African Natural Capital Alliance (ANCA)
Overview
Nature is a cornerstone of Africa’s growth
Africa is rich in natural capital and is dependent on it to sustain its economic and social growth

Africa has extensive natural capital

Africa’s living organisms comprise around a quarter of global biodiversity, it supports the earth’s biggest groupings of large mammals and is home to the world’s second largest rain forest

Africa’s natural capital is also crucial to the economic wellbeing of its people through activities ranging from agriculture and forestry, to fishing and mining

ENCORE’s natural assets

Natural capital is critical to African economic and social growth

62%

Estimated share of Africa’s GDP highly or moderately dependent on nature

Source: Adapted from ENCORE natural capital assets; UNEP; World Economic Forum: Nature Risk Rising report; WFF: Bending the biodiversity loss in Africa – The living planet index 2020; UNEP; The Economics of Biodiversity: The Dasgupta Review

"OUR ECONOMIES, LIVELIHOODS AND WELLBEING ALL DEPEND ON OUR MOST PRECIOUS ASSET: NATURE"

Professor P. Dasgupta
Africa’s natural capital is threatened as never before

Overexploitation, overpopulation, land-use changes and climate change are among the key drivers of nature loss in Africa causing great threats to economic stability and prosperity.

Key threats to natural capital assets in Africa

**Estimated yearly loss of natural capital in Africa**

USD 195BN

Examples of nature loss in Africa

- Overexploitation has caused the stock of mammals, fish, amphibians and reptiles to fall by ~65% between 1970 and 2016, for instance in the Congo Basin.

- Freshwater biodiversity has also declined 84% since 1970.

Implications for the economy

**Negative impacts and risks**

- Impact on real economy companies e.g., disruption of activities or value chain, stranded assets, capital destruction

- Resultant financial risk e.g., credit, market leading to material systemic risk

**Opportunities**

- e.g., voluntary carbon markets, sustainability linked finance, Nature-related policy design in insurance

Case study

**Effects of coral reef and ocean ecosystem loss on tourism in Egypt**

- Climate change and ocean acidification are expected to cause the destruction of 72% of coral reef habitats by 2100; and overfishing and pollution are further damaging the ocean ecosystems.

- As a result, Egypt may lose up to 94% of coral reef tourism-related value.

Climate is one of nine important planetary boundary, other nature planetary boundaries are also at risk.

Nature and climate are distinct, but related

Nature incorporates the world’s stock of natural assets. Climate refers to long-term temperature and weather patterns. Climate change is one of the five key drivers of nature change.

Nature risks can amplify climate risks and vice versa

Example: Extensive nature loss reduces the ability of ecosystems to store carbon and releases carbon emissions, which amplifies the effects of climate change.

Nature loss is typically a more localized process

Nature risks are more multifaceted than climate risks

Nature risk management can build on progress made with climate risk.

---

Source: Stockholm Resilience Centre (2022) - Planetary Boundaries Update, TNFD Beta Framework March 2022
1. A detailed explanation of the links between nature- and climate-related risks is available in the appendix.
The role of the finance sector

A sustainable economy depends on our ability to conserve natural capital by using it responsibly, and to support a shift in global financial flows away from nature-negative outcomes and towards nature-positive outcomes.

For financial institutions the first step on this journey is to understand their exposure to nature-related risks.

The role of the TNFD

The TNFD was established in response to the growing appreciation of the need to factor nature in financial and business decisions.

The TNFD is a global, market-led initiative with the mission to develop and deliver a risk management and disclosure framework for organizations to report and act on evolving nature-related risks and opportunities, with the ultimate aim of supporting a shift in global financial flows away from nature-negative outcomes and toward nature-positive outcomes.

The TNFD follows in the footsteps of the work of the Task Force on Climate-related Financial Disclosures (TCFD) on climate risk management and disclosures, but focuses on ensuring that nature-related risks and opportunities are effectively understood and communicated by corporates to the financial community.

TNFD is TCFD aligned

The TNFD builds on the TCFD framework, but is significantly more complicated due to more interdependent risk drivers, the linkages between an organization's activities and nature, and less data and modelled pathways.

Similarities

- Same four pillar framework:
  - Governance
  - Strategy
  - Risk Management
  - Metrics and Targets
- Similar basic risk taxonomy:
  - Physical
  - Transition
- Similar multi-sector taskforce approach to developing guidelines

Differences

- Focus on location
- Concept of ‘nature-related risks’ posed by the linkages between an organization's activities and nature
- ‘Broader set of issues and risk drivers for the TNFD (biodiversity, deforestation, pollution, water scarcity, land vs marine etc)
- Interdependencies and tensions between risks makes scenario analysis and risk management harder
- Open innovation approach for developing the TNFD framework, client focused and “learning by doing” at its heart, with a longer development timeline
The African finance sector must engage with the global nature agenda

An African voice is important to ensure future nature-related risk frameworks and standards are appropriate for Africa

Why the need for an African voice in the nature agenda

As there is growing global interest in the development of nature-related risk frameworks and standards, there is an urgent need to ensure these emerging frameworks can be applied to local African contexts.

Awareness and capability-building support is required in Africa to ensure successful implementation of future nature-related risk frameworks and standards across the continent.

The risks of creating additional barriers to investment in the African continent must be mitigated and one-size fits all approach for institutions in Africa must be avoided.

To this end, FSD Africa has conceived the programme ‘Promoting an African Voice for TNFD and Nature-Related Risk Management’ to ensure that the needs and realities of Africa are considered.
The programme is building an African Voice for TNFD and Nature-Related Risk Management

The programme will demonstrate the need for finance sector action, pilot and test the emerging TNFD framework and advocate for adoption of the TNFD and nature-related risk management.

**WORKSTREAM 1**

**JUSTIFYING THE NEED FOR TNFD**

To demonstrate the need for finance sector action on nature in Africa by commissioning a first-of-its-kind analysis by Vivid Economics and McKinsey of the impact of nature-related risks and opportunities on the value of African financial institution portfolios, grounded in real-life Fi case studies.

**WORKSTREAM 2**

**ENGAGING ON TNFD**

To ensure that the TNFD framework will be especially applicable in an African context through:

- Piloting TNFD approaches with select financial institutions
- Engaging the TNFD with feedback from the financial institutions

**WORKSTREAM 3**

**APPLYING TNFD**

To draw on the outputs of Workstream 1 and 2, and engage African policymakers and regulators to better integrate nature into their decision-making.
Influential stakeholders are already teaming up to pursue the programme’s objectives

We have put together a strong group of stakeholders to advance the cause of natural capital across Africa.

**Confirmed Champions**
- FirstRand
- Ecobank
- MCB
- KCB
- Sanlam

**Core partners**
- fsdafrica
- UNECA
- defra
- TNFD

**Execution and knowledge partners**
- OliverWyman

**African Natural Capital Alliance in partnership with TNFD (ANCA)**
Select financial institutions, policymakers and regulators, members of the civil society and other influential stakeholders.
The African Natural Capital Alliance is the key advocacy group
ANCA is a public facing group that acts as the vehicle to drive advocacy for the TNFD and nature-related risk management in Africa

Purpose of ANCA

- **Become the Voice for Africa on the African nature agenda**
  - Provide common and consistent messages on nature-related issues, in particular on the importance of Africa’s natural capital and the management of nature-related risks and opportunities

- **Advocate for the TNFD in Africa**
  - Promote the TNFD, and encourage policymakers, regulators, financial institutions and other companies to adhere to the TNFD and develop approaches to manage nature-related risks and opportunities

- **Ensure the applicability of the TNFD in Africa**
  - Coordinate a forum to provide structured feedback and input to the TNFD regarding the appropriateness of its management and disclosure framework within an African context

- **Become thought leaders on nature in Africa**
  - Collectively share information, learnings and knowledge on best practices around nature-related risks and opportunities

Note – TORs are available further detailing ANCA activities

FSD AFRICA PRESENTATION
ANCA members will be able to provide feedback to the TNFD
ANCA will interface with the TNFD through its working groups and forum

Overview of the proposed TNFD governance structure

Co-Chairs
- Stewardship group: Represents the founders and funders of the TNFD
- Secretariat: Convenes the Taskforce, coordinates TNFD Forum and directs the TNFD Knowledge Hub, a globally-distributed network of advisory partners

Taskforce Members
- 34 Senior executives from financial institutions, corporates and market service providers. Members represent a market capitalisation of over US$3.1 trillion, manage over US$18.3 trillion in assets and have a footprint in over 180 countries
  - Working group 1: Taxonomy
  - Working group 2: Data
  - Working group 3: Standards & metrics
  - Working group 4: Beta frameworks
  - Working group 5: Pilots

Stakeholder group

TNFD Forum
- Global and multi-disciplinary consultative network of 400+ institutional supporters with technical and practical market experience

Organizations will benefit greatly from participating in ANCA
ANCA provides an opportunity for members to showcase early leadership, participate in the African voice on nature-related risk and shape the global nature agenda and frameworks

FOR FINANCIAL INSTITUTIONS AND OTHER COMPANIES

• Be seen as a leader in the nature space and play at the forefront of change

• Represent the Voice for Africa in Nature in global discussions and provide feedback to the TNFD

• Gain ongoing access to best-in-class technical support and a network to develop nature- and climate-related knowledge and capability

FOR POLICYMAKERS AND REGULATORS

• Show early leadership by engaging with emerging nature regulations and provide feedback to the TNFD

• Plan for a seamless transition to a more nature and climate positive economy and society

• Gain access to a global forum and network of peers to discuss implementation of nature- and climate-related regulations

FOR CIVIL SOCIETY ACTORS

• Leverage a credible platform to advocate the significance of natural capital in Africa and important solutions

• Collaborate with other networks and initiative to present a united narrative around the importance of natural capital

• Access a wealth of information such as case studies and testimonies on natural capital

While funding for the programme is secured, a moderate commitment of time and resources from ANCA members is required
Appendix

A1 – How does nature relate to climate?
## How does nature relate to climate?

### #1 Nature and climate are distinct, but related
- Nature incorporates the world’s stock of natural assets including air, soil, water, minerals, plants and animals
- Nature risks arise from the consequences of nature loss and from responses to prevent nature loss
- Climate refers to long-term temperature and weather patterns, and climate change is the phenomenon of changes in those patterns
- Climate risks arise from the impacts of climate change and from efforts to reduce greenhouse gas emissions

### #2 Nature risks can amplify climate risks and vice versa
- Loss of nature can accelerate climate change – for example, deforestation contributes to greenhouse gas emissions. It can also increase vulnerability to the impacts of climate change – for example, loss of mangroves and coral reefs increases vulnerability to coastal flood risks as sea levels rise
- Climate change can degrade natural assets – for example, by diminishing rivers and lakes, increasing the incidence of forest fires, and accelerating biodiversity loss. Responses to mitigating climate change can also have consequences for nature – for example, large scale cultivation of energy crops can adversely impact biodiversity
- Nature-based solutions may create win-win opportunities for climate and nature. For example, restoration of natural forests can enhance biodiversity and increase carbon sequestration

### #3 Nature loss is typically a more localized process
- Climate change is a global phenomenon, although impacts and mitigation responses vary by country and region
- Nature loss typically occurs at a regional scale – for example, destruction of particular habitats, unsustainable water withdrawals or pollution. However, consequences may be felt more widely – for example, international markets may transmit the impacts of water scarcity in a key agricultural region to food consumers in other countries

### #4 Nature risks are more multifaceted than climate risks
- The wide range of natural assets, each subject to different degradation patterns which generate different consequences, makes nature risk more multifaceted than climate risk
- Understanding exposure to nature-related risks requires a company to understand both its impacts on nature and its dependencies – for example, an agribusiness’s farming methods may deplete the soils on which its crop production in turn depends

### #5 Nature risk management can build on progress made with climate risk
- Companies and financial institutions looking to manage nature-related risks can build on the progress they have made implementing climate risk management approaches. This will also help them to capture interdependencies between the two
Appendix

A2 – Overview of the TNFD
Nature-related risk and the role of TNFD

Nature-Related Risks

More than half of the world’s economic output is dependent on nature. As climate change occurs and natural resources are becoming depleted, an increasing number of financial stability risks are faced by corporates across the globe.

The role of the TNFD

The Taskforce for Nature-related Financial Disclosures (TNFD) aims to address this problem by integrating nature-related risks and opportunities into strategic planning, risk management and asset allocation decisions.

Risk Mitigation

This will be done through the creation of a risk management framework, including disclosures, on how nature and biodiversity risks are identified, managed and reported by corporates, investors and financial institutions.

Source: Taskforce on Nature-Related Financial Disclosures
Proposed principles of the TNFD

1. Market Usability
   Develop frameworks directly useful and valuable to market reporters and users, notably corporations and financial institutions, as well as policy and other actors.

2. Science-based
   Follow a scientifically anchored approach, incorporate well-established and emerging scientific evidence and aim to incorporate other existing science-based initiatives.

3. Nature-related Risks
   Address nature-related risks that include immediate, material financial risks as well as nature dependencies and impacts and related organisational and societal risks.

4. Purpose-driven
   Be purpose driven and actively target reducing risks and increasing nature-positive action by using the minimum required level of granularity to ensure achievement of the TNFD goal.

5. Integrated and Adaptive
   Build effective measurement and reporting frameworks that can be integrated into and enhance existing disclosures and standards. Account for and be adaptive to changes in national and international policy.

6. Climate-Nature Nexus
   Employ an integrated approach to climate- and nature-related risks, scaling up finance for nature-based solutions.

7. Globally Inclusive
   Ensure the framework and approach is relevant, just, valuable, accessible and affordable worldwide, including emerging and developed markets.

The scope

- The TNFD Scope is focused on living nature and elements relating to living nature such as air, soil and water
- It is not a new standard but an aggregator of the best tools and materials to promote worldwide consistency for nature-related reporting

The workplan

- The TNFD Work Plan is presented as a means to put the goal, principles and scope into action over a two-year period (2021–2023)
- Includes how framework will be developed with the best available scientific and technical input, piloted broadly with institutions globally, consulted on widely, and eventually launched for wide adoption in the market from 2023

The governance

- Streamlined approach best suited to a market-led initiative, with appropriate accountability and guardrails
- Two Co-Chairs who represent both the public and private sector, global North and South plus topic expertise in nature and finance

Summary of the TNFD’s scope

The TNFD framework will adopt a four-pillar approach, structured around how organizations operate: governance, strategy, risk management, metrics and targets.

Core elements of recommended nature-related financial disclosures

- **Governance**: The organization’s governance around impacts, dependencies, risks and opportunities.
- **Strategy**: The actual and potential effect of the organization’s impacts and dependencies on nature and associated risks and opportunities on its business, strategy, and financial planning.
- **Risk management**: The processes used by the organization to identify, assess and manage its impacts and dependencies on nature and associated risks and opportunities.
- **Metrics and targets**: The metrics and targets used to assess and manage relevant impacts and dependencies on nature and associated risks and opportunities.

**Nature-related risks**: In each of the above pillars, the organisation must consider its impacts on nature, dependencies on nature, and the resulting financial risks and opportunities.


The TNFD will incorporate a broader definition of the term “nature-related risks and opportunities” into each pillar.
**TNFD’s workplan**

TNFD is currently in Phase 2, testing the first beta version of the framework working towards releasing a second version in June 2022.

<table>
<thead>
<tr>
<th>Phase 0</th>
<th>Prepare</th>
<th>2020</th>
<th></th>
<th>Launch of the TNFD: this includes a Market Readiness study of 15–20 financial institutions, a resource mapping study of existing tools, and beginning the ITEG-suggested phased priority sector approach.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td>Build</td>
<td>2021</td>
<td></td>
<td>Building the draft framework: refine the purpose, objective, output and outcome of the TNFD, and develop the draft framework and recommendations. Technical work includes that on data stacks, scenarios, and the climate-nature nexus.</td>
</tr>
<tr>
<td>Phase 2</td>
<td>Test</td>
<td>2022</td>
<td></td>
<td>Test the draft framework: During the testing process a draft TNFD reporting framework and recommendations will be tested with FIs and companies, in close collaboration with relevant financial regulators. Revised version of the framework will be published in June ‘22, October ‘22 and February ‘23, with the final recommendations made in September ‘23.</td>
</tr>
<tr>
<td>Phase 3</td>
<td>Consult</td>
<td>2023</td>
<td></td>
<td>Draft framework launch: The draft Framework report will be edited in response to consultation feedback and launched on the TNFD website. Purpose of consultations is to facilitate widespread adoption in relevant sectors and geographies.</td>
</tr>
<tr>
<td>Phase 4</td>
<td>Disseminate</td>
<td>Sept 2023 onwards</td>
<td></td>
<td>TNFD full launch and promotion: An internal and external communications plan across the project to determine when and how key milestones will be communicated and supported TNFD launch recommendations.</td>
</tr>
<tr>
<td>Phase 5</td>
<td>Uptake</td>
<td>2023 onwards</td>
<td></td>
<td>With agility, a client focused and “learning by doing” at its heart, TNFD will continue to iterate providing #NextGen detailed guidance in the coming years on risk management, scenario analysis and more to help the market action the framework. Deep global uptake will be supported through targeted sectoral and geographic events with, stakeholders, members and targeted research across all phases.</td>
</tr>
</tbody>
</table>

Who benefits from TNFD’s work?

<table>
<thead>
<tr>
<th>Investors</th>
<th>Analysts</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Informed and robust capital allocation decisions based on clarity, confidence and trust in natural capital and environmental opportunities and risks disclosed by a company, alongside climate change</td>
<td>Better equipped to utilise environmental and natural capital-related information in determining impacts on future cash flow and ultimately company valuations, alongside climate change</td>
<td>Incorporate environmental and natural capital-related information in financial reports alongside data on climate, assisting companies in achieving a holistic view of how climate change and natural capital can affect their performance and the necessary actions they could take</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Regulators</th>
<th>Stock exchanges</th>
<th>Accounting firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Framework that can be immediately adopted or referenced as a method of compliance in regulation/guidance, informing business decision-making related to the use of natural resources, land and sustainable behavior</td>
<td>New voluntary and mandatory listing requirements linked to material environmental and natural capital-related risks and opportunities alongside climate change</td>
<td>More comprehensive assurance of companies reporting on environmental and natural capital-related performance</td>
</tr>
</tbody>
</table>

Considerations of Nature-Related Risks for Financial institutions

Financial institutions such as investors, lenders, and insurance underwriters require visibility of the following nature-related risks and opportunities in order to make more informed financial decisions.

- Nature-related Transition Risks
  - Policy and Legal
  - Technology
  - Market
  - Reputation
- Nature-related Physical Risks
  - Acute
  - Chronic

Nature-related risks and opportunities are likely to impact an organization’s future financial position as reflected in its income statement, cash flow statement, and balance sheet.

Risk Management and Strategic Planning

Financial Impact

- Income Statement
  - Revenues
  - Expenditures
- Balance Sheet
  - Assets and Liabilities
  - Capital and Financing

Benefits of TNFD for financial institutions

1. Inform and complement financial statements

TNFD-aligned reporting can be used by financial institutions to:

- Understand their exposure to financial risks through the impacts and dependencies on investments, insurance products and loans
- Conduct valuations of companies and assess credit risk, market risk and business risk
- Communicate financial information externally to investors
- Determine the appropriate cost of capital for investees or borrowers

2. Determine impacts and dependencies on nature

TNFD guidelines can be used by financial institutions to:

- Understand the environmental, social and governance (ESG) impacts of their financing for use in external reporting, portfolio management, strategy development, and to inform their investment process
- Integrate ESG factors into their governance and stewardship (including shareholder voting, corporate engagement and public policy engagement)

Application of The TNFD Guidelines for financial Institutions

<table>
<thead>
<tr>
<th>Nature-Related Risks and Opportunities</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Considerations of dependencies and full value chain impacts</td>
<td></td>
</tr>
<tr>
<td>• Considerations of all financial risks and opportunities (physical and transition) associated with those impacts and dependencies</td>
<td></td>
</tr>
<tr>
<td>• Considerations of systemic risk</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nature</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Identification of priority types of nature-related risks in priority industries associated with living nature, water, soil, air and mineral depletion</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Climate</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Adjustments of interactions and transition pathways</td>
<td></td>
</tr>
<tr>
<td>• Considerations will be provided by the TNFD for how financial institutions and reporting entities should tackle interactions between climate and nature, and how the TNFD process and TNFD-aligned reporting will interact with the TCFD</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Finance</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Consideration of all aspects of private finance, including project finance and SMEs, associated with priority types of nature-related risk in priority industries</td>
<td></td>
</tr>
<tr>
<td>• Considerations of public finance insofar as it impacts flows of private finance, associated with priority types of nature-related risk in priority industries</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Metrics and Data</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Access data from corporate disclosure as well as third party data sources on state of nature, pressure to nature, and response to nature, for priority types of nature-related risk in priority industries</td>
<td></td>
</tr>
<tr>
<td>• Assessment of data quality</td>
<td></td>
</tr>
</tbody>
</table>

Nature-related risks and opportunities for African financial institutions

- **17.5%**
  Agriculture, forestry, and fishing, a reasonable proxy for the nature-related industry, comprise 17.5% of the total GDP of Sub-Saharan Africa

- **65%**
  Africa contains 65% of the world’s arable land, indicating a level of systemic risk in the financial system

- **30%**
  Africa has 30% of the world's minerals, offering large natural capital opportunities

Natural capital may not be funded heavily or directly by FIs

While activities in agriculture, forestry and fishing comprise 17.5% of the total GDP across Sub-Saharan Africa, the nature-related industry is typically not heavily funded by banks and financial institutions in proportion to its contribution to economic output in Africa despite the industry supporting the livelihoods of the most vulnerable and many MSMEs across the continent.

Exposure to nature-related risks will be high for every African country and institution

Since the portfolios of financial institutions are not always comprised of large proportions of nature-related investments or financing, such institutions may perceive their exposure to nature-related financial risks to be low. However, due to the systemic nature of these risks there remains significant risk for financial institutions.

Natural capital opportunities present significant upside

As an example, Africa has an abundance of arable land and minerals amongst other natural resources. Financial institutions should consider using the TNFD’s guidelines to capitalize on opportunities and increase their capital allocation to nature-related sectors across Africa to support a shift in global financial flows away from nature-negative outcomes and towards nature-positive outcomes.


FSD AFRICA PRESENTATION
Appendix

A3 – TCFD adoption recap
Overview of the TCFD adoption

Overview of adoption

Key facts and figures

2600+
TCFD Supporters
Globally

120+
Regulators and
Governmental Entities

$25 TN
Combined Company
Market Capitalization

Examples of African FI TCFD Supporters

Support for TCFD recommendations continues to grow

Number of TCFD supporters

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Institutions</td>
<td>513</td>
<td>785</td>
<td>1,512</td>
<td>1,547</td>
</tr>
<tr>
<td>Other Supporters</td>
<td>287</td>
<td>374</td>
<td>812</td>
<td>1,069</td>
</tr>
</tbody>
</table>

Asset under management of TCFD supporters

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Company Assets</td>
<td>$100 TN</td>
<td>$118 TN</td>
<td>$150 TN</td>
<td>$194 TN</td>
</tr>
</tbody>
</table>

Source: Task Force on Climate-related Financial Disclosures October 2021 Status Report
TCFD: Review of key events and growth in adoption

- **Dec 2015**: TCFD launched
- **Dec 2016**: First recommendations made
- **Jun 2017**: TCFD recommendations released
- **Sep 2018**: First status report released
- **Oct 2019**: TCFD inaugural summit
- **June 2021**: TCFD adopted in G7 countries and several others
- **1/16**: TCFD first members announced
- **10/17**: President Macron endorses the TCFD
- **12/17**: Michael Bloomberg advocates for TCFD on global stage
- **06/18**: Large Fi investors advocate for adoption and G7 endorsement
- **09/18**: UK regulator publishes report on fin-risks of climate change
- **10/18**: Knowledge Hub launched
- **09/20**: Third annual report shows evidence increased adoption

**Supporters**

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporters</td>
<td>513</td>
<td>785</td>
<td>1,512</td>
<td>2,616</td>
</tr>
<tr>
<td>AUM</td>
<td>$100 TN</td>
<td>$118 TN</td>
<td>$150 TN</td>
<td>$194 TN</td>
</tr>
</tbody>
</table>

Source: TCFD annual reports
TCFD: Key lessons learned for successful adoption

**Key lessons learned**

1. **Plug into current business processes and thinking**
   *Create a framework that aligns to current business operations to avoid creating a standalone process*

2. **Test and gather feedback**
   *Test emerging frameworks with financial institutions and policymakers and regulators to gather feedback on their appropriateness*

3. **Advocate for the mission and why it matters**
   *Leverage public and private sectors locally and globally to advocate for adoption, including using large events/forums as a platform*

4. **Data drives better decision making**
   *Provide guidelines and principles for using existing data sources and provide industry/external data to supplement analysis*

5. **Maintain a long-term and holistic view**
   *Highlight the systemic nature or nature-related risks and the implications on long-term sustainability*

6. **Remain market led**
   *Grow support from the market and private sector to aid and provide leverage with policymakers and regulators engagements*

7. **Provide hands-on support**
   *Work with financial institutions and policymakers and regulators to create implementation and adoption strategies*

Source: TCFD annual reports