



SOUTH AFRICA

FAST-TRACKING FINANCE FOR NATURE

TRENDS IN NATURE-RELATED FINANCIAL
DISCLOSURES OF SOUTH AFRICAN COMPANIES

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WWF's mission is to stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature by conserving the world's biological diversity, ensuring that the use of renewable natural resources is sustainable, and promoting the reduction of pollution and wasteful consumption.

WWF South Africa is a national office in the global WWF network. Started in South Africa in 1968, it is a local NGO with a vision of building a sustainable and equitable future in which humans and nature thrive. WWF South Africa works to champion the Earth's capacity to provide a source of inspiration, sustainable food, freshwater and clean energy for all. For Nature. For You.

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ABOUT THIS REPORT

It has been two years since the Taskforce on Nature-related Financial Disclosures (TNFD) released its TNFD framework, which recommends companies assess and disclose their nature-related dependencies, impacts, risks and opportunities, as well as how their organisation manages such risks.

This report aims to answer the question: to what extent are South African businesses and financial institutions preparing for TNFD-aligned disclosure by actively integrating nature into their governance mechanisms, with the goal of embedding it within their organisational strategy and risk management frameworks, backed by appropriate metrics and targets?

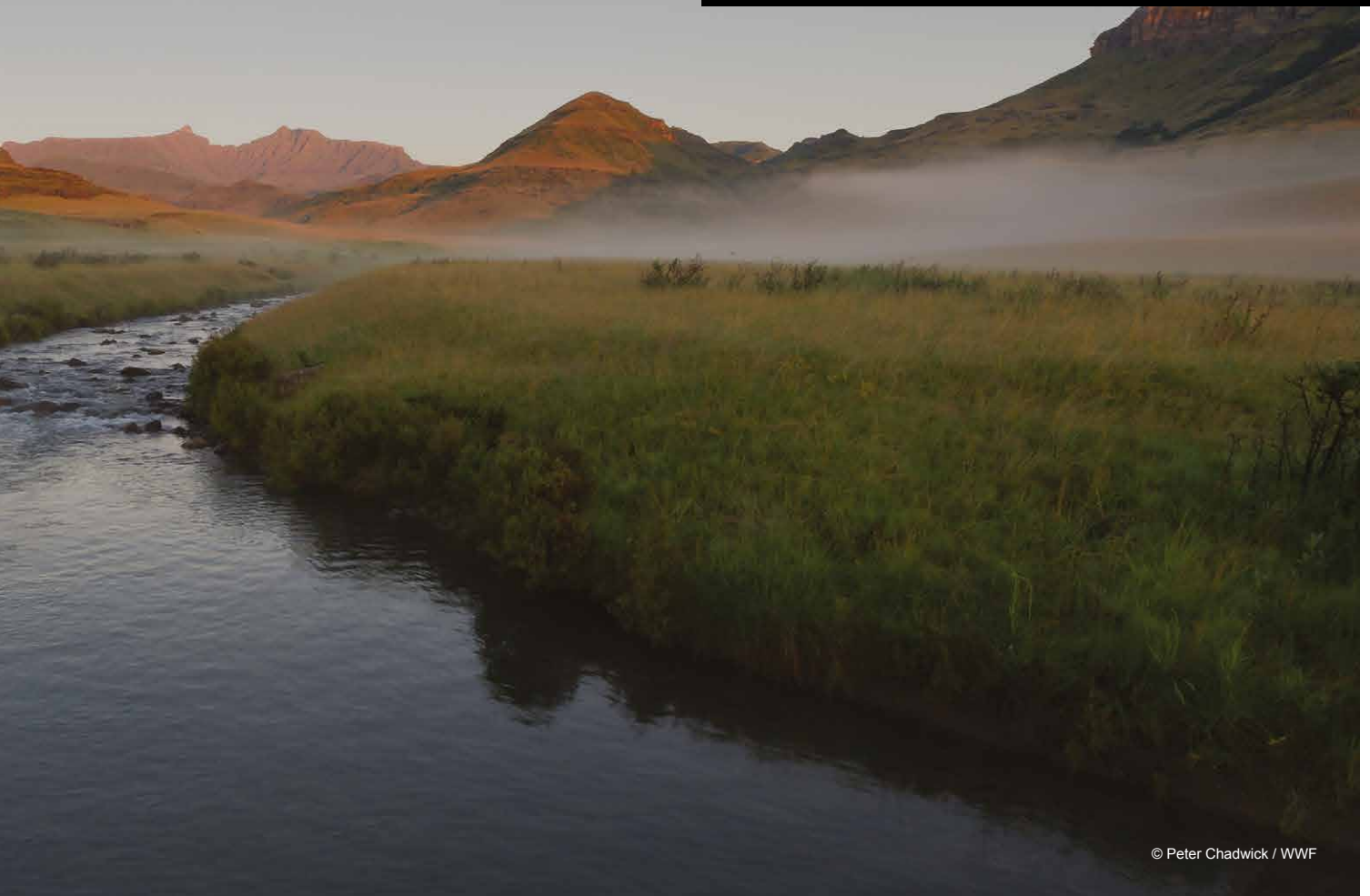
By exploring the current level of disclosures and the TNFD-related resources available to companies, this report aims to encourage and enable more South African businesses and financial institutions to prepare for TNFD reporting and, in so doing, identify ways they can contribute to global efforts to redirect financial flows away from activities that harm nature and towards those that support natural regeneration.

ABOUT THIS REPORT SERIES

This report is the second in a series that examines the readiness of South Africa's financial sector to disclose their nature-related issues and aims to provide businesses with the knowledge needed to advance their company's journey towards nature-related disclosures and financing. The full series is available [here](#).

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FOREWORD

Nature underpins the physical, operational and financial foundations of virtually every business value chain. To do business, companies rely on ecosystem services such as safe and sufficient water, healthy soils, pollination, raw materials and biomass, and a stable climate. When these systems are disrupted, the impacts are immediate: higher input costs, reduced productivity, operational interruptions and lower yields.

Companies that protect and restore nature often reduce their long-term operating costs, increase resilience to shocks and unlock new revenue streams, including those stemming from nature-positive products, services and financing. It is often said that what is not measured cannot be managed. Disclosure is an important step towards managing nature-related impacts and identifying possible opportunities.

Disclosure is the mechanism that transforms sustainability from a narrative into decision-useful information. Consistent public disclosure enables investors to price risk accurately. It allows customers, regulators and communities to scrutinise claims, and it reduces greenwashing and information asymmetry. Modern sustainability frameworks are designed to show how companies' sustainability-related risks affect cash flows, how their governance and strategy respond to those risks, and which metrics they use to monitor performance. This is why the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations matter. The TNFD recommendations provide businesses with a framework for integrating nature-related risks and opportunities into their business models, shifting nature-related reporting from typical corporate social investment storytelling – which typically treats the symptom but not the cause of sustainability challenges – to robust business risk management.

Sustainability disclosures are no longer optional. They are a regulatory, market and societal imperative. Lenders, investors and insurers increasingly require sustainability data to inform financing activities. Transparent companies are better positioned to access capital, build investor confidence and avoid liabilities as well as regulatory shocks.

As sustainability reporting moves from voluntary to mandatory, early adoption is a strategic decision. Companies that embrace reporting frameworks and identify material issues sooner also proactively embed sustainability into governance and strategy, so avoiding rushed, reactive compliance when regulation does arrive. All of this leads to better capital allocation and fewer negative surprises, which markets reward.

Nature related disclosure in South Africa is at a very early stage despite the country's deep dependence on natural assets sourced from water catchments, biodiversity rich agricultural systems, land based value chains and communities whose livelihoods are tightly connected to ecosystem health. Because of this deep dependence, we as a country urgently need companies to integrate nature into their governance structures and to disclose their critical dependencies on ecosystem services so that we can better assess the true costs of land use changes, biodiversity loss and ecosystem degradation.

With many companies already reporting in line with TCFD recommendations or the Johannesburg Stock Exchange's Sustainability and Climate Change Disclosure Guidance, nature-related reporting does not require reinventing reporting systems. All that is needed is an expansion of the scope of reporting to include material nature-related risks to enable investors and other stakeholders to see how nature-related dependencies, impacts, risks and opportunities are explicitly linked to companies' financial performance and long-term value creation.

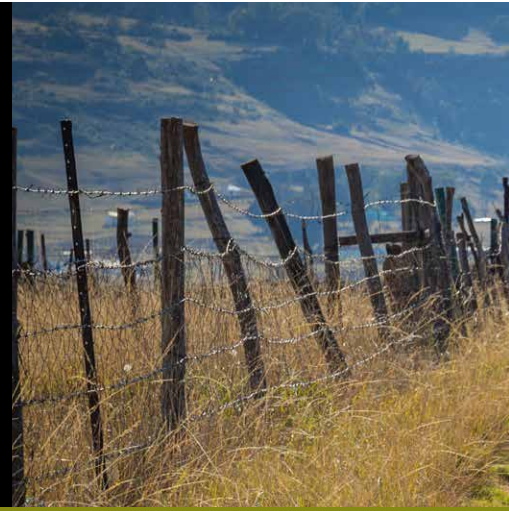
This report aims to provide financial institutions and corporations with practical guidance and tools to help them fast-track their nature-related journey. By aligning their existing disclosure practices with TNFD recommendations and embedding nature considerations in strategy, risk management and decision-making, early adopters can become market leaders in an increasingly competitive corporate landscape.



**PAVITRAY PILLAY, HEAD OF BUSINESS
DEVELOPMENT AND MARKETING
WWF SOUTH AFRICA**

KEY MESSAGES

TRENDS IN SOUTH AFRICA'S NATURE-RELATED REPORTING



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This assessment delves into the public reports of a selection of large Johannesburg Stock Exchange-listed companies in the financial, consumer goods, and telecommunications sectors to identify gaps and opportunities to strengthen their nature-related disclosures to ensure alignment with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). The TNFD published its final recommendations in September 2023.

The assessment found that few South African companies have made substantive progress in comprehensively assessing and transparently reporting on their nature-related dependencies, impacts, risks and opportunities across land, ocean, freshwater and atmosphere.



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Although most of the assessed companies were aware of the TNFD recommendations, only one has formally adopted them. This may point to a need to include nature in board charters and provide board members and executives with training in assessing and managing nature-related risks.



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Climate-related disclosures are more mature than nature-related disclosures across all the assessed sectors. Climate governance structures are similarly well established. These structures and disclosures could swiftly be expanded to include nature governance and reporting, in effect fast-tracking broad adoption of TNFD recommendations and leading to more robust sustainability reporting overall. Programmes that focus on sustainability and climate could similarly be expanded to include nature.



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There is a wealth of resources to help companies identify and assess material nature-related risks across their value chains. The TNFD's Locate, Evaluate, Assess and Prepare (LEAP) approach, for example, can be used in any sector. Additional guidance for sectors and various case studies have also been published. Finally, companies can partner with non-governmental and non-profit organisations that specialise in supporting the private sector in mitigating nature impacts, creating nature-positive outcomes and preparing companies to implement the TNFD recommendations.



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Transparent and comprehensive TNFD disclosures would strengthen a company's investment case, build long-term resilience and enhance shareholder value. This is beneficial for nature and communities and critical for the enduring success of businesses.

INTRODUCTION

This report examines how some of South Africa's largest Johannesburg Stock Exchanged-listed companies are responding to widespread pressure to consider nature-related risks in their governance, strategy and risk-management decisions. Drawing on the Taskforce on Nature-related Financial Disclosures (TNFD) framework, we assess how companies communicate about their nature-related risks to identify trends and gaps in disclosure and evaluate corporate South Africa's readiness for nature-positive action.



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The world faces a double crisis of rapid biodiversity loss and climate change, which are deeply interconnected. Biodiversity loss destabilises the ecosystems that regulate the climate, while climate change accelerates species extinction and habitat degradation. According to the **2024 WWF Living Planet Report**, global wildlife populations have declined by 73% since 1970, signalling a severe decline in the health of the planet. This deterioration is noteworthy because ecosystems provide essential goods and services such as clean water, fertile soil, plant pollination and carbon storage – all of which support life and underpin economies.

Nature’s economic value is immense: estimates suggest that ecosystem services generate \$44 trillion in value each year, which is equivalent to nearly half of the global gross domestic product (GDP). These ecosystem services include food production, climate regulation and disaster risk reduction. If no action is taken to halt the degradation of nature, we risk crossing ecological tipping points beyond which nature will no longer be able to provide these ecosystem services or recover from damage, leading to resource scarcity, economic instability and amplified climate impacts.

In short, losing nature is not just an environmental issue but a profound economic and social risk. Without urgent and collective actions to put nature on a path to recovery, we undermine the stability of our social and economic structures.

The Kunming-Montreal Global Biodiversity Framework (GBF), which was adopted by the Parties to the United Nations Convention on Biological Diversity in December 2022, is a landmark international accord that aims to halt and reverse biodiversity loss. Through four global goals for 2030 and 23 action-oriented targets, it sets out an ambitious plan to achieve a nature-positive world within the next few years.

The GBF targets include the “30x30 pledge” (Target 3) to conserve 30% of



the world’s land and oceans by 2030. Another GBF target, Target 15, mandates countries to require businesses – including large, multinational companies and financial institutions – to monitor, assess and disclose how biodiversity-related impacts and dependencies could affect their operations, supply chains and portfolios. It also requires businesses to disclose how their operations could, in turn, negatively affect biodiversity. This target can be used to fast-track finance for nature.

The TNFD recommendations are foundational to the delivery of Target 15. This market-led, global taskforce was informed by science and supported by governments in developing its recommendations,

the overarching goal of which are to support a global shift in financial flows from nature-negative to nature-positive outcomes by providing businesses and financial institutions with a voluntary reporting framework.

The TNFD framework of disclosures (summarised in Table 1 overleaf) serves as a tool for organisations to identify, assess, disclose and address their nature-related risks across land, ocean, freshwater and the atmosphere. Building on the four pillars of the Taskforce on Climate-related Financial Disclosures (TCFD) – namely, governance, strategy, risk and impact management, and metrics and targets – the TNFD answers “how” businesses and financial institutions can act on nature.

TABLE 1: RECOMMENDED DISCLOSURES OF THE TASKFORCE ON NATURE-RELATED FINANCIAL DISCLOSURES

PILLAR 1 GOVERNANCE	PILLAR 2 STRATEGY	PILLAR 3 RISK AND IMPACT MANAGEMENT	PILLAR 4 METRICS AND TARGETS
<p>Disclose the organisation’s governance of nature-related dependencies, impacts, risks and opportunities.</p>	<p>Disclose the effects of nature-related dependencies, impacts, risks and opportunities on the organisation’s business model, strategy and financial planning where such information is material.</p>	<p>Describe the processes used by the organisation to identify, assess, prioritise and monitor nature-related dependencies, impacts, risks and opportunities.</p>	<p>Disclose the metrics and targets used to assess and manage material nature-related dependencies, impacts, risks and opportunities.</p>
RECOMMENDED DISCLOSURES	RECOMMENDED DISCLOSURES	RECOMMENDED DISCLOSURES	RECOMMENDED DISCLOSURES
<p>A. Describe the board’s oversight of nature-related dependencies, impacts, risks and opportunities.</p> <p>B. Describe management’s role in assessing and managing nature-related dependencies, impacts, risks and opportunities.</p> <p>C. Describe the organisation’s human rights policies and engagement activities, and oversight by the board and management with respect to Indigenous Peoples, local communities, and affected and other stakeholders, in the organisation’s assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.</p>	<p>A. Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.</p> <p>B. Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation’s business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.</p> <p>C. Describe the resilience of the organisation’s strategy to nature-related risks and opportunities, taking into consideration different scenarios.</p> <p>D. Disclose the locations of assets and/or activities in the organisation’s direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.</p>	<p>A(i). Describe the organisation’s processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.</p> <p>A(ii). Describe the organisation’s processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).</p> <p>B. Describe the organisation’s processes for managing nature-related dependencies, impacts, risks and opportunities.</p> <p>C. Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation’s overall risk management processes.</p>	<p>A. Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.</p> <p>B. Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.</p> <p>C. Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.</p>

Source: Taskforce on Nature-related Financial Disclosures, 2023

TNFD UPTAKE IN SOUTH AFRICA IN 2025

By the end of 2025, only four South African companies had adopted the Taskforce on Nature-related Financial Disclosures (TNFD) reporting framework: Sanlam Limited, GBSH Consult Group, Raubex Group Limited and Sibanye-Stillwater.

By adopting this framework, these companies committed to aligning their public disclosures with the TNFD recommendations for the financial years 2025 or 2026. As an early adopter, Sanlam Limited is expected to be the first to make a TNFD-aligned disclosure in its corporate reporting for its 2025 financial year, which ended in December 2025.

Alex Forbes' *2025 National Sustainability Reporting Sentiment Survey* for South Africa indicates that 16 South African corporates – including listed and private companies and retirement funds – have used the TNFD framework, even though they have not necessarily aligned their disclosures with the TNFD recommendations. We hope to see these 16 corporates formally adopt the TNFD recommendations in the near future.

SCOPE OF ASSESSMENT

This assessment examines how the public disclosures of 20 South African corporations and financial institutions listed on the Johannesburg Stock Exchange (JSE) (Table 2) measure up against the TNFD's recommended disclosures. Integrated annual reports, sustainability disclosures and

climate-related disclosures for the 2024 financial year, along with direct engagements with companies where feasible, were used as source material for this analysis.

This analysis covers some of the largest and most economically significant

companies in South Africa's financial, telecommunications, and consumer goods sectors. In addition to assessing alignment with the TNFD framework, this report identifies common themes in what companies are already communicating about nature to identify where major gaps still exist.

TABLE 2: COMPANIES ASSESSED

FINANCIAL	<ul style="list-style-type: none"> • ABSA Group Ltd • Capitec Bank Holdings Ltd • Discovery Ltd • FirstRand Ltd • Nedbank Group Ltd 	<ul style="list-style-type: none"> • Investec Group • Old Mutual Ltd • Sanlam Ltd • Santam Ltd • Standard Bank Group
CONSUMER GOODS	<ul style="list-style-type: none"> • Clicks Group Ltd • Pepkor Holdings Ltd • Mr Price Group Ltd • Pick n Pay Stores Ltd 	<ul style="list-style-type: none"> • Shoprite Holdings Ltd • TFG Ltd • Tiger Brands Ltd • Woolworths Holdings Ltd
TELECOMMUNICATIONS	<ul style="list-style-type: none"> • MTN Group Ltd 	<ul style="list-style-type: none"> • Vodacom Group Ltd

TRENDS IN NATURE-RELATED REPORTING

The scale, diversity and interconnectedness of Earth's four natural systems – land, ocean, freshwater and the atmosphere – make nature-related disclosures challenging. However, by building on the work done to report on climate-related risks, nature reporting can soon become a reality for most large South African companies.

This analysis identified five important emerging trends in nature-related disclosures, namely:

- 1 Climate governance is more developed than nature governance
- 2 Governance structures for oversight of nature-related risks, dependencies and impacts remain in their infancy and in some cases are not considered at all
- 3 Disclosures relating to Indigenous Peoples, local communities and affected stakeholders are limited
- 4 Reporting standards and frameworks are becoming harmonised
- 5 Biodiversity is not sufficiently understood or considered.

Here, we unpack these trends to support greater insight and action.

TREND 1: CLIMATE GOVERNANCE IS MORE DEVELOPED THAN NATURE GOVERNANCE

Effective governance, usually the primary responsibility of a company's appointed board, underpins an organisation's long-term success, transparency, accountability and sustainability. Corporate governance mechanisms that can speak to and for nature, and are embedded at the board level, are necessary if companies are to contribute to global efforts to safeguard and restore nature. Together with the King V Code on Corporate Governance, which was published in late 2025 and came into effect on 1 January 2026, the TNFD's Governance pillar can be used to design robust governance structures that safeguard nature and the ecosystem services it provides.

Establishing strong governance is a critical initial step in this process, and the Governance pillar is, appropriately, the first pillar of the TNFD framework. The Governance pillar makes three recommendations regarding nature-related governance (see Table 1 on page 8). These recommendations provide reporting guidance and serve as practical tools to help organisations integrate nature into their business.

While most of the assessed companies have sustainability governance structures in place at the managerial

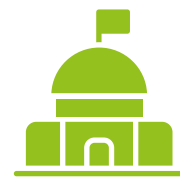
or board level, these structures tend to focus narrowly on climate-related and social-impact governance and disclosures rather than other aspects of sustainability, such as nature and biodiversity.

Informed by the foundational work of the TCFD, climate disclosures tend to be rich, with comprehensive emissions reporting and net-zero targets in place. Despite many of the companies publishing sustainability reports, none of the sampled companies clearly disclosed their governance of nature-related dependencies, impacts, risks or opportunities. References to "nature" or "biodiversity" were found in the governance disclosures of a few financial institutions but were minimal or absent in disclosures from other sectors. Often, the two terms are used interchangeably, which hints at a superficial understanding of these technical concepts (see "Defining nature and biodiversity").

Moreover, there is limited integration of nature into risk management. While risk processes for climate (such as scenario analyses, stress-testing and regulatory pilots) are well established, nature-related risks are typically referenced only in generic terms.

There is little detail about critical dependencies such as ecosystem services, pollination, land-use change and biodiversity loss, and limited consideration of "double materiality" (the concept that all companies should report on their material impacts on nature as well as the impacts of nature on their operations and financial stability) as it applies to nature.

Given that the TNFD builds on the work of the TCFD, nature could be added to existing climate-focused governance frameworks. Developing a nature-focused position statement would be a useful first step in this process.



Establishing strong governance is a critical initial step in this process, and the Governance pillar is, appropriately, the first pillar of the TNFD framework.

DEFINING NATURE AND BIODIVERSITY

The Taskforce on Nature-related Financial Disclosures (TNFD) defines nature as "the natural world, with an emphasis on the diversity of living organisms (including people) and their interactions among themselves and with their environment".

Biodiversity, by contrast, refers to "the variability among living organisms from all sources ... this includes diversity within species, between species and of ecosystems".

Because biodiversity focuses only on living things, whereas nature includes broader features such as the weather and oceans, biodiversity is regarded as a subset of nature.

For a full glossary of terms used within this report, refer to the *TNFD Glossary of Terms*.

TREND 2: GOVERNANCE STRUCTURES FOR NATURE ARE IN THEIR INFANCY OR NON-EXISTENT

The assessment found that governance of nature-related issues is still under development or overlooked in most organisations, with a lack of clear accountability for nature-related governance at the management and executive levels. There is also no evidence to indicate that management has been mandated or incentivised to prioritise nature: although remuneration committees often approved key performance indicators to drive climate action, no such incentives were approved for nature-related indicators. This could indicate that corporates and financial institutions either do not yet fully understand nature governance, or they

still need to identify effective strategies to manage their impacts on nature and seize nature-related opportunities.

None of the assessed companies provided detail on board members' specific knowledge of nature and biodiversity, although a broad understanding of "sustainability" was noted. There was only one instance in which a board committee discussed biodiversity and nature-positive finance. Organisations that have started their nature journey typically disclosed nature-related training or workshops undertaken by the board, management and across the organisation.



Governance of nature-related issues is still under development or overlooked in most organisations.



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TREND 3: DISCLOSURES ABOUT INDIGENOUS PEOPLES, LOCAL COMMUNITIES AND AFFECTED STAKEHOLDERS WERE LIMITED

The third recommendation under TNFD pillar 1 (also referred to as TNFD Governance C) focuses on the organisation’s human rights policies, particularly its engagement with Indigenous Peoples, local communities and other stakeholders.

Nature-related risks tend to emerge at the ground level, where Indigenous Peoples and local communities – the *de facto* custodians of natural assets – are found. These groups have knowledge and inputs that could offer nature-based solutions to the nature-related risks that companies may wish to insulate themselves against.

As the global focus shifts towards a people-centred approach to environmental conservation to halt and reverse biodiversity loss, TNFD Governance C becomes an increasingly important disclosure. The relevance of Indigenous Peoples, local communities and other affected stakeholders is strongly captured in the TNFD’s Locate, Evaluate, Assess and Prepare (LEAP) approach, which recommends that organisations engage these groups when identifying and assessing nature-related issues.

Of the three disclosures under the Governance pillar, the assessment

found that those relating to Indigenous Peoples and local communities lagged the most. None of the assessed organisations explicitly acknowledged the link between human rights and nature in their governance or policies, preferring to make generic mention of human rights commitments under the *United Nations Global Compact* and the *United Nations Guiding Principles on Business and Human Rights*. Three out of South Africa’s five major banks are signatories to the finance industry’s *Equator Principles* (see below) and follow its guidance on community engagement. However, these efforts are not specifically related to nature or engagements with Indigenous Peoples, local communities and other affected stakeholders.

While Governance C focuses on engaging people on nature-related dependencies, impacts, risks and opportunities, the value of engagements with people through corporate social responsibility initiatives and the work of “social justice” teams that aim to include once-marginalised suppliers into value chains should not be overlooked. Key learnings and trust built through such initiatives could be used as the basis for future community engagements on nature-related issues.



Nature-related risks tend to emerge at the ground level, where Indigenous Peoples and local communities – the *de facto* custodians of natural assets – are found.

THE EQUATOR PRINCIPLES

The Equator Principles are a voluntary risk-management framework adopted by financial institutions to assess and manage environmental and social risks in project financing. These principles provide guidelines for determining, assessing and mitigating risks associated with large-scale projects, ensuring that such projects are developed in a socially responsible and environmentally sustainable manner. Institutions that adopt the 10 principles commit to applying them to projects above a certain financial threshold. In so doing, they also align with international standards such as the International Finance Corporation’s Performance Standards on Environmental and Social Sustainability.

TREND 4: TNFD'S CLIMATE METRICS ALIGN WITH KEY FINANCIAL AND SUSTAINABILITY REPORTING STANDARDS

When it comes to climate reporting, TNFD recommends that companies use the metrics prescribed by the International Financial Reporting Standards' (IFRS) S2 Climate-related Disclosures. For broader sustainability reporting, TNFD and the Global Reporting Initiative (GRI) – author of the standards most commonly used in sustainability reporting – collaborated closely to develop complementary standards. The TNFD recommendations are therefore highly interoperable with both the IFRS S2 standards and the GRI standards.

The current assessment found that the examined companies and financial institutions are either actively transitioning to, or are closely monitoring developments under, IFRS S1 and IFRS S2 (see below). Because South African regulators may well adopt these standards in coming years, some private-sector players are even preparing for mandatory compliance. Building on the foundations laid by TCFD, banks and insurers demonstrate the highest level of awareness of these standards compared to other industries within the sample group.



The assessed companies and financial institutions are either actively transitioning to, or are closely monitoring developments under, IFRS S1 and IFRS S2.

INTERNATIONAL FINANCIAL REPORTING STANDARDS S1 AND S2

The International Financial Reporting Standards (IFRS) were developed and are maintained by the IFRS Foundation, a global non-profit organisation that develops and oversees two standards-setting boards:

- **International Accounting Standards Board (IASB)**, which is responsible for setting financial reporting standards.
- **International Sustainability Standards Board (ISSB)**, which is responsible for setting sustainability-related disclosure standards, including IFRS S1 and S2.

The IFRS standards aim to provide a global framework for transparent, comparable and high-quality financial and sustainability reporting. IFRS S1 and IFRS S2 are the ISSB's two sustainability-related disclosure standards:

- **IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information** sets out the framework for disclosing sustainability-related issues that could affect an entity's cash flows, access to finance or cost of capital. It requires companies to provide material information across all sustainability topics and not just climate, ensuring consistency and comparability.
- **IFRS S2 Climate-related Disclosures** focuses specifically on climate-related risks and opportunities. It incorporates the recommendations of the Task Force on Climate-related Financial Disclosures and requires detailed reporting on governance, strategy, risk management, and metrics and targets related to climate.

Together, these standards aim to enable investors to make informed decisions and align global sustainability reporting with financial reporting practices.



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TREND 5: BIODIVERSITY IS NOT SUFFICIENTLY UNDERSTOOD OR CONSIDERED

The World Economic Forum’s Global Risks Report 2025 ranks “biodiversity loss and ecosystem collapse” as the greatest long-term risk facing global economies after “extreme weather events”. However, none of the assessed companies displayed a clear understanding of what biodiversity encompasses in their reporting or strategies. Even though the term did appear in some disclosures, it was generally used as synonymous with “nature” rather than in reference to a clear subset of nature that focuses specifically on living organisms. And in some disclosures, neither “nature” nor “biodiversity” were mentioned at all.

The TNFD recommends that companies disclose the metrics they use to assess material nature-related risks

(Pillar 4A: Metrics and targets). Nature is a very broad concept that comprises both living elements (biodiversity) and non-living elements (such as freshwater and the atmosphere), and the list of metrics used for internal assessments of nature-related risks should reflect this. Those companies that did report on nature focused their disclosures on non-living elements, typically freshwater use and greenhouse gas emissions. None of the companies reported considering biodiversity by, for example, identifying the species that might be affected by their operations or reporting on the outcomes of biodiversity assessments based on relevant metrics such as species richness (the number of species in an area), species abundance (the total count of individual organisms

per species) and genetic diversity within a species.

In short, when companies say they are “addressing nature”, they may be referring to any of its components, which can make disclosures and statements feel vague or less actionable. TNFD recommendations address this by requiring companies to consider specific, measurable metrics that incorporate all material aspects of nature, with an emphasis on biodiversity. Such assessments would enable companies to credibly disclose their positive or negative impacts on ecological health and resilience.



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FINANCIAL SECTOR REVIEW

Banks and insurers facilitate the flow of capital and are central to the world's modern economic framework. These institutions therefore have an important role to play in global efforts to safeguard and restore the natural world by transparently disclosing their exposure to nature-related risks.



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THE BANKING INDUSTRY



KEY INSIGHTS

Banks have strong financial governance structures, complying with established regulations, laws and global standards. Nature risks could be included in these established structures.

Climate-aligned disclosures are present, but nature-related risks are largely absent from reporting.

Some banks have issued public statements acknowledging the biodiversity crisis, yet TNFD-aligned disclosures remain minimal.

Some financial institutions have initiated internal assessments of nature-related risks, but these efforts are limited in scope and allocated resources.

Public disclosures on nature-related issues are conservative, reflecting a cautious approach by the sector.

Until banks fully integrate nature-related risks and opportunities into business models and adopt clear TNFD-aligned methodologies, disclosures will remain fragmented and minimal.



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Financing Nature, the first report in this series that was published in 2023, is based on a survey on the readiness of financial institutions to disclose and reduce their nature-related risks and negative impacts on nature. The survey found that only 30% of the respondents have the internal expertise to implement strategies that can positively address the impact of nature loss.

The current assessment focuses on reporting by key players in South Africa’s banking and insurance industries to present insights and recommendations specific to each subsector.

The banking industry assessment found that, although institutions are increasingly referencing “nature” in their reporting, this is generally done in the context of climate change. Important topics such as natural capital, biodiversity loss, threatened species, and land-use change are seldom mentioned and rarely addressed in a meaningful manner.

Only one South African bank has issued a position statement on nature. Another bank tested the TNFD’s ENCORE tool (see “Useful resources for banks” on page 21) to conduct a nature-related risk assessment for a specific segment of its business. Despite these encouraging initial steps, no South African bank has to date formally adopted the TNFD framework or published disclosures that fully align with it.

Risk aversion appears to be a key driver for this slow uptake. The assessed banks reported being concerned about the reputational risks associated with formally adopting stronger environmental commitments that they may struggle to achieve in practice, especially since many banks are still working to develop internal expertise to assess biodiversity dependencies and impacts in their lending portfolios. Reputational concern seems to be a global trend: after a promising launch in April 2021, the United Nations-backed Net-Zero Banking Alliance ceased operations in October 2025 after major global banks withdrew from the initiative.



Reporting fatigue also poses a significant challenge. Even though reporting standards are becoming increasingly harmonised, the remaining proliferation of sustainability reporting frameworks and standards has created complexity, making it increasingly difficult for banks and other listed companies to keep pace with evolving disclosure requirements. Three out of five of the major South African banks assessed have signed up to the Equator Principles (see page 13) and many banks and financial institutions – including those assessed here – have adopted the GRI guidelines for sustainability disclosures. Fortunately, the TNFD recommendations are highly consistent with the GRI framework, meaning that those banks that have adopted the latter standard should be well prepared for TNFD disclosures.

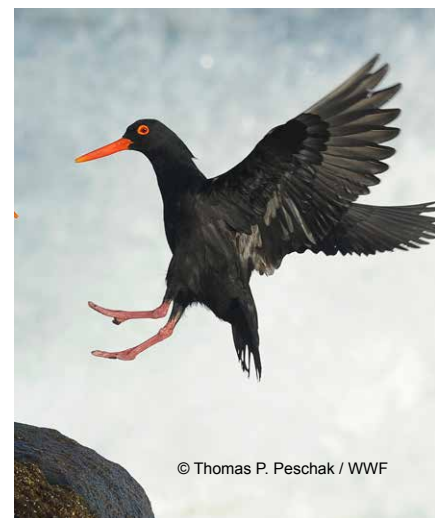
Two of the banks assessed have issued public statements that broadly align with TNFD guidance. One bank has set itself apart as a pioneer in disclosure by sharing the information recommended by the TNFD’s Risk and Impact Management pillar (Pillar 3) following an internal nature-related risk assessment of its credit portfolio. This assessment, which followed the TNFD’s LEAP approach, helped the bank realise that it needed more information from its clients to complete the assessment and improve its social and environmental management system.

GAPS AND OPPORTUNITIES

✓ One of the most significant gaps lies in governance. Many banks have yet to embed nature-related considerations into their governance structures. The opportunity here is to integrate these elements into existing frameworks, particularly those aligned with TCFD recommendations, rather than creating entirely new systems. This approach allows for efficiency while strengthening accountability.

✓ Another area of opportunity lies in developing ways to finance companies and projects that support the transition towards a nature-positive economy. Financial institutions could play a pivotal role in accelerating the shift towards outcomes that support biodiversity by directing capital towards nature-based solutions and supporting projects and businesses that deliver measurable biodiversity benefits.

✓ A persistent challenge is the lack of reliable data on clients’ nature-related impacts and dependencies. This makes it difficult for banks to quantitatively identify all points of contact with nature and translate that into financial risk. Improving data collection from clients is essential to enhance the quality of banks’ disclosures and enable informed decision-making and robust, enhanced risk management.





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USEFUL RESOURCES FOR BANKS

The Taskforce on Nature-related Financial Disclosures (TNFD) has developed sector-specific guidance and tools for different stages of implementation, including ***planning resources for financial institutions, a case study on setting nature targets*** and ***the ENCORE tool for nature-related risk assessments***. These materials provide practical steps to integrate nature-related considerations into governance, strategy and risk management frameworks.

The Global Reporting Initiative (GRI) has ***mapped the interoperability between the GRI Standards and the TNFD disclosures*** to help organisations prepare robust nature-related disclosures aligned with both global standards.

The Partnership for Biodiversity Accounting Financials developed its own standard with ***guidance to help financial institutions understand, manage and report on biodiversity-related risks***.

THE INSURANCE INDUSTRY



KEY INSIGHTS

Management, executive oversight, and committee structures are primarily focused on climate.

Climate reporting is embedded at both the strategic and regulatory levels, leading to stronger alignment with TCFD disclosures.

In cases where climate serves as an entry point, nature-related issues are only now being gradually integrated into governance considerations.



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Nature governance is slowly emerging but is not yet distinct or fully defined.



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Together with the banking sector, the insurance sector serves as an economic enabler. By offering insurance against various risks, this sector fosters financial stability and contributes to economic development and social well-being.

Much like the banking sector, the insurance sector's exposure to nature-related financial risk is linked to the nature-related dependencies and impacts of insured clients. Insurers are also large institutional investors, leaving them exposed to nature-related risks through the companies in which they invest. The TNFD offers a framework for financial institutions, which includes insurers, to start measuring and managing nature-related exposure in its underwriting and investment activities.

For the first half of 2025, total global economic losses from natural catastrophes amounted to \$162 billion, of which \$100 billion was insured losses. In South Africa, the 2022 KwaZulu-Natal floods resulted in \$1,8 billion in insured losses and a further \$3,6 billion in economic losses, providing a clear indication of the scale of the risk at hand.

The current assessment revealed mixed findings regarding the South African insurance sector's readiness for TNFD reporting.

First, only one South African insurer – Sanlam Limited – has publicly adopted the TNFD recommendations, signalling its commitment to issue TNFD-aligned disclosures after the end of its financial year in December 2025. Despite such limited TNFD adoption rates among South African financial institutions, some insurers have pointed out that their existing work to mitigate nature-related risks offers a foundation for future nature-related disclosures.

Second, compared to climate, nature-related assessments and disclosures are still in their infancy. Insurers have indicated that their nature-related disclosures will mature over time as demand for such reporting from



financial institutions grows. Nature-related reporting could be integrated into climate reporting.

Third, some insurers reported running internal pilot programmes and working groups to raise internal awareness of, and build capacity around, nature-related issues. One such insurer assessed its exposure to nature-related risks and opportunities, including forestry and water, and established a working group to explore options to address these risks and their impacts on global biodiversity loss. It also plans to explore target-setting once relevant guidance becomes available. Despite taking strong action to better understand its relationship to nature, the insurer has not publicly disclosed the detailed results of its initial assessment, demonstrating a common tendency for companies to be less than transparent about their understanding of nature-related risks and planned actions to manage such risks and seize related opportunities.

It is evident that most of the assessed insurers aim to monitor, research and analyse the connection between climate change and biodiversity with the goal of improving their understanding of nature-related risks and opportunities. While climate change is often cited as the primary driver of economic and insured losses linked to extreme weather events, the

insurance sector still needs to fully explore nature-related risks. Where awareness of nature-related risks already exists, assessments are only beginning. As climate-related events increase in intensity and frequency, failure to consider that climate and nature are interconnected and mutually reinforcing understates the magnitude of the risk, potentially undermining the foundations of the insurance industry and widening the insurance protection gap.



It is evident that most of the assessed insurers aim to monitor, research and analyse the connection between climate change and biodiversity with the goal of improving their understanding of nature-related risks and opportunities.

GAPS AND OPPORTUNITIES

✓ Board and management oversight and accountability remain key gaps. How often boards engage with nature-related issues and directors' nature-related competencies are not typically disclosed. Upskilling the board and related committees on climate- and nature-related risks is a priority that would support efforts to build effective governance oversight of nature-related issues.

✓ The insurance protection gap is a growing concern as nature-related disasters increase in both frequency and severity. Increasing risks are driving premiums higher, making insurance increasingly unaffordable for businesses and people. This widening gap poses a serious threat to economic and social resilience because insurers play a critical role in transferring risk and recovery. When insurance becomes inaccessible, communities and economies are left vulnerable.

✓ Nature-based solutions – that is, actions that protect, conserve, restore or sustainably use ecosystems in order to harness nature's ability to solve crises like climate change, which will ultimately benefit people – offer a powerful way to

mitigate nature- and climate-related risks. For example, ecosystems in the Northern Mozambique Channel provide coastal protection valued at \$638 million each year. Investing in ecosystems not only reduces disaster risk but also helps close the protection gap, ensuring long-term resilience.

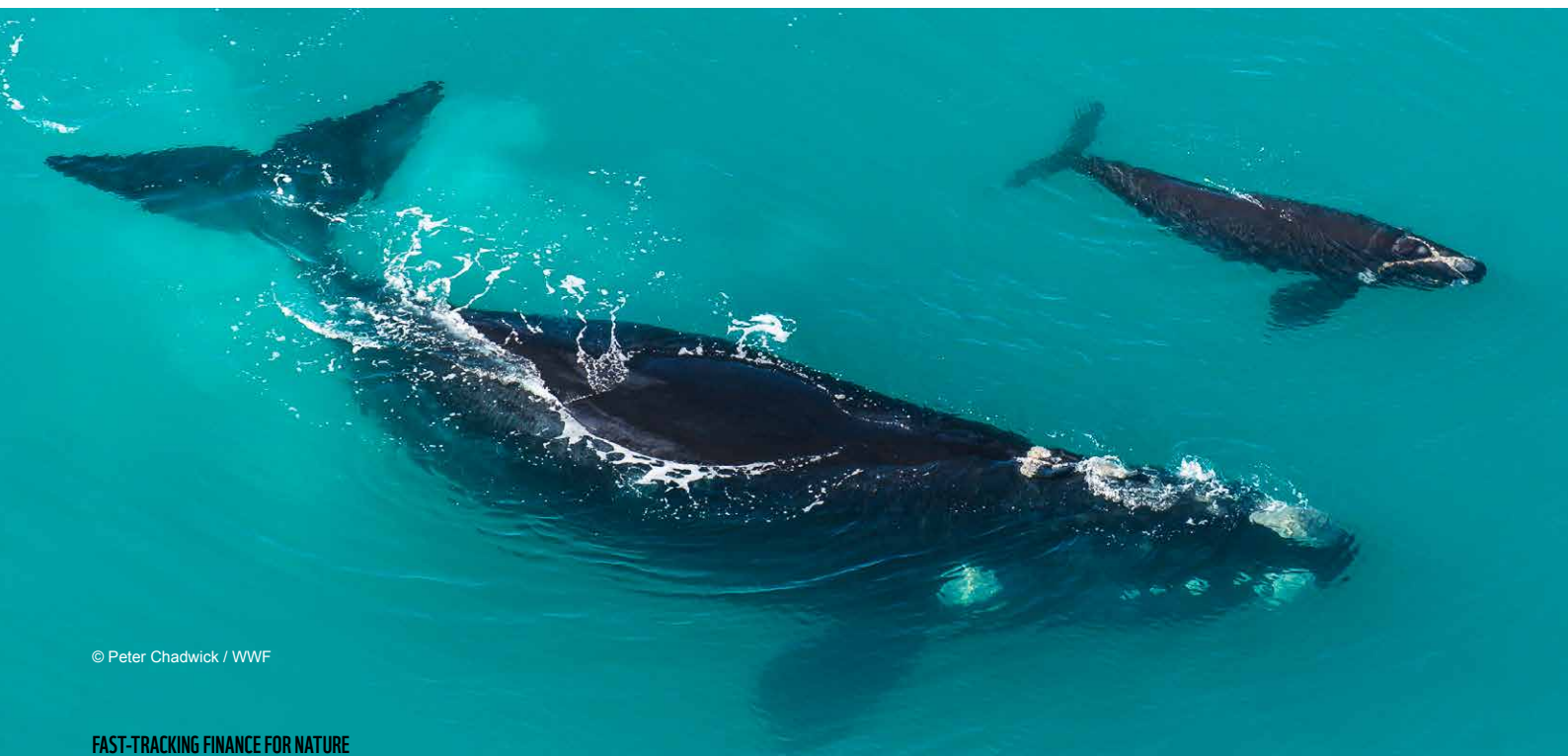
✓ There is a significant opportunity for insurers to offer “transition insurance” to accelerate the shift towards a nature-positive economy. Virtually every business interacts with nature in some way, creating the need to transition existing business models and value chains towards more sustainable systems. Insurance could enable this transformation by providing risk analysis and transfer solutions that give innovators the financial security to develop and scale technologies and business models that reduce pressure on nature.

✓ Insurers are significant asset owners, investing the premiums they receive from both short- and long-term insurance clients. As influential asset owners, insurers could direct investments towards nature-positive assets and projects.

Beyond such investments, insurers could leverage their role as active asset owners to encourage portfolio companies to align with TNFD recommendations and support the adoption of nature-based solutions. In doing so, insurers could help drive systemic change across financial markets while contributing to global sustainability goals.



There is a significant opportunity for insurers to offer “transition insurance” to accelerate the shift towards a nature-positive economy.





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USEFUL RESOURCES FOR INSURERS

The Taskforce on Nature-related Financial Disclosures (TNFD) provides **tools, guidance and nature-related data** to strengthen insurers' risk assessments and enhance disclosures. It also offers **additional support through the NATURE-INSURE initiative**, a collaboration with the United Nations Development Programme and KPMG.

The United Nations Environment Programme's Finance Initiative has developed **guidance to help insurers assess their nature-related risks** in both non-life and life and health underwriting portfolios. These resources highlight the significant dependencies insurers have on nature in both short- and long-term business lines.

The United Nations Development Programme's Biodiversity Finance Initiative has produced a summary guide for insurers on **effectively managing nature-related risks**.

WWF has issued **policy recommendations to address the growing insurance protection gap**.

CONSUMER GOODS SECTOR REVIEW

All consumer goods companies depend on nature for the inputs that sustain their value chains. This reliance underscores a need for stronger governance and disclosure frameworks that address biodiversity and nature-related risks. Strengthening governance, traceability and accountability will be key for the future resilience of this sector.



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KEY INSIGHTS

Consumer goods companies (retailers) are aware of or are exploring TNFD but have not formally adopted its recommendations.

Nature-related risks are typically integrated within climate strategies, limiting visibility of nature as a distinct focus area.

Climate disclosures are advanced, with strong emphasis on water stewardship, plastic packaging reduction, and waste management.

Current nature-related disclosures are insufficient relative to the sector's significant dependency on natural systems, leaving stakeholders with limited insights into companies' impacts on biodiversity, natural resources and ecosystems – or how the depletion of these, in turn, affect companies.

Broader ESG (environmental, social and governance) and sustainability disclosures have improved over time, aligning with frameworks such as the JSE Climate Disclosure Guidance and international standards. Progress toward TNFD alignment is anticipated as companies begin integrating nature and biodiversity considerations into existing disclosure practices.



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While climate and social reporting show rigour, similar attention must now be paid to nature-related risks to achieve holistic sustainability reporting and strengthen accountability.

Transparent reporting on nature-related risks is critical for investor confidence and long-term resilience as these risks increasingly translate into financial and operational challenges.



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The assessment found that although the consumer goods sector – which includes clothing, food, pharmaceutical and healthcare retailers – is investing in social responsibility and climate governance, discussion on nature-related matters using the TNFD lens is either lacking or underdeveloped. Even retailers that show an awareness of nature-related issues have not formally or fully adopted the TNFD recommendations: the one retailer that mentioned TNFD guidance was, on closer examination, found to be monitoring TNFD developments and did not necessarily intend to align its disclosures with TNFD recommendations. Where nature is acknowledged, such mention tends to be integrated into broader sustainability and climate strategies rather than nature being its own focus area.

To align with TNFD recommendations, companies would need to disclose how their board of directors and executive officers approach nature governance and are held accountable for nature-related issues. Such disclosures would ideally include detailed information on the frequency and substance of board meetings that address nature-related issues; the level of expertise that directors have regarding such matters; and how nature-related

key performance indicators have been integrated into executive remuneration structures. Reporting on these elements would strengthen governance transparency, demonstrate commitment to sustainability, and align leadership incentives with long-term nature stewardship.

Most retailers discussed energy efficiency and greenhouse gas reductions (that is, climate), and some TNFD-related metrics such as plastic pollution, water use, the use

of high-risk natural commodities and traceability. These are discussed in greater detail below.

On the climate front, the assessment found that most retailers still broadly follow TCFD guidance and are either monitoring developments under IFRS S2 or transitioning to this standard, which would ensure alignment with TNFD recommendations.

Plastic pollution can physically harm living organisms through ingestion and entanglement and releases toxic chemicals and microplastics into the environment, polluting land, oceans and rivers. Because of these risks, some of the assessed retailers are required by South Africa's Extended Producer Responsibility (EPR) regulation to engage with producer responsibility organisations and source recyclable plastic materials from local sources. Although many retailers disclosed the percentage of their plastic packaging that is recyclable, as recommended by the TNFD, they did not provide further necessary details such as what percentage is also reusable and what percentage is compostable. They also did not specify whether the percentage of plastic packaging reported as being recyclable is "technically recyclable" (that is, technology for recycling the



To align with the TNFD recommendations, companies would need to disclose how their board of directors and executive officers approach nature governance and are held accountable for nature-related issues.



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plastic exists but is not readily used or available in the company's area of operations) or whether it is recyclable in practice and at scale.

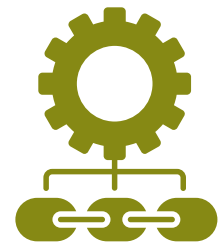
Although all the assessed retailers reported on their water use, few displayed a deep understanding of the risk that water poses to their operations. This is slowly changing as some retailers, noting an increase in water shortages across the country and recognising the importance of a reliable water supply for their value chains, are increasingly leveraging tools such as the **WWF Water Risk Filter** to analyse their exposure to such risks. The Water Risk Filter analysis provides insights into risks from droughts, floods, water quality and ecosystem services, as well as governance and regulatory risks. To address these risks, several retailers have collaborated with WWF and other non-governmental organisations to implement nature-based solutions and improve watershed governance in areas where retailers have operations.

Disclosing supply-chain impacts on nature is particularly challenging for consumer goods companies due to the complexity and global nature of their supply chains. The ability to trace raw materials to their source or original location is a recommended

TNFD metric that retailers are increasingly paying attention to. Traceability ensures that retailers can verify the origin of raw materials, monitor supply-chain practices and confirm compliance with sustainability standards. This transparency helps prevent unsustainable land-use changes, the overexploitation of resources and biodiversity loss by holding suppliers accountable for responsible sourcing. It also enables retailers to meet growing consumer demand for ethically and environmentally sound products, reducing reputational risk and aligning with regulatory requirements aimed at promoting sustainable production. Ultimately, robust traceability systems empower retailers to drive positive environmental outcomes across their value chains.

The assessed food retailers reported on the ethical sourcing of inputs such as cotton and palm oil. Where wood-based products were used, retailers reported when these were sourced from sustainable forests. These inputs are considered high-risk natural commodities and disclosures under these themes aligns with the TNFD's indicator on quantity of high-risk natural commodities sourced from land, ocean or freshwater.

Despite these disclosures, well-rounded assessments of nature-related supply-chain risks and dependencies associated with biodiversity loss and ecosystem degradation were absent from all disclosures. As retailers deepen their engagement with nature and build internal capacity, it is expected that future disclosures will more explicitly align with TNFD guidance.



Disclosing supply-chain impacts on nature is particularly challenging for consumer goods companies due to the complexity and global nature of their supply chains.

REFRAMING THE ROLE OF NON-GOVERNMENTAL AND NON-PROFIT ORGANISATIONS

There is a growing paradigm shift regarding how corporate social responsibility objectives are defined and executed, with non-profit organisations (NPOs) and non-governmental organisations (NGOs) increasingly being seen as key partners in advancing corporates' nature and biodiversity goals.

Recognising the impact that their operations have on nature and the risks related to such impacts, many retailers are partnering with NPOs and NGOs to assess their environmental impacts and act to preserve natural resources. Given that South Africa is a water-stressed region, many of these partnerships are focused on addressing water challenges.

Retailers that have not yet engaged in or disclosed actions to manage their nature-related risks could start their journey by explicitly acknowledging material dependencies and setting out steps to address them.

GAPS AND OPPORTUNITIES

✔ Consumer goods companies face significant gaps in addressing nature-related risks in their operations and supply chains. Despite growing awareness of environmental challenges, many organisations have yet to fully integrate nature-based solutions into their procurement and production strategies. This leaves supply chains vulnerable to disruptions caused by biodiversity loss, resource scarcity and nature-related risk events. Furthermore, current reporting practices do not fully capture the extent of nature-related dependencies and impacts, limiting transparency and stakeholder confidence.

✔ These gaps present clear opportunities for forward-thinking companies. Implementing nature-based solutions such as regenerative agriculture, sustainable sourcing and ecosystem restoration would enhance the resilience of supply chains while reducing long-term environmental risks. In addition, the rise of new markets for sustainable goods offers a competitive advantage for companies that prioritise eco-friendly products and transparent practices.

✔ By proactively managing nature-related risks, businesses can also potentially mitigate long-term price inflation, which can stem from resource scarcity and biodiversity loss. Investing in such strategies would not only safeguard operational continuity but also position companies as leaders in sustainability, driving growth and strengthening brand trust in an increasingly conscious consumer landscape.



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USEFUL RESOURCES FOR CONSUMER GOODS COMPANIES

The Taskforce on Nature-related Financial Disclosures (TNFD) has started issuing sector-specific guidance, including **resources tailored for clothing retailers**. However, comprehensive guidance for other segments within the consumer goods sector, such as pharmaceuticals and broader retail categories, is yet to be developed and released.

CDP (formerly the Carbon Disclosure Project) has published reports on **how nature is being tracked across global supply chains** and guidance on **the financial implications of deforestation**.

The Science Based Targets Network has issued guidance on **how to set science-based targets for nature** and explored **how food companies are taking action for nature**.

The Partnership for Biodiversity Accounting Financials has published **guidance on valuing ecosystem services**, which can help organisations quantify and integrate nature-related considerations into decision-making.

TELECOMMUNICATIONS SECTOR REVIEW

South Africa's telecommunications companies have largely embedded climate-related disclosures in their reporting, but nature remains a secondary consideration.



KEY INSIGHTS

The telecommunications sector displays robust and transparent reporting on climate, but nature disclosures need attention.

The sector is preparing for potential mandatory IFRS S1 and IFRS S2 disclosures.

In a positive sign, one company has established nature-positive governance mechanisms.

Although telecommunications companies recognise their dependency on water for data centres, they have yet to measure the risk level of this exposure.



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Disclosure on engagements with Indigenous Peoples and local communities on nature-related issues, particularly water, needs to be strengthened.

Climate-related disclosures are well established in South Africa's telecommunications sector. However, disclosure about nature-related issues (such as biodiversity and ecosystem health) and social issues (such as community rights) are only starting to take shape. Given growing expectations on the part of investors, regulators and customers, the same level of accountability for climate should ideally exist for nature-related issues.

Within the sector, climate governance is significantly more advanced than nature-related governance. Climate considerations are embedded in sustainability strategies and board-level discussions, while nature remains a secondary focus. Governance disclosures on nature also need greater clarity: although ESG committees are identified, there is little detail on the frequency of board discussions on nature, the competence of directors, or whether remuneration is linked to nature-related performance.

Encouragingly, a key player in the sector has initiated efforts to establish governance structures

and working groups to oversee and manage nature-related risks and opportunities. The company's Audit, Risk and Compliance committee and Social and Ethics committee are both responsible for overseeing climate and nature-related risks and opportunities. Despite this positive development, the company did not report using TNFD's LEAP process to identify or manage its interactions with nature. As the committees' understanding of nature improves, they will likely expand their focus to explore the various pathways through which the company's value chains are dependent on natural resources.

Across the sector, disclosures are primarily focused on energy, greenhouse gas emissions and circularity. Nature-related metrics and targets lag. The reviewed companies have conducted water assessments to identify their water-related dependencies, impacts, risks and opportunities. However, these assessments do not include water-dependency scenarios and they have not quantified the companies' exposure to water risks.



Across the sector, disclosures are primarily focused on energy, greenhouse gas emissions and circularity.

That the assessed telecommunications companies have taken steps to better understand their water risks even though the TNFD has not issued sector-specific guidance is evidence of their commitment to nature and their understanding of their dependency on water. Such assessments are crucial given the sector's operational footprint within Africa, where many countries experience water scarcity.

The telecommunications companies assessed are aware of the TNFD framework and are monitoring developments for potential mandatory disclosures under IFRS S1 and IFRS S2. Although none of them have formally adopted the TNFD recommendations or conducted pilot projects that relate to it, it is encouraging that they are preparing to meet IFRS S1 and IFRS S2 reporting requirements.

Disclosure of engagements with Indigenous Peoples and local communities on nature-related issues within the telecommunications companies' areas of operation needs to be strengthened. Even though the assessed companies acknowledged human rights principles, there was no

evidence of structured engagement with Indigenous Peoples, local communities, or other affected stakeholders. This could pose reputational and operational risks as stakeholder expectations and regulatory requirements evolve. Without proactive steps to embed nature into governance and disclosure practices, telecommunications companies risk falling behind in terms of TNFD recommendations.



Disclosure of engagements with Indigenous Peoples and local communities on nature-related issues within the telecommunications companies' areas of operation needs to be strengthened.

GAPS AND OPPORTUNITIES

✓ The assessment found that the sector could improve its disclosure of board oversight of nature-related issues and improve on the level of detail provided regarding its nature-related dependencies. Although telecommunications companies have examined some of these dependencies, impacts, risks and opportunities, their disclosures need greater detail, backed by measurable metrics, on where within their operational footprints they interface with nature the most – especially when it comes to water. Given the sector's footprint on the African continent, it is especially important to assess and disclose where its operations overlap with key biodiversity areas or sensitive ecosystems.



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USEFUL RESOURCES FOR TELECOMMUNICATIONS COMPANIES

Although the Taskforce on Nature-related Financial Disclosures (TNFD) has not issued sector-specific guidance, the TNFD's **Locate, Evaluate, Assess and Prepare (LEAP) approach** has been designed to be used in any sector and could help companies identify and assess nature-related issues.

RECOMMENDATIONS

The assessed companies displayed a high level of awareness about the TNFD, but none have fully aligned their disclosures with TNFD recommendations. That said, it is reasonable to expect that nature-related disclosures will improve over time as organisational capacity and understanding of nature-related issues improve.



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The following recommendations aim to accelerate and deepen South African companies' understanding of nature and nature-related disclosures, as captured in the TNFD reporting recommendations.

1 STRENGTHEN LEADERSHIP CAPACITY AND PROVIDE INCENTIVES TO DRIVE IMPROVEMENTS IN NATURE GOVERNANCE

Embedding nature oversight in board charters, linking executive pay to material nature and biodiversity metrics and providing boards and executive teams with comprehensive training on nature-related risks, dependencies and opportunities would ensure that strategic decisions are informed by the full spectrum of environmental considerations and not just climate-related factors. Doing so would lay the foundations for holistic, insightful and complete TNFD reporting.

2 INTEGRATE NATURE INTO EXISTING SUSTAINABILITY AND CLIMATE GOVERNANCE AND DISCLOSURE FRAMEWORKS

Most of the companies assessed have existing climate governance structures. Expanding the mandate of these structures to include TNFD-aligned governance and reporting would enable companies to explicitly assess and address nature-related risks, embed nature considerations into risk management processes and recognise the critical link between human rights and biodiversity impacts within governance policies and reporting.

The TNFD has developed **training modules to equip directors and executives** with the skills and insights they need to

integrate nature-related risks and opportunities into governance and strategy. It has also issued guidance to **help board directors obtain nature-related information to support decision-making** and **help companies engage meaningfully with Indigenous Peoples, local communities and affected stakeholders**. Securing free, prior and informed consent from the outset is foundational to such engagements.

3 EXPAND EXISTING SUSTAINABILITY AND CLIMATE PROGRAMMES AND INITIATIVES TO INCLUDE NATURE

Many organisations already have sustainability programmes and climate initiatives in place. These can serve as a strong foundation for integrating TNFD principles, enabling companies to accelerate alignment without needing to start from scratch.



The TNFD has developed **training modules to equip directors and executives with the skills and insights they need to integrate nature-related risks and opportunities into governance and strategy**

4 APPLY THE TNFD LEAP FRAMEWORK ACROSS THE VALUE CHAIN

The **LEAP approach** enables companies to systematically identify and prioritise nature-related risks and opportunities across their entire value chains. This includes mapping supply chains to identify nature-related risks and developing targeted mitigation and adaptation strategies. Proactively using the LEAP approach would help companies anticipate disruptions and build resilience against biodiversity loss and resource scarcity.

5 USE ANALYTICAL TOOLS TO ASSESS MATERIALITY

Companies would benefit from using tools such as TNFD's **ENCORE**, the **WWF Water Risk Filter**, the **WWF Biodiversity Risk Filter** and the Science Based Targets Network's **high-impact commodities list** to conduct robust materiality assessments. These resources provide actionable insights into nature-related dependencies and impacts, enabling informed decision-making.

6 DEVELOP AND IMPLEMENT NATURE TRANSITION PLANS

Nature transition plans outline clear pathways for reducing nature-related risks and enhancing ecosystem resilience. Such plans should include investments in nature-based solutions such as regenerative agriculture, sustainable sourcing and ecosystem restoration to drive long-term value creation.

CONCLUSION

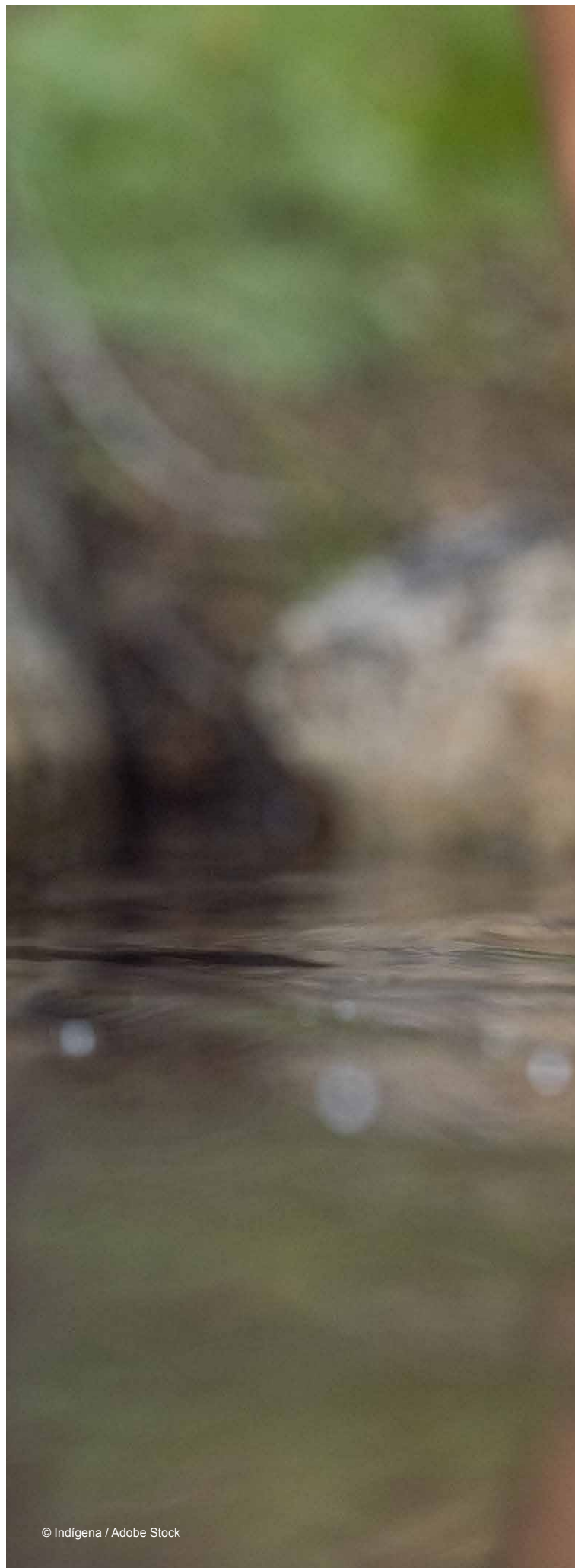
Minimal progress has been made towards TNFD-aligned disclosures since the TNFD recommendations were finalised in September 2023. Although WWF's engagements with the private sector indicate that many companies have started preparing for such disclosures, the pace of progress remains slow.

With the Global Biodiversity Framework's 2030 deadline fast approaching, efforts to ensure transparent, comparable and high-quality nature reporting need to be accelerated. However, it is important to recognise that companies need time to fully understand nature-related risks and integrate management measures into their strategies.

Climate reporting took years to mature. However, nature reporting should not need as much time. The work done to establish climate reporting can serve as a foundation for nature-related reporting, enabling the latter to scale exponentially by leveraging existing sustainability structures and climate disclosure frameworks.

Companies are at varying stages of understanding and integrating nature into their governance and operations. Those that move quickly will position themselves as leaders in ESG and sustainability, strengthening their investment case, building long-term resilience and enhancing shareholder value. This will not only be beneficial for nature and communities, but also critical for the enduring success of businesses.

WWF remains committed to helping the corporate sector build capacity and improve disclosures, not as an end in itself, but as a means to embed nature into governance, strategy, risk management and target-setting. Doing so, especially in the finance sector, will help redirect financial flows towards a nature-positive future and advance progress towards achieving global biodiversity goals and the United Nations' Sustainable Development Goals – ultimately creating a more sustainable and resilient world for both people and nature.





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A close-up photograph of a bird, likely a species of honeycreeper, perched on a vibrant red and yellow flower. The bird has brown and white plumage and a long, dark beak. The flower has numerous long, thin, red and yellow stamens. The background is a soft, out-of-focus green.

By acting on, managing and disclosing nature-related risks, South African companies can support a shift in global finance flows away from nature-negative outcomes toward nature-positive ones.

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DISCLOSE. ACT. TRANSITION.

BECAUSE NATURE RISK IS BUSINESS RISK.



Lasting positive outcomes for people and nature in the places where we work and from priority environmental challenges we focus on.

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