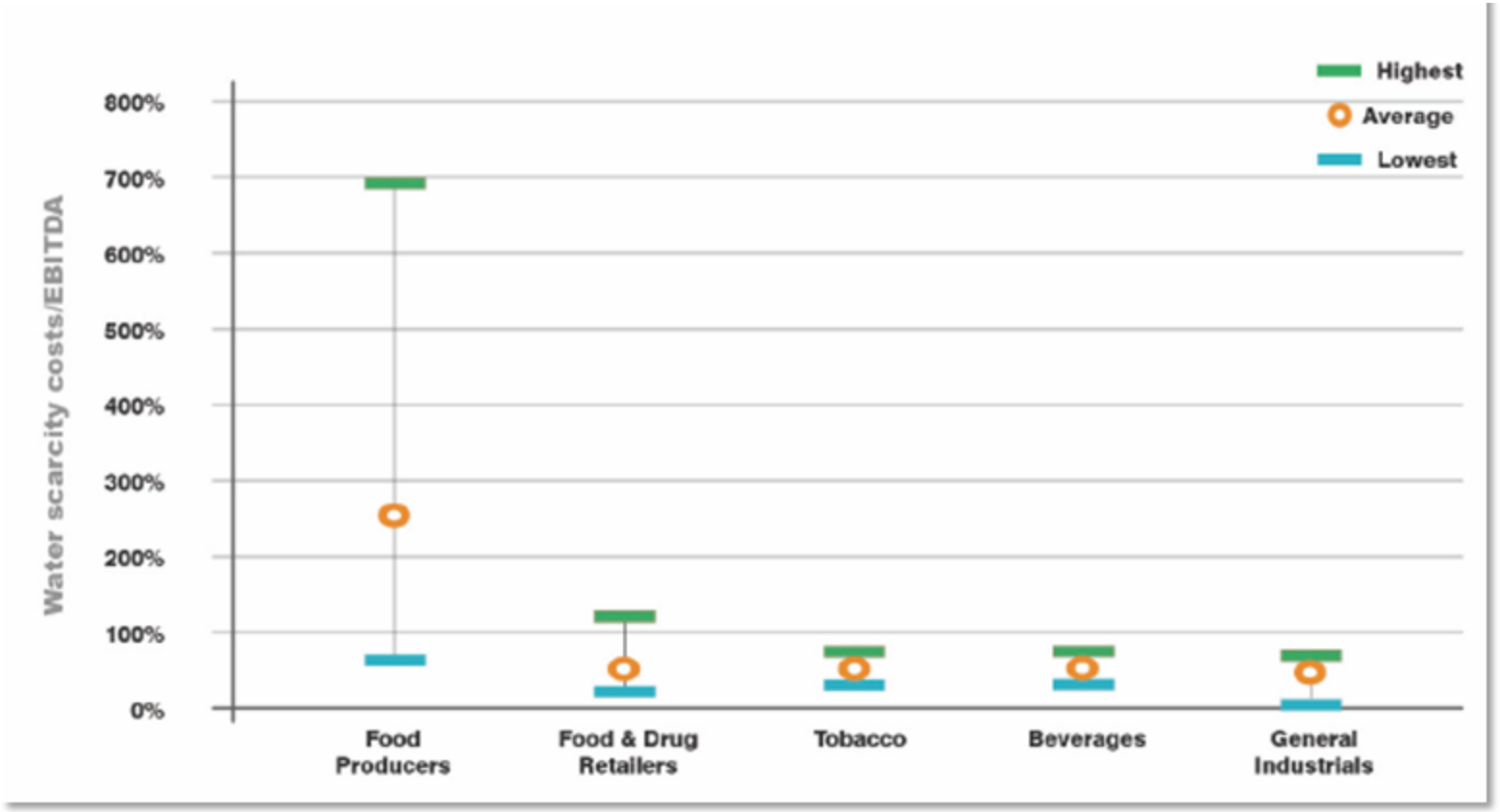
Value added – US electric power companies, 2004

Company	NOPAT $m	EVA $m	TRUEVA $m	ROC %	TRU ROC %
Allegheny Energy	341.716	–13.456	–1,525.960	4.137	–14.175
Alliant Energy	323.209	18.815	–449.540	4.831	–2.170
Ameren	790.415	97.185	–1,458.370	5.496	–5.320
American Electric Power	1,429.582	134.994	–4,853.359	4.958	–12.343
Centerpoint Energy	617.131	–159.328	–1,162.770	3.386	–2.119
Cinergy	568.262	11.156	–1,987.005	4.825	–12.140
Consolidated Edison	763.240	–42.136	–101.309	4.539	4.187
DPL	218.166	53.555	–429.240	6.256	–7.588
DTE Energy	652.383	–90.258	–1,139.762	3.953	–2.406
Duquesne Light Holdings	106.029	9.424	9.424	5.235	5.235
Edison International	1,511.968	403.366	–882.726	5.919	0.884
Entergy	1,093.428	114.785	–634.187	5.307	1.672
Exelon	2,285.552	542.397	224.534	6.162	5.305
Firstenergy	1,620.799	309.470	–882.234	5.513	1.459
FPL Group	991.320	–15.767	–1,140.436	4.636	–0.624
Great Plains Energy	217.207	95.052	–394.450	8.624	–10.811
Hawaiian Electric Inds	240.720	28.594	–119.725	5.084	1.951
Idacorp	57.129	–42.048	–182.196	2.667	–3.876
Northeast Utilities	267.471	–125.714	–306.197	2.952	0.960
Nstar	336.382	60.106	58.717	5.564	5.541
Pepco Holdings	537.856	92.083	–206.956	5.345	2.373
PG&E	1,501.360	507.895	497.362	6.725	6.678
Pinnacle West Capital	348.573	–56.742	–368.069	3.956	0.423
PNM Resources	103.676	–62.713	–226.831	2.810	–1.638
PPL	893.759	247.623	–660.077	6.391	–0.100
Progress Energy	953.079	–34.062	–1,567.562	4.451	–2.711
Reliant Energy	125.587	–419.521	–1,316.605	1.000	–6.142
Sierra Pacific Resources	250.582	5.849	–143.835	4.362	1.756
Southern	1,779.665	410.977	–3,353.323	6.319	–7.047
Teco Energy	210.150	–140.033	–466.863	2.653	–1.473
Unisource Energy	157.418	59.932	–204.959	6.927	–4.730
Westar Energy	203.152	48.226	–641.954	5.809	–13.926
Xcel Energy	680.189	–135.492	–2,231.211	3.711	–7.723

True Return on Capital when externalities priced in

- **Project Finance**
- **Equity Research**

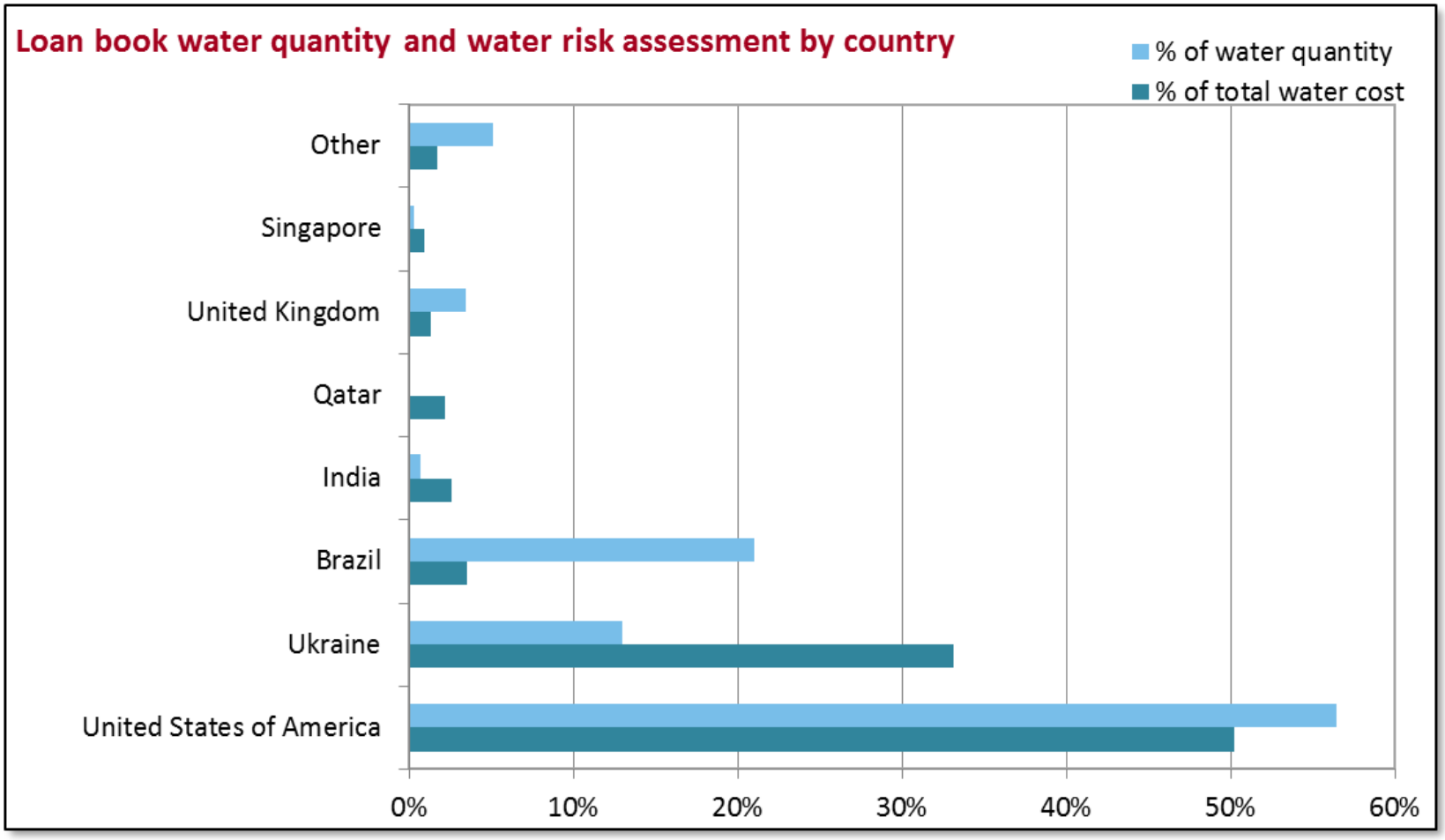
PORTFOLIO EXPOSURE TO WATER SCARCITY COSTS



Source: Trucost analysis 'FTSE 350 Commodity Exposure Index'

LOAN BOOK WATER EXPOSURE

Country Analysis



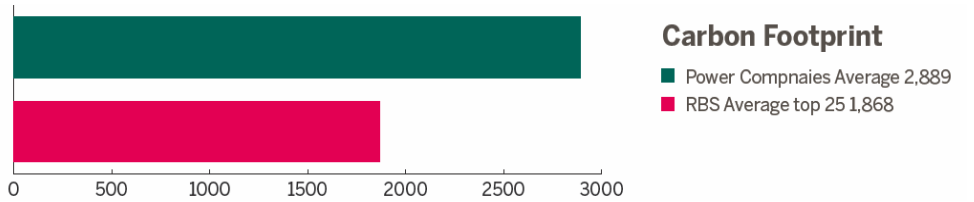
REPORTING NATURAL CAPITAL RISK

RBS – Energy Financing Report

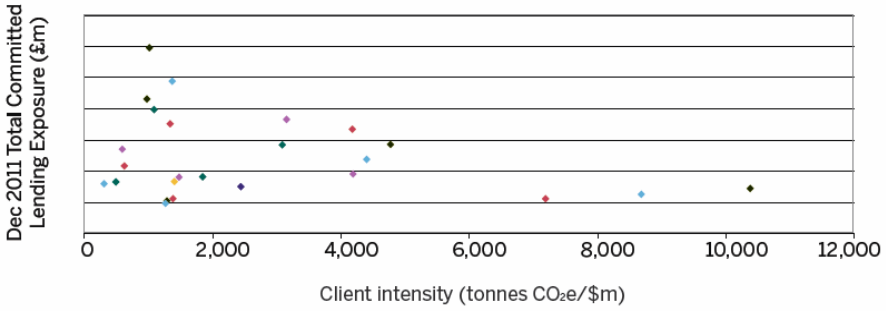
RBS Group

RBS Sustainability Briefing

Our financing of the energy sector in 2011



Carbon intensity vs lending exposure: RBS Top 25 Power clients



RBS Energy Project Financing in 2011 (by amount lent)

Wind	31%
Solar PV	14%
Gas Fired	13%
Biomass	13%
Short Term Operating Reserve	11%
Oil	10%
Transmission	8%

Working Group 4: Disclosure/Reporting

Chair: Vicky Beukes, Nedbank (South Africa)

Project Manager: CDP

Working with the NCD Secretariat to develop work plan for 2014-16

Natural Capital Declaration commitment

Working Group aims to support implementation of commitment 4: *"Collaborate, when appropriate, with the International Integrated Reporting Committee (IIRC) and other stakeholders to build a global consensus around the development of Integrated Reporting, which includes natural capital as part of the wider definition of resources and relationships key to an organisation's success."*

Approach to implementation

The program will be implemented on a voluntary basis with the goal of developing capacity building and general internal benefits within financial institutions.

Natural Capital Declaration
Financial sector leadership on natural capital

Secretariat:
UNEP Finance Initiative
Innovative financing for sustainability

GCP
GLOBAL CANOPY PROGRAMME

WG4 Draft work plan: Scope and Activities

- To ‘investigate how to increase the level of transparency, disclosure and external reporting about the use of natural capital within operations and the ‘value chain’ of financial institutions’.
- To develop a disclosure programme and guidance to build capacity of financial institutions to report primarily on their indirect use of and effect on natural capital.
- To focus on the financial ‘activities’ of FIs, focusing on exposure to natural capital as providers of financial products and services (loans, investments, insurance).

WG4 Draft work plan: Output and structure

- Questionnaire for disclosure on natural capital together with guidance to support implementation of reporting.
- Disclosure programme for natural capital.
- Guidance on how financial institutions can disclose material natural capital-related information linked to their business operations, including portfolios, in an integrated way in their primary reports. E.g. Annual Reports & Accounts.
- **Work stream 1: Disclosure**
- Research and development to enable and promote appropriate disclosure by financial institutions on their exposure to natural capital through financial 'activities.'
- **Work stream 2: Natural capital in Integrated Reporting by FIs**
- NCD and CDP to work with the Climate Disclosure Standards Board (CDSB) to develop guidance on including natural capital information in financial reports in the context of Integrated Reporting.

Next steps

- Consultation with NCD signatories and supporters in WG4.
- Finalise work plan with Steering Committee.
- Fundraising to deliver work plan.

QUESTIONS

www.naturalcapitaldeclaration.org
www.theiirc.org

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THANK YOU

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