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TNFD Getting Started sessions

UNEP FI Risk Centre

June 2024

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UNEP FI Risk Centre – Terms of Reference



June 2024

1. Background and Context

Degradation of nature could reduce GDP growth in developed and developing and emerging economies. UK gross domestic product (GDP) by 12 percent, according to a [new analysis](#). In comparison, the financial crisis of 2008 affected only around 5 percent of the value of the UK's GDP. As the UK is one of the most nature-depleted countries, [the depletion of ecosystem services poses physical risks for the financial sector in emerging markets](#). Shocks and erosion of natural assets due to biodiversity loss and ecosystem damage could cost the global economy over [USD 5 trillion](#).

The future of all living things on our planet, and our future prosperity, depends on the resilience of nature. Declines in nature compromise the security of our societies and increase the risks to business and investors, including our ability to mitigate and adapt to climate change. However, we have now exceeded the ability of the Earth to provide many services such as food, medicine, energy, clean air and water, security from natural disasters, recreation, and cultural inspiration. The global economy is already [operating outside the safe zone for six of the nine planetary boundaries](#) – processes that are critical for maintaining the Earth's stability. According to [the WEF](#), climate and environmental risks are now the most significant risks identified by global executives for the next decade, but they are also the risks for which we are seen to be the least prepared. As nature degradation continues at [unprecedented rates](#), it poses a threat to the global economy and the planet's habitability.

The Taskforce on Nature-related Financial Disclosures (TNFD) was established to support a shift in global financial flows away from nature-negative outcomes and toward nature-positive outcomes, aligned with the Global Biodiversity Framework. And in this way, encourage and facilitate a shift in the mindset and behaviour of companies and financial institutions through enterprise and portfolio risk management and mainstream corporate reporting. TNFD has developed a set of disclosure recommendations and guidance that encourage and enable business and finance to assess, report and act on their nature-related dependencies, impacts, risks and opportunities. The final disclosure recommendations and guidance was launched in September 2023. The recommendations and guidance will enable businesses and finance to integrate nature into decision making.

UNEP FI was one of the founding partners supporting the TNFD's establishment and has supported the 2-year development process towards the final framework launch that followed the initial launch. This included leading financial sector pilots with 50 institutions in 20 countries, testing the TNFD framework with financial institutions across geographies and sectors to ensure it meets the ambitious needs of the market. Following the launch, UNEP FI continues to support financial institutions towards actionable implementation of the

framework, providing guidance to close current knowledge gaps and leveraging best practice.

UNEP FI Risk Centre: leveraging UNEP FI's track record for climate and nature risk

[UNEP FI's Risk Centre](#) was [launched](#) in April 2024, combining UNEP FI's existing climate and nature risk-related work programmes, tools, and peer-learning opportunities for assessing and managing climate and nature risks. The Risk Centre will help advance risk practices of UNEP FI members.

The Centre offers four key components tailored to risk professionals within financial institutions, including 1) **in-depth working groups*** focused on developing advanced risk management tools and guidance for sustainability risks; 2) **technical skill-building workshops** aimed at enhancing risk assessment and disclosure capabilities, particularly for mid-level professionals; 3) **content sessions** in which experts and peers discuss recent industry developments and best practices; and 4) **a virtual resource hub** sharing knowledge and resources on assessing and managing sustainability risks, accessible to all members.

*Please note that the Risk Centre's in-depth working groups' fee structure depend on the institution's size by assets. The fee includes access to all in-depth working groups, without limit on the number of participants. For more information on the Risk Centre's conditions and offering, please write to [UNEP FI Risk Centre](#).

UNEP FI's TNFD pilots

UNEP FI was the TNFD's official piloting partner during the framework's development. During 2022-2023, UNEP FI conducted global pilots with **50 financial institutions from 20 countries** across Latin America, North America, Southern Africa, Eastern Africa, Europe and Asia-Pacific including:

"Piloting the TNFD framework has been an important step in our ambition to mitigate negative impacts and contribute to the protection of nature and biodiversity. Using the LEAP approach has strengthened collaboration between business units and enabled us to advance knowledge within the organisation on nature and biodiversity. We encourage other organisations to take the LEAP and get started!"

Head of Group Sustainability of Danske Bank

1) An initial pilot of the LEAP approach, gathering 40 financial institutions from 20 different countries, including banks and investors. This innovative exercise assessed high-impact sectors in selected biomes, including biodiversity hotspots. Selected sectors and geographies represented priorities for the development of the TNFD risk and disclosure framework. The "[Unboxing nature-related risks](#)" report from April 2023 compiled the feedback, lessons learned and 14 case studies from financial institutions. A [complementary report](#) presented specific learnings from each piloting group.

2) A follow-up pilot focused on TCFD-TNFD alignment and nature scenarios, gathering 20 financial institutions from 11 countries, including banks and investors. This pilot specifically assessed an integrated climate-nature approach to sustainability reporting, looking at existing synergies between the TCFD-TNFD frameworks and climate-nature scenarios. The "[Insights into UNEP FI's TNFD pilots](#)" report

published in December 2023 compiled the discussions and lessons learned from financial institutions.

2. TNFD Getting Started sessions

Helping UNEP FI members assess nature-related impacts and risks

The TNFD Getting Started sessions will introduce participating financial institutions, [including TNFD early adopters](#), to nature-related issues, understanding why they represent a material risk to your institution, and how to get started in this internal assessment. The sessions will focus on the TNFD's impact and risk management framework, the LEAP approach and practical examples of what is already out there and disclosed by peers. The TNFD Getting Started sessions are part of the [content sessions](#) offered by UNEP FI's Risk Centre.

Sessions content

a. Estimated calendar

The proposed dates for the sessions will be from July 2024 – October 2024.

TNFD Getting Started sessions	Morning session (10am CET)	Afternoon session (4pm CET)
First session	8 July	10 July
Second session	22 July	24 July
Third session	2 September	4 September
Fourth session	16 September	18 September
Final session	30 September	2 October

b. Session length

Sessions will run through 60-90 minutes, with the possibility of having one session delivered in the morning and another one in the afternoon to fit different time zones.

c. Participants

A working group of 4-7 financial institutions is foreseen for these content sessions. These institutions should ideally be drawn from diverse geographies in order to bring perspectives on the different nature-related issues within their footprints. It is not expected for institutions to have previous knowledge of the TNFD framework as these sessions are recommended to those getting started on the TNFD.

d. Participant expectations

Active participation in each of the sessions is expected. Participants should involve relevant colleagues for sessions on subjects such as nature risk methodologies (Assess phase), frameworks and standards alignment (Prepare phase).

e. Proposed agendas for each session

1. Landscape of nature-related risk: An introduction

This session will introduce participants to nature-related issues, including the broader landscape of studies and facts. This introductory session will focus on understanding the basic concepts of nature risks. The content will include:

- a. What is the current state of our biodiversity and why is this a material issue to financial institutions?
- b. Introduction to the climate-nature nexus – why acting on nature risks is complementary to the work your institution is doing on climate
- c. What are nature-related dependencies, impacts, risks and opportunities (or nature-related issues)?
- d. Introduction to UNEP FI's contribution to the TNFD framework
- e. Introduction to the TNFD framework

2. The TNFD's risk management framework: the LEAP approach (i)

This session will introduce participants to the LEAP approach following up on the introduction of key concepts. The session will focus on the Scoping step and Locate step. The content will include:

Introduction to the LEAP approach: Scoping step – Getting started on a nature roadmap for my organization's assessment

- a. Working hypothesis – What are potentially material nature-related issues in my organization?
- b. Aligning on goals and resourcing – What are the considerations at my organization for resources, capacity building gaps, and time allocation to start the assessment?

Locate: The interface with nature

- a. How to start scoping portfolios and sectors?
- b. Tools for nature impact and dependency screening

3. The TNFD's risk management framework: the LEAP approach (ii)

This session will continue the introduction of the LEAP approach to participants, now focusing on the Evaluate step. The content will include:

Evaluate: Dependencies & impacts

- a. What are the sectors or portfolios to be analysed?
- b. How to identify material impacts and dependencies?
- c. Engagement with IPs and LCs and affected stakeholders

4. The TNFD's risk management framework: the LEAP approach (iii)

This session will continue the introduction of the LEAP approach to participants, now focusing on the Assess step. The content will include:

Assess: Risks & opportunities

- a. What are nature-related risks and transmission channels?
- b. Understanding current risk methodologies
- c. What are nature-related opportunities?
- d. Conducting a scenario analysis

5. The TNFD's risk management framework: the LEAP approach (iii)

This session will continue the introduction of the LEAP approach to participants, now focusing on the Prepare step. The content will include:

Prepare: To respond & report

4. Target setting: PRB Nature target setting and SBTN
5. Reporting: the TNFD recommendations (how LEAP helps inform recommendations)
 - a. Overview of interoperability tools currently available
 - b. Presentation: TNFD early adopters; current available TNFD reports and sources

Please contact [Gabriela Hermosilla](#) and/or [Liang Qian](#) in case of any questions. You can also contact the [UNEP FI Risk Centre](#) for general questions about the Risk Centre.