Asking Better Questions on Nature

For board directors

The Netherlands edition

TNFD Taskforce on Nature-related Financial Disclosures

In partnership with

Chapter Zero
The Directors' Climate Forum

COMPETENT BOARDS

CCLI Commonwealth Climate and Law Initiative

Green Finance Institute

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Nature as a core business issue and a director's duty

The accelerating rate of nature loss across the world is now exposing business and society to significant, and increasing, financial and operational risks.

Across sectors and regions, companies are seeing that their share price, credit ratings, and market capitalisation are coming under pressure from an array of nature-related issues, such as air pollution, freshwater shortages, deforestation and microplastics. Demand from governments, investors and consumers to halt and reverse nature loss also creates commercial opportunities.

Yet, most businesses today are inadequately accounting for these risks and opportunities in their governance, strategy, risk management and capital allocation decisions.

In short, the resilience of your business depends on the resilience of nature. For boards, it is key to understand the extent and severity of those nature-related issues for your company. This includes understanding where they are in the business, and how they can best be managed.

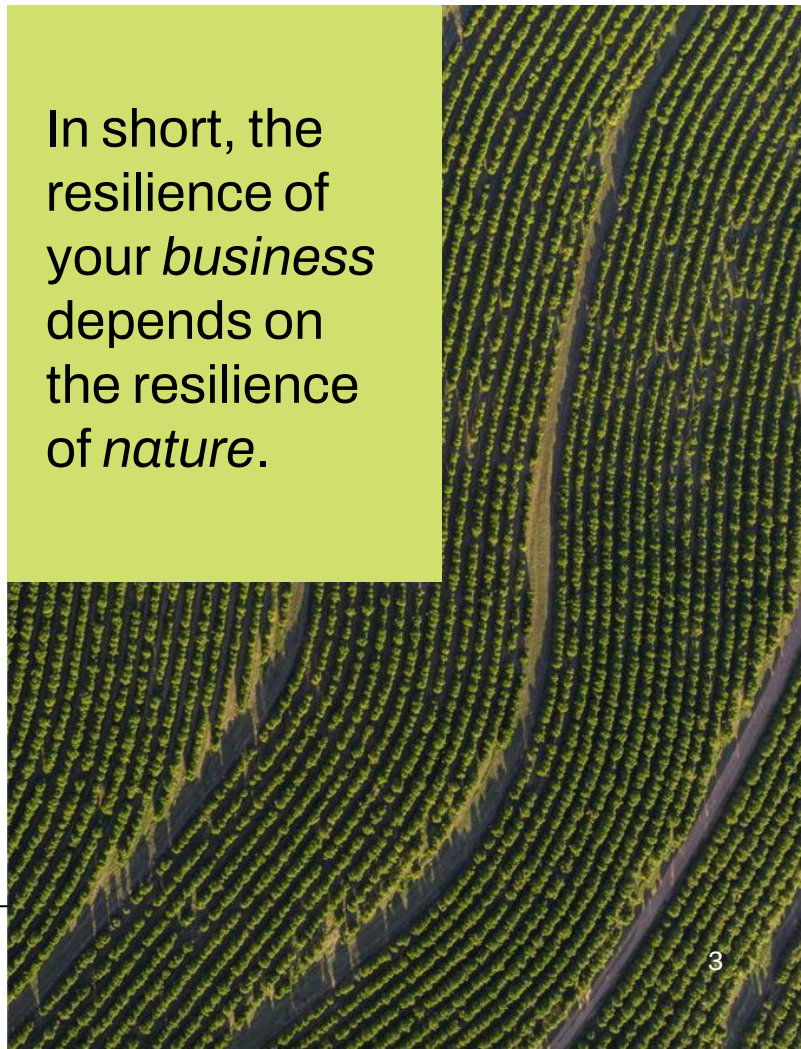
How is your business exposed to nature-related risks and opportunities? In any business model, nature provides a flow of inputs – known as ecosystem services (see box, p.4) – that contribute to value-generating activities across the organisation and its value chain. Agriculture and food system businesses depend on healthy soils and on pollinators like bees to support crop production. Manufacturing of semiconductor chips depends on freshwater free from contaminants. A bank providing loans to companies across a range of industries relies on the existence of nature these businesses depend upon.

A business can also have impact on nature. For example, the semiconductor business may be extracting freshwater, depleting the groundwater. Agriculture businesses may use pesticides that contribute to the decline in the insect population. These impacts on nature create risks for the company (and reducing the impacts can create commercial opportunities).

While companies across all sectors have always depended and impacted on nature in this way, nature is deteriorating globally, with biodiversity declining faster than at any time in human history.

As a result, nature-related regulatory scrutiny, litigation risk and investor action are growing rapidly. Nature-related issues are now a strategic business concern, as well as an operational one.

In short, the resilience of your *business* depends on the resilience of *nature*.



This resource is based on the original 'Ask Better Questions on Nature for Boards' created by the Taskforce for Nature-related Financial Disclosure (TNFD) in partnership with Chapter Zero – the Director's Climate Forum based in the UK and other associated partners, including the Green Finance Institute (GFI), Competent Boards, and the Commonwealth Climate and Law Institute (CCLI). It has been adapted by Chapter Zero Netherlands and Deloitte Netherlands from the original to make it relevant for users in the Netherlands. These changes have been made without any further oversight from the originators of the resource and therefore users of the amended version do not have recourse to the original authors of the material.

Introduction

As a result of the increasing frequency and extent of nature-related risks and opportunities, directors' duties have been shown to encompass the identification and management of nature-related issues.[3] As a board member, managing your organisation's dependencies and impacts on nature is part of your core legal duties to exercise loyalty, care and diligence. Moreover, it is part of your role of driving forward a company strategy that ensures the long-term financial viability and resilience of the organisation.

As with other complex and fast-moving issues like artificial intelligence and cybersecurity, managing nature-related issues – including but going beyond climate change – requires board members to regularly ask management for information on their approach to managing nature-related dependencies, impacts, risks and opportunities, while building their own knowledge about nature-related issues.

Asking better questions is not only essential to identifying the nature-related issues, but can play a critical role in creating accountability across the business and help to reduce biased decision-making in the boardroom.

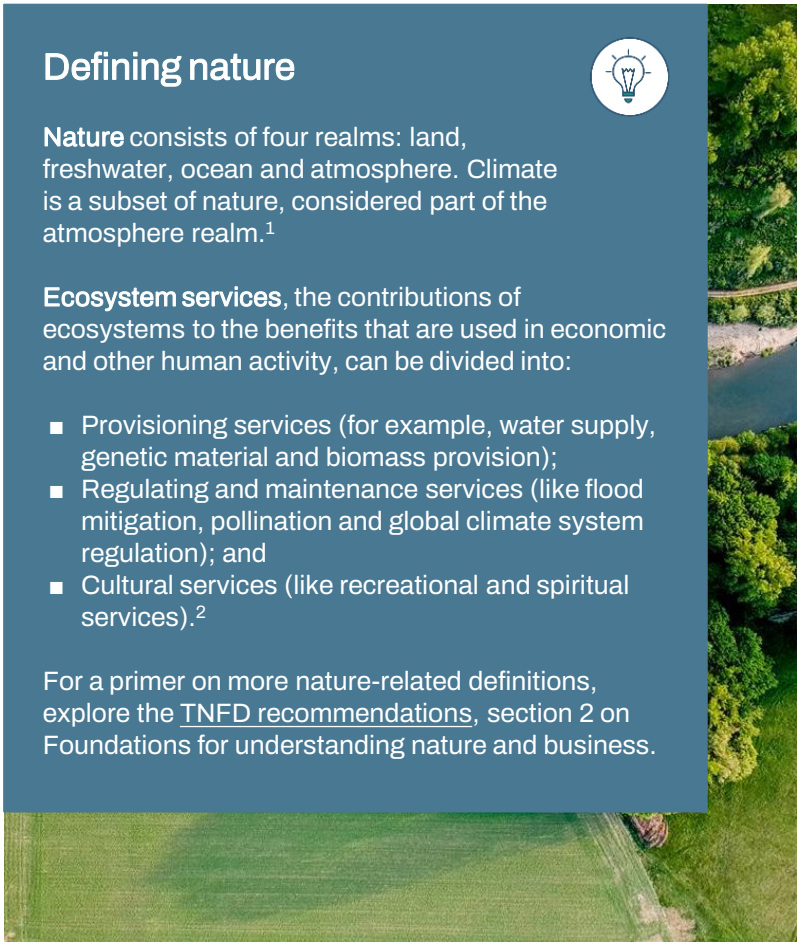
Defining nature

Nature consists of four realms: land, freshwater, ocean and atmosphere. Climate is a subset of nature, considered part of the atmosphere realm.[1]

Ecosystem services, the contributions of ecosystems to the benefits that are used in economic and other human activity, can be divided into:

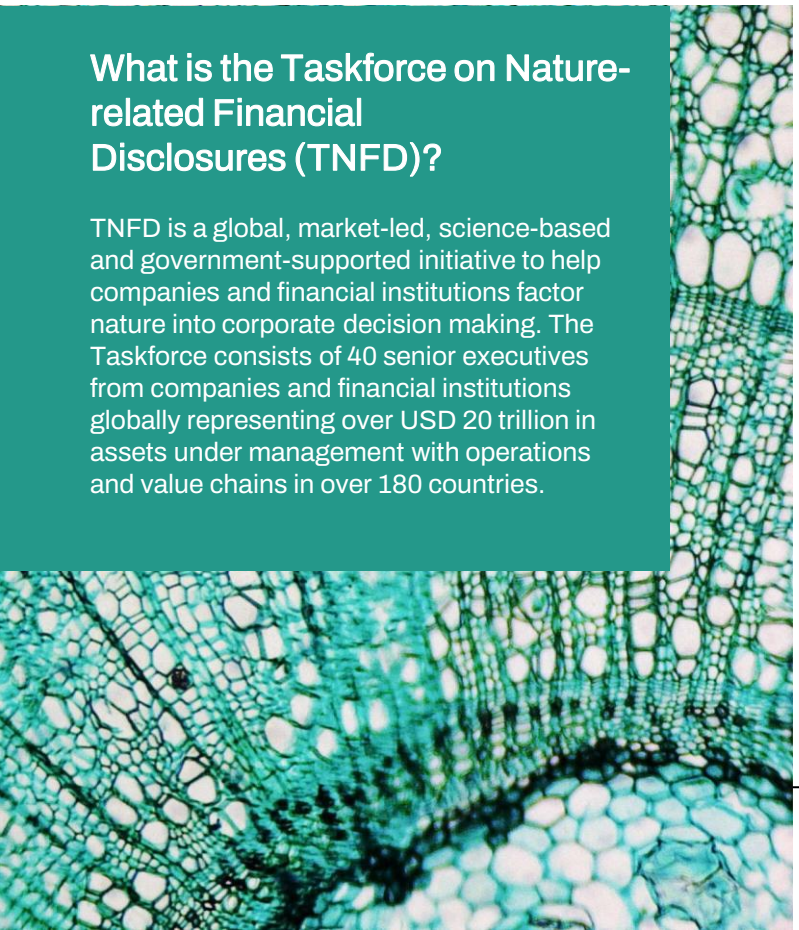
- Provisioning services (for example, water supply, genetic material and biomass provision);
- Regulating and maintenance services (like flood mitigation, pollination and global climate system regulation); and
- Cultural services (like recreational and spiritual services).[2]

For a primer on more nature-related definitions, explore the TNFD recommendations, section 2 on Foundations for understanding nature and business.



What is the Taskforce on Nature-related Financial Disclosures (TNFD)?

TNFD is a global, market-led, science-based and government-supported initiative to help companies and financial institutions factor nature into corporate decision making. The Taskforce consists of 40 senior executives from companies and financial institutions globally representing over USD 20 trillion in assets under management with operations and value chains in over 180 countries.



How to use this guide

This 'Asking Better Questions on Nature' guide is designed to help board members surface the decision-useful information they need to ensure that nature-related issues are being appropriately incorporated into the company's governance, strategy, risk management and capital allocation decision making.

The guide is structured around a short list of questions that you might wish to consider at board meetings and ask company executives, and the sort of information that you should expect from the corresponding answers. They have been identified by the TNFD and its partner organisations based on discussions with experienced executive and non-executive board directors of leading organisations that are already considering climate- and nature-related issues. This material has been specifically tailored to the audience of The Netherlands, to bring more localised insights to your organisation.

QUESTION 01

How and where does our business impact and depend on nature?

Why ask?

Fulfilling your director's duties to manage your organisation's nature-related issues starts with pinpointing *how* the business relies on nature's services and *how* it impacts and depends on nature, and *where* this is happening.[4] Identifying the geographic locations of your company's interfaces with nature, including across your value chains, is essential. Nature in one location differs from nature in another location, which means the same dependency or impact on nature in location A can create different risks and opportunities to your business than if it was occurring in location B.[5]

Guidance and tools exist to support mapping of dependencies and impacts for your company. As a starting point, the TNFD provides sector-specific guidance that sets out dependencies and impacts by sector.

What to look for in management's response

Location-specificity

Consider whether management provides information about the location of the company's nature-related dependencies and impacts, including insights about any particular concentration in a specific location. This information is typically most useful as a map, leveraging geospatial data. In some cases, your nature-related issues will cover multiple ecosystems and locations, as both nature and impact drivers can be mobile – for example, in the case of migratory species or the spread of pollutants.[6]

Interactions over time

A robust mapping should consider both current and potential future dependencies and impacts. Dependencies and impacts can interact and compound over time, as negative impacts undermine the availability of ecosystem services on which organisations may also depend (and conversely, positive impacts may improve ecosystem functioning and reduce the organisation's own dependencies in that location).[7] Consider whether your organisation's analysis looks across time horizons and considers the dynamic interaction between dependencies and impacts.

Negative and positive impacts

Impacts on nature can be both negative (degradation) and positive (enhancement). Look for insights about both negative and positive impacts your organisation could be having on nature in specific locations of interest.

Nature in the Netherlands

Decades of intensive agriculture and dense industrial and transport activity have driven major biodiversity loss and declining soil and water quality across the Netherlands. High nitrogen emissions from the agrifood sector harm sensitive ecosystems and accelerate habitat degradation. [8] The 2019 Raad van State ruling on nitrogen deposition near Natura 2000 sites showed how unmanaged impacts on nature can trigger regulatory responses that immediately disrupt operations, halting thousands of construction and infrastructure permits nationwide.

Urbanisation and infrastructure fragment landscapes and weaken ecological networks. The Netherlands has one of the highest densities of Natura 2000 sites in Europe. These protected areas provide critical ecosystem services such as water regulation, flood protection and pollination that many Dutch businesses depend on, while proximity to them means that negative impacts from business operations can trigger regulatory constraints.

These pressures threaten the ecosystem services that underpin economic activity — yet restoring nature, better land-use planning and nature-inclusive farming could stabilise ecosystems and strengthen long-term economic resilience. [9] Companies with exposure to the Dutch Caribbean (e.g. Bonaire, Sint Eustatius, Saba) should also consider marine biodiversity dependencies, including coral reef and mangrove ecosystems.

You can find more information on nature-related dependencies, impacts, risks & opportunities here: Atlas Natuurlijk Kapitaal - Ecosystem services & natural capital mapping (RIVM); PBL - National nature & environment assessments & policy analysis.

QUESTION 02

How do our impact and dependencies on nature give rise to potential financial and non-financial risks?

The TNFD's LEAP assessment guidance can help organisations and boards work through a stepwise process to identify potential risks.

Why ask?

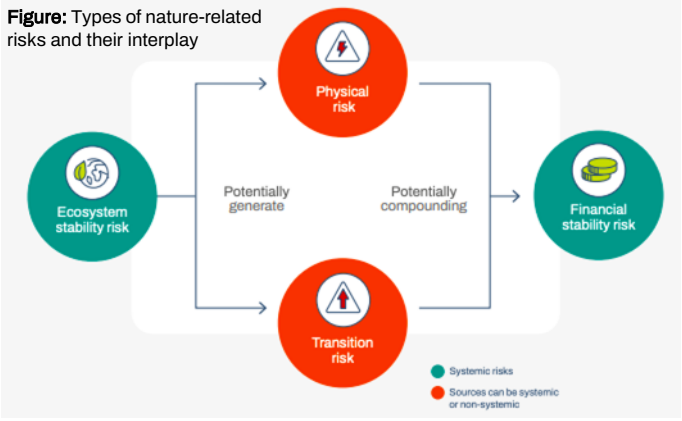
Dependencies and impacts on nature from your organisation's current and future operations both pose sources of risk for your business, your shareholders and stakeholders. For example, a Dutch construction company is exposed to financial risk if nitrogen deposition limits near Natura 2000 sites are exceeded and permits are revoked or delayed. A Dutch dairy company releasing nitrates into groundwater beyond EU limits faces regulatory action, reputational damage and litigation risk.
Considering potential risks arising in the medium and long-term is essential. However, already in the near-term time horizon nature-related risks can lead to material adverse impacts on the organisation's current and future financial prospects.

What to look for in management's response

Types of risk

Nature-related risks can be divided into physical risk, transition risk and systemic risk.[10] Boards should be equipped with a list of these three types of potential nature-related risks to the organisation, and a proposed incorporation of these into the organisation's risk matrix.

Figure: Types of nature-related risks and their interplay



Concentrations of potential risks

Consider whether management provides insights about any particularly significant risks, or areas of risk concentration within specific business operations and assets, geographies, revenue lines and cashflow, and capital expenditure.

The Dutch nitrogen crisis illustrates how nature-related risks can concentrate and compound. Following the 2019 Raad van State ruling, all three risk types materialized simultaneously: physical risk (decades of excess nitrogen deposition had degraded Natura 2000 habitats (loss of species, changed ecosystem function), transition risk (the court ruling revoked the existing permitting framework, halting thousands of construction and infrastructure projects), and systemic risk (the resulting permit freeze triggered a nationwide housing crisis affecting developers, banks, municipalities and households across sectors).[11] This case demonstrates why boards should probe for similar concentrations of nature-related risks exist across their operations and value chains.

Prioritisation criteria

Your organisation will likely already have criteria for assessment and prioritisation of potential risks. As your organisation begins to incorporate nature into its existing enterprise risk management processes (or portfolio risk management frameworks in the case of financial institutions), look for evidence that management has considered the following prioritisation criteria: magnitude of risks and opportunities, likelihood of risks and opportunities, vulnerability, speed of onset, severity of impacts on nature (including scale and scope for positive impacts), implications for society of those nature impacts.[12] Consider regular stress-testing or scenario-testing of these prioritisation criteria, given that nature-related risks are fast-evolving. In the Netherlands, De Nederlandsche Bank (DNB) and PBL Netherlands Environmental Assessment Agency have modelled nature-related transition scenarios for the Dutch economy, including nitrogen policy shocks affecting agriculture and construction, estimating GDP impacts of up to 1.2%.[13] These scenarios can inform nature-related risk assessments for companies across sectors. In 2025, DNB published an updated guide on climate and nature risk management for the financial sector.[14]

QUESTION 03

How do our impact and dependencies on nature generate potential opportunities for the organisation?

Why ask?

Every business should consider efforts to improve the resilience of nature, particularly in the locations where it has key dependencies and impacts on nature. Increasing the resilience of nature, and therefore your organisation's future business resilience, should include both reducing negative impacts on nature and contributing positively to nature's restoration through activities such as conservation and regeneration. Avoiding or reducing negative impacts on nature, or contributing to the regeneration of nature through business innovation, may present commercial opportunities.

It is equally important that directors consider nature-related commercial opportunities as well as risks.[15]

What to look for in management's response

Types of opportunities

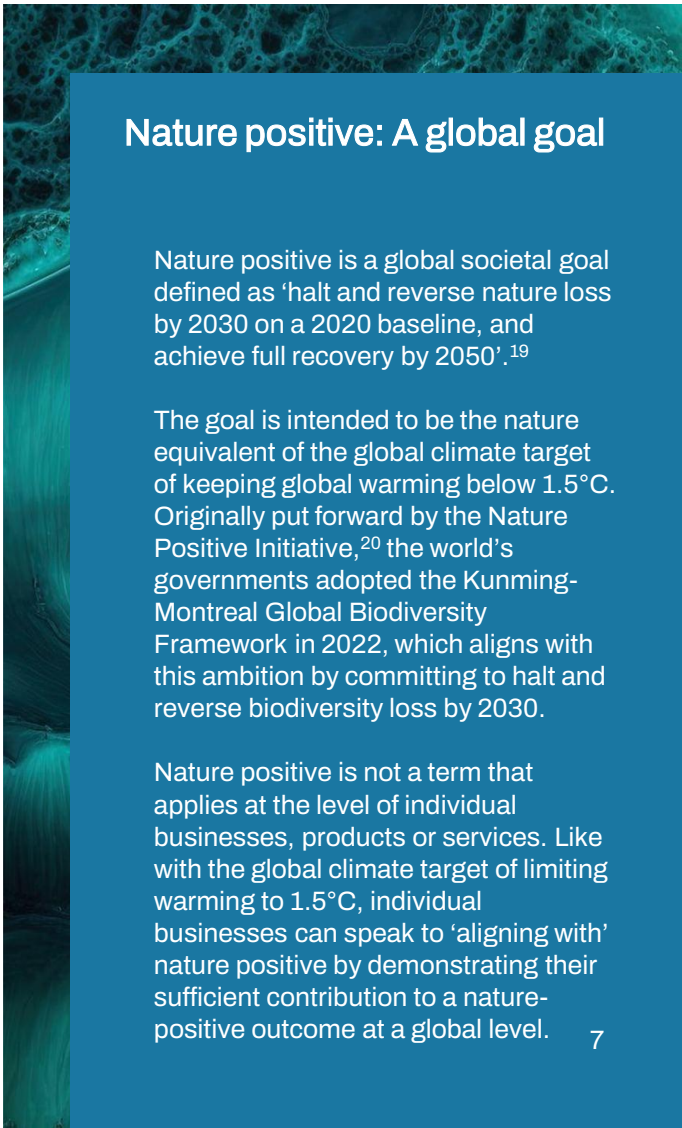
Nature-related opportunities can be divided into two main categories:

i) Avoiding, reducing, mitigating or managing nature-related risks. For example, Rabobank and area developer BPD have committed over €100 million to cover the additional costs of biobased building materials and water-saving systems in thousands of new Dutch homes.[16] By using Dutch-grown crops such as flax and hemp instead of conventional materials, the partnership reduces exposure to rising material costs, freshwater scarcity and tightening nitrogen regulations.

ii) Strategic transformation of business models, products, services, markets and investments that actively work to halt or reverse the loss of nature. For example, a growing number of Dutch farmers are adopting regenerative agriculture - reduced tillage, permanent soil cover and decreased chemical use - which enhances soil health and biodiversity. Analysis shows that these practices can outperform conventional methods by approximately €250 per hectare after six to ten years.[17] The Dutch government is investing €129 million in Re-Ge-NL to scale these practices nationally.[18]

Integration with existing business processes

As with nature-related risks, potential nature-related opportunities should be integrated into existing business processes for identifying and evaluating commercial opportunities. Look for evidence that management is considering nature-related opportunities at the heart of the business and its core processes rather than seeing these as corporate social responsibility initiatives.



Nature positive: A global goal

Nature positive is a global societal goal defined as 'halt and reverse nature loss by 2030 on a 2020 baseline, and achieve full recovery by 2050'.[19]

The goal is intended to be the nature equivalent of the global climate target of keeping global warming below 1.5°C. Originally put forward by the Nature Positive Initiative,[20] the world's governments adopted the Kunming-Montreal Global Biodiversity Framework in 2022, which aligns with this ambition by committing to halt and reverse biodiversity loss by 2030.

Nature positive is not a term that applies at the level of individual businesses, products or services. Like with the global climate target of limiting warming to 1.5°C, individual businesses can speak to 'aligning with' nature positive by demonstrating their sufficient contribution to a nature-positive outcome at a global level.

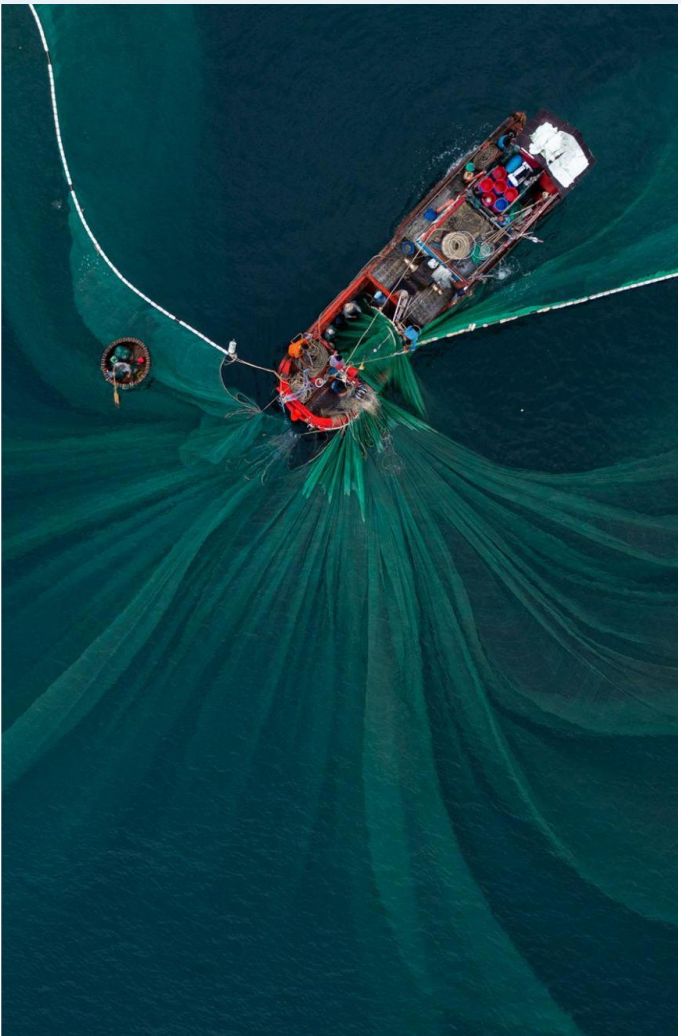
QUESTION 04

What is the interplay between our nature- and climate-related impact, dependencies, risks and opportunities?

Why ask?

While boards have built significant competence over the last decade around the science and commercial implications of climate change, our planetary systems are deeply interconnected and require an integrated approach across all four realms of nature – atmosphere, land, oceans and freshwater. Climate change is identified by scientists as one of the five drivers of nature change, alongside land / freshwater / ocean use change, resource use / replenishment, pollution / pollution removal and invasive alien species introduction / removal. These other drivers of potential risk and opportunity to business are currently invisible to most organisations. This leaves potential risks to revenues, cashflows and balance sheets unattended to, and potential commercial opportunities not realised.

The imperative for companies now is to broaden the aperture of their understanding of climate-related risks and opportunities to incorporate nature-related issues beyond greenhouse gas emissions. Directors' duties span both climate[21,22] and nature-related issues, and they need to be understood and managed in an integrated fashion.



What to look for in management's response

Consideration of the relevance of nature to climate risk and opportunity assessments

Look for evidence that management is reconsidering any previous assessments of your company's exposure to physical climate risk and assessing how nature loss may exacerbate this risk and, conversely, how the pursuit of nature-based solutions could help mitigate assessed physical climate risk.[23] If you have not yet completed climate risk and opportunity assessments, ensure nature is integrated from the beginning.

Identification of new commercial opportunities, embracing nature as an ally

Look for evidence that management is considering new opportunities that create value both for the organisation and for nature, climate and society as a whole. This can include nature-based solutions and new technologies, like agricultural companies employing new regenerative agricultural solutions, or energy companies developing offshore wind farms with artificial reefs.[24]

You can find more information on the climate-nature interplay here: KNMI - Observations & KNMI'23 scenarios; Deltares - Water, flood & delta modelling; Klimaateffectatlas - Interactive spatial climate impact maps.

QUESTION 05

How are we assessing and measuring our potentially material nature-related issues across different time horizons? What data are we using and generating?

Why ask?

The concept of materiality sits at the centre of your director's duty to manage nature-related issues. Different organisations take different approaches to materiality for nature-related issues based on applicable regulatory requirements, the vision and values of the organisation and the informational demands of their shareholders. Managing *material* nature-related risks and opportunities requires a robust assessment process for determining the potential financial implications of the dependencies, impacts, risks and opportunities your organisation has identified.

Identifying and measuring select qualitative and quantitative indicators over time is an essential foundational step to enable you to assess, evaluate and manage nature-related risks. Documenting this process can provide evidence that your decision making was robust and help demonstrate that you are fulfilling your director's duties.[25] The TNFD guidance provides both a recommended assessment methodology – the LEAP approach – and a recommended set of metrics for both assessment and disclosure.

While board members will typically want to see a quantification of key nature-related risks and opportunities in financial terms, methodologies for this are still under development. While some guidance is available and select large companies and financial institutions are quantifying their nature-related risks and opportunities, qualitative evaluations of financial implications – such as classifying a risk or opportunity as high, medium or low – are more feasible for most companies at this time. The Audit Committee's remit could be expanded to provide oversight of nature-related indicators and metrics.

De Nederlandsche Bank has estimated that Dutch financial institutions have €510 billion in exposure to companies with high or very high dependency on ecosystem services — 36% of the portfolios assessed.[26] These findings illustrate the scale at which nature-related dependencies can translate into financial risk across the Dutch economy.

What to look for in management's response

Assessing financial implications

Broadly, financial implications can occur through a range of channels, including: changes to revenue, expenses and capital expenditure; access to – and cost of – capital (through, for example, re-ratings of its credit risk or insurance premiums and attracting capital); and carrying amount of assets and liabilities on the balance sheet.[27]

Determining the financial implications of nature-related risks and opportunities generally involves an organisation assessing its i) potential for losses, costs or benefits from identified risks and opportunities; ii) planned responses; and iii) response effectiveness. Identify whether management has considered all of these aspects in their analysis – and whether they have made reasonable efforts with the data they have available or can reasonably procure to look beyond the short term and consider forward-looking scenario analysis in their assessment.[28]

Clear application of the organisation's approach to materiality

Look for evidence that management has considered and developed an appropriate methodology to define and assess materiality, and that the agreed approach to materiality has been clearly and consistently applied.

Irrespective of your organisation's approach to materiality, ensuring a robust understanding of dependencies and impacts on nature will be necessary to ensure an adequate understanding, management and potential disclosure of material risks and opportunities.

Analysis of 200 Wave 1 CSRD reports across the EU shows that about half identified biodiversity (ESRS E4) as material, with wide sectoral variation. [29]

Where E4 is reported, disclosures focus predominantly on impacts, with significantly less attention to nature-related risks and opportunities. Boards should critically assess whether their materiality assessment captures the full scope of nature-related issues, including dependencies, financial risks and strategic opportunities, not only impacts.

QUESTION 05
(Cont'd).

Leveraging existing data

When undertaking an internal assessment of nature-related issues, many organisations discover they have more environmental data of relevance than they first thought. Look for evidence that management has used data your organisation is already collecting. Data that may be particularly relevant include climate-related data, asset location data and data gathered from supply chain surveys, for example surveys to support compliance with the Modern Slavery Act or onboarding due diligence.

Freely available screening tools such as the Atlas Natuurlijk Kapitaal (RIVM), the WWF Biodiversity Risk Filter and the WWF Water Risk Filter can help organisations assess nature-related risks at their operational and supply chain locations. Dutch companies may also draw on data from environmental permits (omgevingsvergunningen), water authority (waterschap) reporting, and nitrogen deposition calculations via the AERIUS tool.

Selection of a manageable number of decision-useful metrics

Nature-related issues cannot be summarised in a single metric like CO_2-equivalents for greenhouse emissions in the climate space. As the board, you can play a useful role in working with management – and experts, if required – to define a small number of the most decision-useful metrics for your organisation, and identify which of these are appropriate to voluntarily disclose. The number of metrics should be sufficient to provide adequate insights for you as the board to assess and manage nature-related issues in compliance with your duties, and for the purposes of adequate disclosure to shareholders and other external stakeholders.

When selecting metrics, Dutch organisations should consider alignment with the national targets set out in the Netherlands Biodiversity Strategy & Action Plan 2025–2030, particularly on nitrogen deposition, water quality and pesticide reduction, as these signal the domestic regulatory trajectory. [30] However, for many Dutch organisations, the most significant nature-related dependencies and impacts may arise in their international value chains. Metrics should therefore also reflect nature-related issues in key sourcing regions, such as deforestation, water stress and biodiversity loss in supply chain locations.

The TNFD's recommendations on nature-related metrics

The TNFD has recommended a set of 14 'core global' indicators for all organisations to measure and disclose, supplemented with appropriate sector metrics depending on their industry.

It will be appropriate to collect data against a wider set of metrics to inform an internal assessment of nature-related issues.

When selecting metrics for your organisation, ideally choose metrics that enable comparability across time, as well as with peers in the same industry. Consider the credibility of your metrics, e.g. by using science-based frameworks.

For the metrics you will disclose externally, you should ideally be capable of securing adequate third-party assurance on an annual basis.[31]

QUESTION 06

How are we engaging with our value chain and Indigenous Peoples, Local Communities, affected and other stakeholders to understand their views with respect to our nature-related issues?

Why ask?

Because nature-related issues are location-specific, engaging with stakeholders in those locations is central to effectively identify, assess and manage nature-related dependencies, impacts, risks and opportunities. The quality of the company's stakeholder engagement can have a direct, and sometimes immediate, impact on the financial prospects of the organisation. Stakeholders may help identify and close blind spots in your understanding and management of nature-related issues, including opportunities for value creation, for example by benefitting from customary and traditional knowledge of ecosystems.

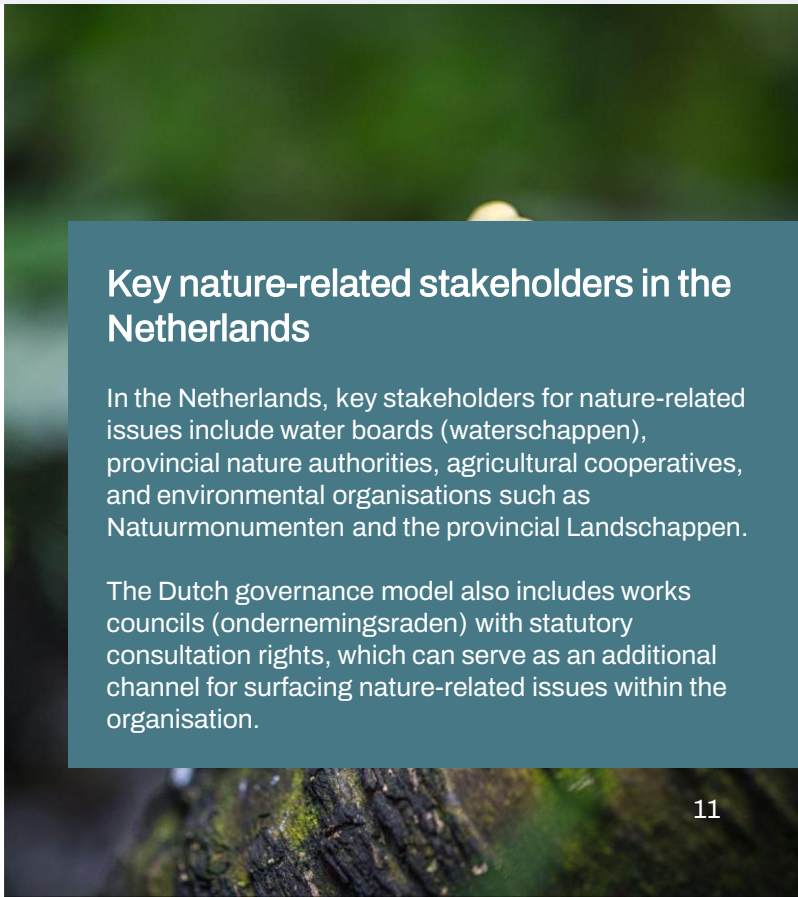
In the Netherlands, the Dutch Corporate Governance Code 2025 requires companies to develop a policy for effective stakeholder dialogue on sustainability aspects of strategy, providing a governance basis for nature-related engagement.

Given the relational nature of many stakeholder engagement processes, it is important to start with stakeholder engagement as early as possible and sustain that engagement in a meaningful and authentic way. Broad stakeholder engagement also helps organisations to meet expectations under international standards of responsible business practice and the growing range of related legislation in different jurisdictions, as well as reporting requirements and investor expectations.[32]

What to look for in management's response

A broad understanding of stakeholder groups

Evaluate whether management has considered the broad array of your organisation's key stakeholders, including your financial institutions (such as investors, other capital providers and insurers), government agencies, policy makers and regulatory authorities, intergovernmental organisations, scientists, consumers, landowners, Indigenous Peoples and Local Communities (IPLCs), civil society organisations and other businesses and local communities interacting with the same ecosystems. Consider how management is proposing to prioritise stakeholder engagement efforts, and their rationale for the proposed prioritisation. Management should also have an understanding of other stakeholder groups who may become key stakeholders over time.



Key nature-related stakeholders in the Netherlands

In the Netherlands, key stakeholders for nature-related issues include water boards (waterschappen), provincial nature authorities, agricultural cooperatives, and environmental organisations such as Natuurmonumenten and the provincial Landschappen.

The Dutch governance model also includes works councils (ondernemingsraden) with statutory consultation rights, which can serve as an additional channel for surfacing nature-related issues within the organisation.

QUESTION 06
(Cont'd).

Particular attention to Indigenous Peoples and Local Communities

Indigenous Peoples are stewards of 80% of the world's remaining biodiversity, and together with Local Communities, they have proven highly effective in the protection of ecosystems, giving them a uniquely important role in halting and reversing nature loss which is now recognised in international law.[33]

The Netherlands has no Indigenous Peoples in its European territory. However, Dutch companies with international supply chains - particularly in agrifood, commodities and extractive sectors - will need to engage with Indigenous Peoples and Local Communities in sourcing countries, consistent with the TNFD's guidance on IPLC engagement and the requirements of the EU Corporate Sustainability Due Diligence Directive (CSDDD).

For domestic operations, look for evidence that management is engaging meaningfully with local communities and stakeholders directly affected by the organisation's nature-related dependencies and impacts. In the Dutch context, this includes farmers and landowners in the vicinity of operations, water boards responsible for regional water management, and communities near Natura 2000 sites where nature-related constraints may affect both the organisation and its neighbours.

Companies with operations or supply chain exposure in the Dutch Caribbean (e.g. Bonaire, Sint Eustatius, Saba) should give particular attention to local community engagement, given the sensitivity of marine and coastal ecosystems including coral reefs and mangroves.

Leveraging existing initiatives and supply chain relationships

As with data collection, look for evidence that management is leveraging existing stakeholder engagement initiatives, including established channels with supply chain partners.[34] You may want to consider opportunities to de-risk the organisation's exposure to poor practices through your supply chains and/or enhance positive engagement with your supply chain partners through collaborative initiatives with partners and credible third-party convenors.

Consider the quality of engagement by your major value chain partners as well as your direct engagement, as the quality of their engagement can create reputational risks for your organisation.

The TNFD's guidance on Engagement with Indigenous Peoples, Local Communities and Affected Stakeholders provides a comprehensive overview of expectations based on international law and established business principles.

QUESTION 07

How does management integrate nature into short- and long-term decision making when:

- Reviewing and revising strategy and business plans, including transition plans;
- Drafting and implementing risk management policies;
- Setting company KPIs and incentive plans;
- Considering annual budgets; and
- Overseeing major capital expenditures, acquisitions and divestitures?

Why ask?

Nature, including climate change, is a strategic management issue that must be integrated in core business processes and decisions.[35] Nature-related risks fall within existing financial risk categories and are not new categories of risk. Nature-related opportunities can also span the full breadth of the organisation's operations, from procurement and sourcing, to product design and financing arrangements. Nature must not be considered a siloed issue that is only the purview of a sustainability or corporate reporting team.

What to look for in management's response

Interconnected governance

Consider whether management is involving all relevant functions, departments and experts in integrating nature-related risks and opportunities into business processes and decisions.

Temporal orientation

Assess whether management is giving due consideration to short-, medium- and long-term timeframes, as well as natural variability (e.g. seasonality). Note that the long-term timeframe for many business-relevant nature-related dependencies and impacts may be longer than your company's traditional planning horizons and require a mindset shift to accommodate.

Proportionality and trade-offs

Evaluate whether management is treating nature-related risks and opportunities proportionately to other types of risk and opportunity, based on their relative materiality, and anticipate potential trade-offs and conflicts.

Building on integration of climate

If you have already integrated climate into your core business processes, look for evidence that management has considered how to leverage this for nature. For example, many leading organisations are now adapting their climate governance arrangements and transition plans to include nature-related issues beyond climate change.[36] The TNFD provides guidance on how to create transition plans for nature that builds on best practices for climate transition plans.

In the Netherlands, the TNFD Consultation Working Group, a collaboration between WWF Netherlands and Deloitte Netherlands organized, together with Sustainable Finance Lab, a working group in 2025 for the Dutch Financial sector to embed practical tools into nature into policy, strategy and investment decisions in the Dutch context. [35]

The working group found that while climate has gained visibility in the boardroom, nature has not yet achieved the same status, and that potential nature-related opportunities are often overlooked during transition planning.

QUESTION 08

How do we expect our understanding of nature-related issues to change over time in our sector, and in the markets and locations in which we operate?

Why ask?

As the consequences of climate change and nature loss escalate and the financial implications for companies and financial institutions become more evident and significant, the external market context companies operate within is changing. Regulatory requirements, consumer expectations and investor risk management requirements are shifting. The science related to how ecosystems operate is also constantly evolving. It is therefore critical that management teams and boards build their capacity for 'nature intelligence' as part of their broader business intelligence.

What to look for in management's response

Capacity for scenario thinking

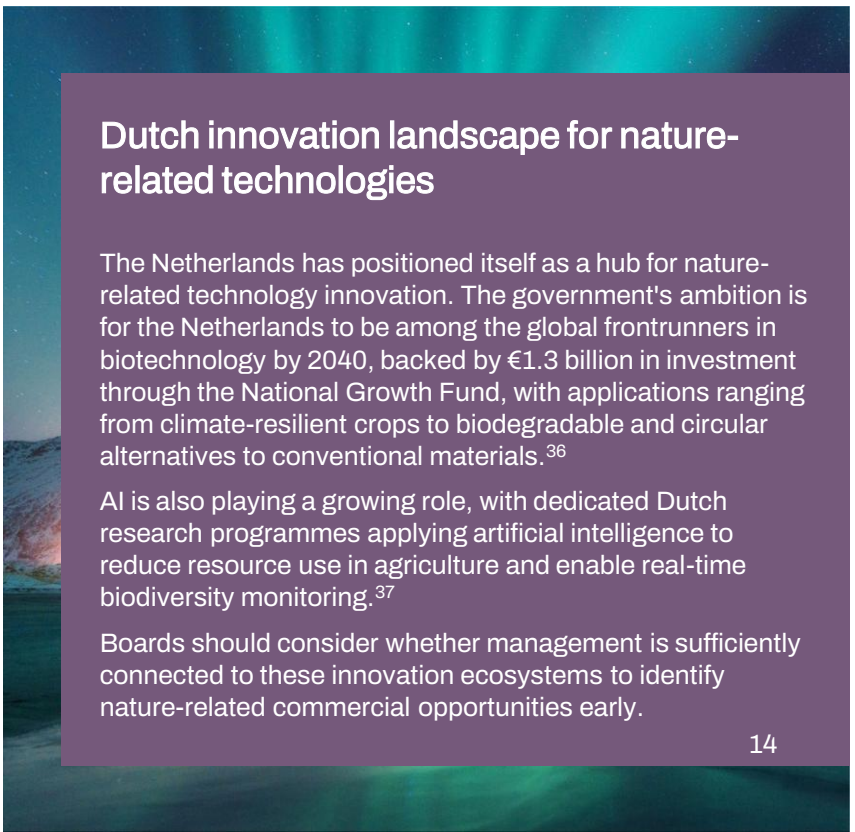
Look for evidence that management has considered whether the organisation has the capacity to incorporate a wider set of nature-related considerations into its medium- and long-term strategy formulation processes by working with scenario analysis, in the same fashion that you may already be working with climate-related scenarios. Scenario analysis should be reviewed and refreshed regularly in light of the latest scientific thinking. The TNFD provides guidance on nature-related scenario analysis.

Awareness of competitor and supply chain developments

The type and speed of nature-related innovation varies significantly across markets, partially driven by differences in green business and green finance incentives. Government incentives for business and consumers in China, Europe and the US, for example, have led to some rapid shifts in product innovation and consumer purchasing decisions (for example in electric vehicles). Consider whether company management have adequate business intelligence resources and networks in place to stay abreast of fast-moving dynamics in relevant markets and sectors, across both source markets for business inputs upstream and end customer markets downstream.

Awareness of technology innovations

Probe whether management is sufficiently aware of nature-based or nature-related technology developments to be able to seize the possible commercial opportunities. These can be as diverse as biomimicry-inspired product innovation opportunities, new biobased and bio-produced materials capable of replacing synthetic component parts, and new green finance innovations such as parametric insurance.



Dutch innovation landscape for nature-related technologies

The Netherlands has positioned itself as a hub for nature-related technology innovation. The government's ambition is for the Netherlands to be among the global frontrunners in biotechnology by 2040, backed by €1.3 billion in investment through the National Growth Fund, with applications ranging from climate-resilient crops to biodegradable and circular alternatives to conventional materials.[36]

AI is also playing a growing role, with dedicated Dutch research programmes applying artificial intelligence to reduce resource use in agriculture and enable real-time biodiversity monitoring.[37]

Boards should consider whether management is sufficiently connected to these innovation ecosystems to identify nature-related commercial opportunities early.

QUESTION 09

Are we up to date with shifting regulatory developments, both voluntary and mandatory, industry standards and investor expectations across the jurisdictions in which we operate?

Why ask?

Nature-related industry standards and regulatory requirements beyond climate are emerging quickly. Nature-related assessment and reporting has been advanced by the TNFD and is already covered CSRD's ESRS standards and in GRI impact reporting and the IFRS S1 sustainability reporting standard. Even where no specific disclosure regulation for nature exists in relevant jurisdictions, directors should consider whether they need to disclose financially material nature-related risks under other applicable laws and whether to voluntarily disclose nature-related risk (in response to market or investor expectations). Investors may have additional expectations beyond current voluntary and mandatory requirements. Investor coordination initiatives on nature, such as Nature Action 100 and the PRI Spring Initiative, signal growing investor interest and sophistication on these issues.

What to look for in management's response

Capacity to anticipate and prepare for growing regulatory requirements and investor interest

Given the constantly changing landscape, look for evidence that management has an understanding of both existing and emerging frameworks, standards and regulated requirements. Look for evidence that management is looking ahead, including anticipating the growing sophistication of investors' nature-related information requests and expectations of active management of nature-related issues beyond climate change.

Internal engagement

Adequately monitoring and responding to existing and emerging standards, regulatory developments and investor expectations require broad involvement across the company. Consider to what extent management is engaging with all relevant teams to gather information and respond accordingly. Relevant teams likely include legal, risk, sustainability, investor relations and operations.

Approach to external reporting

Nature-related disclosure can be divided into what must be legally disclosed and additional voluntary reporting. When defining what must be legally disclosed, look for evidence that management is considering relevant nature-related disclosure regulations. For any additional voluntary disclosure, look for references to voluntary frameworks, in particular the TNFD's recommended disclosures, which are being drawn upon by standards organisations, such as the ISSB and GRI, and regulators to inform further standards development. Consider how voluntary disclosures can help you to achieve your strategic ambitions, such as investor confidence.

Dutch companies operate within an increasingly binding regulatory framework for nature, including the CSRD (with ESRS E4 on biodiversity), the CSDDD, the EU Nature Restoration Regulation, the EU Deforestation Regulation, and the Dutch Nitrogen Law. For companies within scope, these are adopted regulations, most already in force or taking effect in the near term.

At the same time, investor expectations are intensifying. Dutch pension funds, among the world's largest institutional investors, are increasingly incorporating nature into their stewardship activities.

The Finance for Biodiversity Pledge, co-founded by Dutch institutions and now representing over 200 financial institutions globally, and the Dutch-initiated PBAF are standardising how the financial sector measures and acts on biodiversity impact.[38]

Boards should ensure management has a clear view of both the regulatory requirements that apply and the evolving expectations of their investors.

QUESTION 10

Does the board and senior management team have the requisite skills and experience to adequately manage the organisation's nature-related issues?

Why ask?

Following the precedent set by expectations of climate competence at board and management levels, organisations are increasingly expected or required to explain their governance of nature-related issues beyond climate change. This is propelled by global standards like the IFRS S1 sustainability reporting standard and select jurisdictions, like the EU with the CSRD, putting in place regulation to this extent.

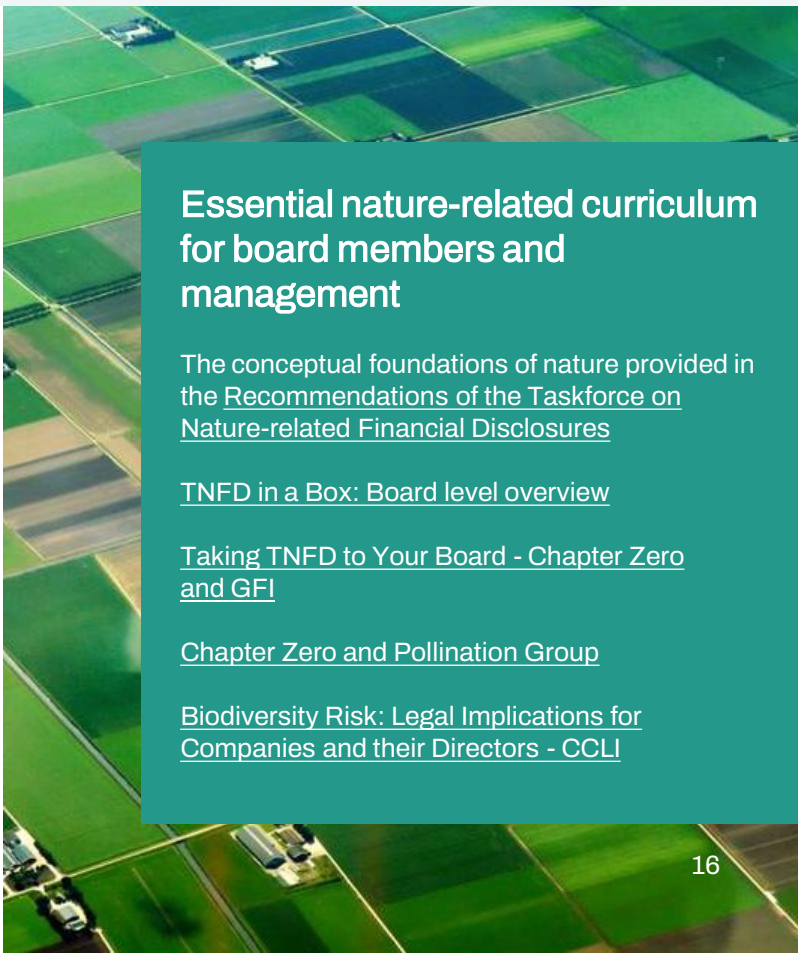
More generally, as company directors, board members are permitted to delegate but must properly supervise the discharge of any delegated functions. The board and management therefore need functional fluency on nature-related issues to adequately manage nature-related risks and opportunities.[39] They must know what to ask their teams and independent advisors for, and understand what satisfactory responses and deliverables look like. Failure to obtain or evaluate advice on nature-related issues can be a breach of directors' duties.[40]

Where the board and management already have a solid current understanding of nature-related issues, ongoing capacity-building initiatives remain necessary given the rapidly changing landscape of science, regulatory and voluntary frameworks, and stakeholder expectations. Building such capacity can also ensure that boards can go beyond functional fluency and use their knowledge and understanding to harness the strategic opportunities of acting on nature.

What to look for in management's response

Shared understanding of the basics on nature and business

In the same way boards and management teams have built familiarity on climate science and greenhouse gas emission scopes over the last decade, a shared understanding of the foundational concepts of nature as natural capital can provide boards and management teams with a shared vernacular for engaging productively on nature-related issues. To effectively oversee nature-related issues, management and the board should have a base-level understanding of nature itself, as well as the links between nature, climate, business and society – in particular, how nature-related issues influence a company's current or future financial position; relevant legal, regulatory and voluntary nature-related frameworks; and an understanding of stakeholders' expectations. Evaluate whether you have this in place.



Essential nature-related curriculum for board members and management

The conceptual foundations of nature provided in the Recommendations of the Taskforce on Nature-related Financial Disclosures

TNFD in a Box: Board level overview

Taking TNFD to Your Board - Chapter Zero and GFI

Chapter Zero and Pollination Group

Biodiversity Risk: Legal Implications for Companies and their Directors - CCLI

QUESTION 10
(Cont'd).

Expert advisory support

Depending on the needs of the organisation and the level of internal expertise, independent expert advice can play an important complementary role to support board and management level assessments and discussions. External third-party expertise cannot be an alternative for board and management decision making, and should not be seen as a substitute for internal familiarity and capacity. Consider whether management is pursuing the right balance between internal capacity building and the use of external expert advice. It is also important to consider whether management has proposed a sound process for reviewing and implementing external advice.[41]

The main expert organisations in the Netherlands include NGOs such as WWF Netherlands, which works on nature and biodiversity assessment, and Natuur & Milieu, which supports businesses in sustainability transitions. Wageningen University provides scientific and methodological expertise on nature-related issues, while Naturalis contributes biodiversity research and data.

The Sustainable Finance Lab connects research and practice on aligning finance with sustainability. IUCN NL offers guidance on biodiversity impact assessment and nature positive strategies. Chapter Zero Netherlands supports board directors specifically on climate and nature governance.

Learning from other competence building

While nature-related issues may be a new competence area at your company, building competence at the board and management level on emerging complex issues is not new. Consider whether you and management are incorporating learnings from previous competence building initiatives on issues like artificial intelligence, cyber risk and climate change when developing your nature-related competence building.

QUESTION 11

Are the organisation's skills and capabilities on nature-related issues, including assessment and learning, being institutionalised for the long-term?

Why ask?

With the planet set to exceed the Paris Agreement target and nature loss accelerating at an unprecedented rate, nature-related issues, including climate, will continue to rise further up the business, finance and policy agendas. For your company to remain resilient and competitive in the long-term, it is critical that efforts to assess and manage nature-related issues are institutionalised, and not overly reliant on individual champions at the management or board level. Ensuring that organisational capabilities, management decision- making systems and board competence on nature-related issues beyond climate change are built and sustained for the long-term is now a core part of the fiduciary duty of company directors.

What to look for in management's response

Institutionalisation of monitoring and assessment of nature-related issues

Consider whether your organisation's capacity to assess nature-related issues, including the monitoring and reporting data systems that support risk management, have been adequately institutionalised into the organisation's enterprise and/or portfolio risk management standard operating procedures. If not, probe for management's plan to embed these capabilities and processes in the short to medium term.

Board skill development and long-term competence

Consider the board's own knowledge development requirements on nature-related issues beyond climate change, and ensure you develop processes for the selection of future board directors who are both climate and nature literate.

Schedule nature-related issues at board meetings

Consider establishing a schedule for discussing nature-related issues in the boardroom. The frequency of discussions should be determined by the materiality of nature-related risks and opportunities to your company.

Training on nature-related issues

Consider whether adequate training and capacity-building resources have been allocated to upskill current and future leaders of the organisation, including business unit leaders and site managers. Training should include nature-related issues as well as stakeholder management soft skills to appropriately manage the location-specific context of current and future nature-related issues. Training should be recurring or updated regularly, to ensure decision-makers are kept up to date in a rapidly evolving landscape of science, standards, regulations and investor expectations. The TNFD Trainer Portal includes materials for boards. Competent Boards offers learning programmes that provide board-specific education on the governance of climate and nature-related risks and opportunities and Chapter Zero's Knowledge Hub hosts a range of key resources for non-executive directors relating to nature and climate capacity building and board leadership.

QUESTION 12

Are we confident that we are fulfilling our legal duties in relation to nature across the jurisdictions in which we operate? What evidence do we have that we are doing so?

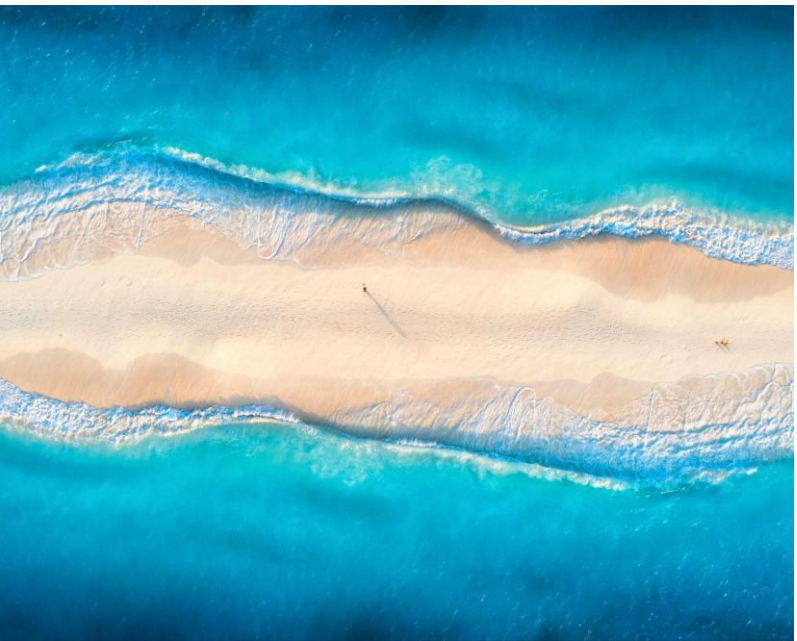
Why ask?

Directors globally should consider and manage foreseeable, material nature-related risks and opportunities in accordance with their core legal duties of exercising loyalty, care and diligence. Directors' duties are often informed by reference to the market, social and regulatory context. Given the dynamic evolution in nature-related regulations, international voluntary frameworks and standards, stakeholder expectations and an increase in nature-related litigation, directors should fulfil their duties with a forward-looking strategic lens.

Boardroom reflection

Knowledge of legal duties concerning nature-related issues

Assess your confidence that you understand your legal duties regarding nature-related issues and which issues should be disclosed. Directors' duties concerning nature-related issues may be of higher relevance for directors in jurisdictions with clear frameworks for directors' duties more generally, and with nature-related disclosure regulations in place.[42]



Understanding of broader nature-related context

Nature-related issues may be of higher relevance for directors of businesses with significant dependencies and impacts on nature, in jurisdictions with high nature-related consumer awareness; significant nature- or climate-related litigation; or regulators or national banks actively considering nature-related risks.[43] Consider whether these indicators are present where you operate.

Level of oversight

Consider whether the processes are in place to ensure you as board members have sufficient oversight of management in relation to nature-related issues facing the organisation.[44]

Documentation

Consider whether you are recording your decision-making process to identify, assess and manage nature-related risks and opportunities, for example in board minutes, agendas, memoranda and reports.[45] Consider whether you should establish a single repository for this information.

Key legal opinions on nature-related disclosures

United Kingdom[ii]
March 2024

An England and Wales legal opinion published in March 2024 confirmed that directors who fail to give consideration to relevant non-trivial nature-related risks, and take appropriate steps to mitigate them, may be exposed to claims that they have acted in breach of duty. It further noted that it is easy to envisage circumstances where the short- or long-term success and best interests of a company can be affected by nature-related dependencies or impacts to which the company is exposed.

ii: Company Directors Should Consider Company's Nature-Related Risks (Including Climate Risks): Landmark English Law Legal Opinion

Japan[i]
March 2025

A Japan legal report published in March 2025 noted that global developments such as the TNFD and ISSB's announcement to commence work on disclosure requirements relating to risk and opportunities associated with biodiversity, ecosystems and ecosystem services are relevant to directors' duties. It confirmed that management of nature-related risks are highly intertwined with climate-related risks, and that nature risks may constitute material financial risks that directors have a duty to oversee.

i: Directors duties and climate change in Japan: 2025

Australia[iii]
October 2023

An Australian legal opinion published in October 2023 confirmed that nature-related risks are within the scope of directors' duties to act with care and diligence under Australian corporations law. Further, given the large amount of information already available about economic dependency on nature and the rate at which it is being degraded in Australia and globally, nature-related risks would likely be regarded by the court as foreseeable now. Directors of Australian companies need to identify their company's dependencies and impacts on nature and consider potential risks these pose to the company. Failure on the part of a director to identify, manage and disclose material nature-related risks may lead to increased shareholder pressure and even litigation against personal assets of directors.

iii: Australian Company Directors Exposed to Nature-Related Risk: New Legal Opinion

New Zealand[iv]
March 2023

A New Zealand legal opinion confirmed that company directors have a duty to ensure that their businesses are identifying foreseeable and material nature-related risks and to take such risks into account in decision making. The main risk to directors of businesses dependent on nature-based services (particularly in the primary, tourism and manufacturing sectors) is to underestimate the potential impact of nature-related risks (whether or not the business contributes to or has control over the risk). Directors will increasingly be expected to ensure processes are in place to: identify their businesses' dependencies on nature; assess their businesses' exposure to material nature-related risks; and manage financially material nature-related risks, as they would any other serious business risk.

iv: New Zealand director duties to manage nature-related risk and impact on natural capital

The Netherlands | 2026

Director's duties regarding nature loss[i]

The Dutch jurisdiction does not currently have a legal opinion specifically on nature-related risks. However, in addition to the general standards and the stakeholder model applicable to directors, environmentally relevant activities of companies are subject to comprehensive regulation: for virtually every instance in which a company causes environmental damage without the necessary consent or permit, a corresponding environmental standard applies. This contrasts with climate change obligations, which are often less specific or non-binding in nature. This means that directors of Dutch companies face a more specific and enforceable legal framework for nature-related issues than for climate and cannot rely on the argument that obligations are unclear or still developing.

i: Directors duties Navigator. Climate Risk and Sustainability Disclosures 2026 p.16

Nature-related disclosures[ii]

While the Netherlands may not have a standalone mandatory nature-related disclosure framework explicitly branded as "TNFD-aligned," the mandatory EU sustainability reporting framework (CSRD with ESRs) effectively requires companies to report comprehensively on nature-related risks, impacts, and dependencies, incorporating TNFD principles. Companies operating in the Netherlands will therefore need to comply with these disclosure requirements.

ii: Directors duties Navigator. Climate Risk and Sustainability Disclosures 2026 p.26

Nature-related disclosures in financial statements[iii]

The principles and duties in relation to climate-related matters also apply to nature-related matters in the Netherlands. Directors are required to ensure that financial statements provide a true and fair view of the company's position, which includes disclosing material risks and opportunities concerning nature and biodiversity where these are financially material. As sustainability reporting frameworks and regulations evolve – such as through the CSRD and ESRs – the scope for disclosure increasingly encompasses nature-related risks alongside climate risks. Regulatory guidance, including from the AFM, supports this integrative approach, requiring directors to consider all material environmental impacts, including those on ecosystems and biodiversity, in their governance and financial reporting.

iii: Directors duties Navigator. Climate Risk and Sustainability Disclosures 2026 p.31

Nature-related liability risks[iv]

Liability may arise for directors in relation to nature-related issues under general tort principles if their conduct is deemed unlawful, and the threshold for personal liability has been met. Additionally, within this framework, particularly in environmental law, directors themselves are often considered the addressees of statutory provisions regulating the activities of the legal entity. Directors should be aware that personal liability for nature-related harm is a realistic prospect under Dutch law, particularly where environmental regulations are breached. Active board level oversight of environmental compliance is essential to mitigate this risk.

iv: Directors duties Navigator. Climate Risk and Sustainability Disclosures 2026 p.17

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3*: Directors' duties have been shown to encompass overseeing nature-related issues in three common law jurisdiction (Australia, New Zealand, UK) and it is expected that these findings can be applied to other jurisdictions where there are significant legal commonalities*. CCLI and Pollination (2023) Australian company directors exposed to nature-related risk; CCLI and Pollination (2024) Nature-related risks and directors' duties under the law of England and Wales, The Aotearoa Circle (2023) Legal Opinion 2023: NZ Director duties to manage nature-related risk and impact on natural capital.

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30: Government of the Netherlands (2026) National Biodiversity Strategy & Action Plan Netherlands 2025–2030.

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Asking Better Questions on Nature

For board directors

The Netherlands edition

If you have any questions about this document, please feel free to get in touch with the TNFD.

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This guidance was produced by the TNFD in collaboration with Chapter Zero, Competent Boards, Commonwealth Climate and Law Initiative and Green Finance Institute.

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