

What finance needs from biodiversity data

Dr Paul Jepson

Opportunity to unlock investment in nature recovery with data products Existing biodiversity metrics not fit purpose. But new design principles are emerging

A biodiversity data commons to enable rapid product development to meet investor needs





"Rewilding should be central to the massive restoration efforts needed to overcome the global biodiversity crisis and enhancing the biosphere's capacity to mitigate climate change".

Jens Christian Svenning One Earth 2021



This is an exciting decade of opportunity

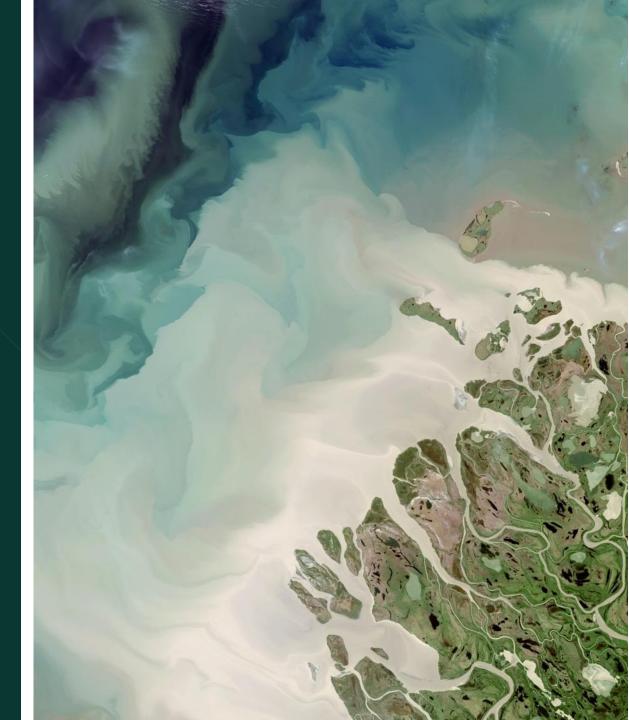
- 'The goal is to create a world that is not only net zero but also nature positive' G7 leaders pledge Cornwall 2021
- Leading corporates seeing nature recovery as material to their long- term business viability
- Investors and activists collaborating on developing guidelines for disclosing nature-related risk (TNFD)
- Rise of 'nature positive' and desire for nature positive investments and 'high integrity nature markets' (for nature credits)
- Big advance is ecosystem science and technologies of biodiversity assessment



'Unlocking' nature investments requires metrics which need data feeds

Metric Use cases

- Corporates to manage, reduce and report biodiversity-related risk
- Nature-related credit markets to evidence forecasted and realised 'uplift's in biodiversity
- Nature-related performance bonds to evidence



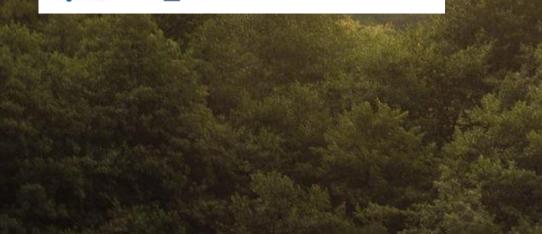


Finance for Biodiversity

Guide on biodiversity measurement approaches



July 2022





Wild west of biodiversity metrics

Characteristics

- Focus on a limited set of species or habitat metrics
- Weak science rationale for choice
- Static and backward looking data
- Repurpose existing data sets
- Not embracing newer types of data

Frustrating development of nature markets

Risk that a big asset manager will decide to run with a poor one which will become the standard



A new nature fintech company born out of Ecosulis Ltd.

Asset-level data & metrics



Financial instruments

Creditnature NATURE IMPACT TOKEN



SITE X RECOVERY EDITION X HA

Data Standard Gold January 2023

Nature Impact Token

NARIA Framework (Natural Asset Recovery Investment Analytics)



Principles for metric design are beginning to emerge

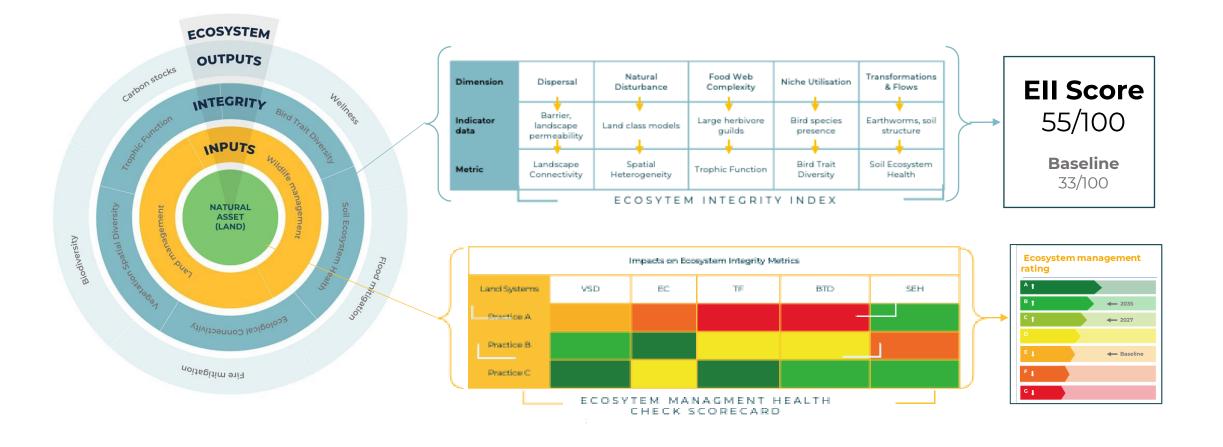
- **1. Holistic** captures key dimensions of bio-physical complexity
- **2. Scientific rigor** rooted in latest developments in biodiversity and ecosystem science
- **3.** Socio-ecological recognise humans as part of ecosystems.
- **4. Consistent** –can be applied in a standardised manner across different ecoregions and land systems.
- **5. Future-proofed** architecture and metrics can be improved and updated as science, technology and data availability advances.
- **6. Affordable** metrics are based on data that is cost-efficient to acquire across different scales
- **7. Verifiable** metrics and their scores and ratings can be substantiated by third parties.
- **8. Useable** outputs are easily communicable, meaningful and understandable and compatible with decision-making platforms.
- **9. Aggregative** amenable for combining (model fusion) with data from other domains and sectors.



NARIA: Natural Asset Recovery Investment Analytics



Framework for measuring ecosystem & biodiversity uplift



🍋 creditnature

How biodiversity data providers can contribute

- APIs
- Pre-commercial developer licences
- Standard & affordable data use licences
- Functional ontologies to give taxon data meaning
- 'Bigger' data
- Align with emerging data standards

Embrace the reality that commerce will drive investment in nature recovery

Analytic companies are becoming the agents of transformative change



Source Stanford University

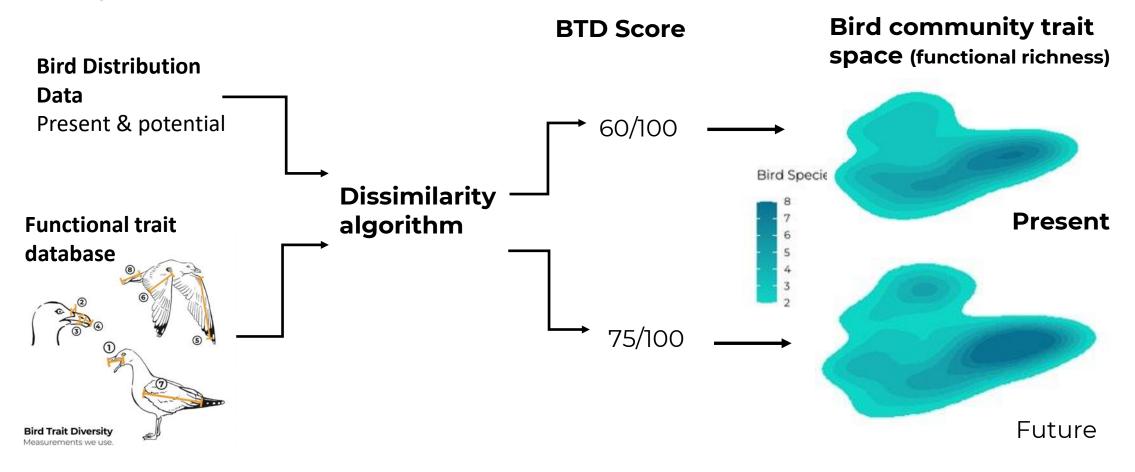
BIRD TRAIT DIVERSITY





Measures the dimension of niche utilisation is proxy for relationship between biodiversity and ecosystem function.

Bird Trait Diversity



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Does OS-Climate offer a vision of the future?

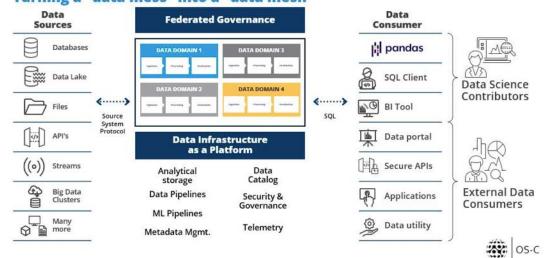
Present situation

enormous range of data sources in a wide range of formats.

Future situation

- Federated governance layer. ٠
- Open-source data science tools as platform with ٠ standards.
- Commercial data provides contributing on limited ۲ use basis.
- Agile teams solving user needs in open data domains.

OS-Climate Data Commons Turning a "data mess" into a "data mesh"



Manage Data as a Product...

Data is managed as collections of related data aligned to business functions and goals, under a single owner stream that is responsible for governance of data created, provided, stored, transformed in and consumed

To accurately assess risk.

range of data sources

combine climate and

as well as ways to

financial data.

Risk Analyst



I need an easy way to

obtain corporate ESG

data along with new

tools to decarbonize

Investment Manager

Communications

a portfolio

& ESG

Specialist



I require tooling that

can evolve as rapidly

are changing. And I

need transparency

Portfolio/Asset

Client Reporting

Manager &

Specialist

to trust their results

as science and climate







I need to procure, ingest, and process

data that's new to the

financial community.

I need a strong data I need an ever-increasing governance system which controls data integrity, as well as provides transparency across a multitude of regulatory frameworks.

Regulatory &

Compliance

Managers

Data Procurement Specialist

www.os-climate.org



Private capital is ready to invest in nature recovery, but it needs a biodiversity metric to do so.

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@prjepson