

MEDIA ADVISORY

Launch of NatureFinance tool to kickstart financial institutions' journey towards nature-positive investments

- *7% of GDP is spent on activities that harm nature, with global biodiversity currently degrading faster than at any point in human history*
- *New 'NatureAlign' tool is designed to help financial institutions assess their relationship with and impact on nature*
- *By combining a wide range of datasets into one place, some for the first time, NatureAlign enables portfolio-level measurement and action.*

7 November 2024 – NatureFinance is today launching [NatureAlign](#), a new tool designed to help financial institutions assess and progress their alignment with nature-positive outcomes through the lens of the Biodiversity Plan (formerly the Kunming-Montreal Global Biodiversity Framework (GBF)).

The first module of NatureAlign helps private financial institutions, from asset managers to banks, to assess their baseline position with respect to nature. This is an essential first step before taking further action to channel financial flows away from activities that harm nature, and towards activities that deliver nature positive outcomes. [The first module was piloted by two financial institutions including PIMCO, a global investment manager with over \\$2 trillion AUM.](#)

Each year, according to UNEP, nearly [\\$7 trillion](#) is invested globally in activities that negatively impact nature, the equivalent of roughly 7% of global GDP. NatureAlign enhances financial institutions' capability to track their impact on nature, so they can align their portfolios with the activities and sectors that protect and restore the natural world.

While several existing tools analyse specific components related to nature, such as biodiversity and water scarcity, NatureAlign brings together a unique combination of these datasets to enable portfolio-level measurement and action. It is also one of the only apps that is freely accessible with links to the Corporate Sustainability Reporting Directive (CSRD) and the Taskforce on Nature-related Disclosures' (TNFD) LEAP (Locate, Evaluate, Assess, Prepare) framework.

NatureFinance's work focuses on initiatives that are building and using biodiversity data to better manage nature-related risks, developing purposeful nature markets, and advancing financial innovations – with NatureAlign being the latest of these initiatives.

Julie McCarthy, CEO at NatureFinance, said: “Coming out of the UN biodiversity COP we can see two things clearly. Progress on saving nature is too slow, and money is not moving in the right direction. With our financial and economic system currently on track for 2-3C warming, financial institutions, like asset managers, asset owners and banks, are crucial to redirecting finance towards economic activities that deliver nature-positive outcomes. Financial institutions can dramatically transform both the business and natural landscape by proactively managing nature risks and seeking out nature positive opportunities in their decision-making. Innovative, accessible tools and data are critical to help them know where, how and in what to invest on a rapidly changing planet. We urgently need financial institutions' leadership to align global investment with an economy that works for nature, climate and people.”

Financial institutions input data on their investments and loans into a 'watchlist'. The app then analyses that data using third-party biophysical, spatial, and financial data. Notably, this includes the SEED Biocomplexity Index from the ETH Crowther Lab, which is currently not publicly available in any other similar tool. Results are then generated within a matter of seconds. Results include maps and statistics outlining the state of nature, the extent of water risk, the presence of critical natural assets, and the extent of ecosystem protection in the countries and watersheds that the financial institution's organisation invests in or lends to. The app also assesses the exposure of sectors within the watchlist to nature-related dependencies and impacts. The sectors and constituents within the analysed watchlist that exceed those parameters are then identified to encourage targeted action. Uniquely, users also receive estimates of two core sector metrics recommended by the TNFD – exposure to sectors with material nature-related dependencies and impacts, and exposure to sensitive locations.

Sarah Krisht, Nature Risk Lead at NatureFinance, said: “Our aim with NatureAlign is to develop a tool which is accessible and helpful in order to drive progress in their nature journey and better track their impact on nature. User needs are at the core of NatureAlign which is why we

engaged with over fifteen financial institutions in developing it, and hope to continue this iterative engagement.”

Future modules of NatureAlign could focus on providing tools or frameworks to assess alignment with the GBF, offer structured recommendations for setting nature-related targets, and allow organisations to explore the impact of modifying their investments on nature.

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Notes to editors:

As part of its development, NatureAlign was conceptually tested with 15 financial institutions ranging from asset managers to asset owners and banks. This involved presenting an overview of NatureAlign to these financial institutions and getting their feedback on how it relates to what they are doing, whether it provides relevant analysis, and whether it adds value. The app within NatureAlign was also successfully piloted with a global bank and a global investment manager.

Detailed information about how data is stored within the app can be found in the app’s privacy policy. The data users provide is stored in their user account (and therefore in our cloud). Users can amend, update, or delete the provided data in their user account at any time.

You can access NatureAlign here: <https://www.naturefinance.net/making-change/nature-risk/naturealign/>

The software for the app was developed by [Neural Apha](#)

About NatureFinance: *NatureFinance is a Geneva-based, international not-for-profit dedicated to aligning global finance with equitable, nature positive outcomes and thereby accelerating climate goals and a just transition to sustainable development. Its work spans initiatives that are building and using biodiversity data to better manage nature related risks, developing purposeful nature markets, advancing financial innovations including in sovereign debt markets, strengthening nature related liabilities and citizen action on nature.*

Media Contacts

Headland Consultancy

Lucy Drinkwater

LDrinkwater@headlandconsultancy.com

+44 (0)79 9006 7694

Joey Scanlon

JScanlon@headlandconsultancy.com

+44 (0)73 1136 9810