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Contributions of Soluções Inclusivas Sustentáveis (Sustainable Inclusive Solutions – SIS) to the Taskforce on Nature-related Financial Disclosures (TNFD) version 0.4 of the Framework

We are grateful for this additional opportunity to provide feedback and divide our contribution into three items, as seen below.

I – Annex 4.2 - Disclosure Implementation Guidance

Overall, we consider the guidance is quite complete, but we have some general comments aimed at improving clarity, in the one hand, and to strengthen the Governance item, in the other hand.

Regarding clarity, we suggest:

- a) even if clear mention to disclosures of location of value-chain operations is made at page 8, a general reference to that should be made also at page 3;
- b) for metrics and targets, it's excellent that a mention to baseline disclosures is made at page 10, but again a general reference to that also at page 4 table would be very useful.

Moreover, there is a wording mistake at page 9, when the paragraph before the last mentions: “relocating operations or revenue from products and services that have **positive** impacts on nature”. We believe that the intention was to say “negative” rather than “positive”, otherwise there would be no need of relocating.

In terms of additional contents to the Governance item, we suggest that the following topics are included in the recommended disclosures:

- a) dimension of dedicated staff (distinguishing full-time and part-time) and budget for the management of nature risks and opportunities related to the companies' activities (or to its portfolio, in case of financial institutions);
- b) qualifications of the members of the mentioned staff;
- c) capacity-building activities on the topic addressed to the company staff;
- d) turnover of the staff in charge of the management of nature risks and opportunities.

II – Annex 4.5 - Metrics for financial institutions

In addition to the list of metrics provided, which basically rely on sector and location disclosures, we strongly suggest that financial institutions are recommended to disclose the



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nature risk level per company. This of course would require a robust risk assessment at company-level, based in sector-specific KPIs.

We consider it's not appropriate to consider that all the companies that operate in the same sector and same location have the same environmental performance – this method actually does not give incentives for companies to perform better, once they know they will be treated as market average and not according to their actual performance.

III – Annex 4.3 - Metrics for Agriculture

On this document, we consider the list of KPIs is quite complete. We only have four recommendations:

- a) that companies are recommended to disclose also their total production and therefore each KPI is disclosed not only in absolute figures, but also compared to production unit;
- b) that additional guidance for types of commodity is provided in the future, starting with the three ones that have most of the risks: beef, soy, palm oil, rubber and sugarcane;
- c) that additional biomes are included, such as savannahs, wetlands, peatlands and grasslands;
- d) that, for Opportunities, the concept of positive impacts provided by [UNEP-FI Principles for Positive Impact Finance](#) is considered, in order to avoid greenwashing.

With wishes that TNFD recommendations produce the most positive impact regarding nature risks, we send our

Sustainable regards,



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