PRESS RELEASE:

NatureAlpha Unveils Nature Value at Risk (NVaR) Framework to Enable Businesses to Quantify Financial Exposure to Nature-Related Risks

- *Providing clarity on the impact of natural dependencies on long-term performance - promoting investment resilience*
- *Enabling businesses to minimise nature risk, while protecting against future associated financial losses*
- *Helping equip organisations for upcoming regulatory obligations*

17 September 2025, London: NatureAlpha, a dynamic AI fintech business for preeminent nature risk data and analysis, today announced the development of its pioneering Nature Value at Risk (NVaR) framework, designed to empower businesses and financial institutions to transcend from understanding environmental materiality to addressing financial materiality. The framework directly links nature-related risks to financial outcomes, enabling organisations to build resilience and minimise their nature risk whilst protecting against future associated financial losses.

At the heart of NVaR are three core pillars, which provide companies and investors with a forward-looking, quantifiable view of their financial exposure to nature.

- **Operational deficits** emerging under Shared Socioeconomic Pathway (SSP) scenarios, capturing both direct and indirect chronic physical nature risks.
- **Transition-related risks**, modelling the financial impacts of regulatory and market shifts tied to nature.
- **Value at Risk methodology**, assigning probabilities and financial values to nature-related risks over time.

NatureAlpha has already advanced its NVaR framework through the creation of **operational deficit** metrics, which assess how an asset's dependence on ecosystem services influences its ability to function over time. These groundbreaking metrics:

- Identify the degree of ecosystem service dependency using high-quality geospatial data.
- Model how service provision will evolve under different policy and climate scenarios.
- Quantify impacts on asset performance by linking to financial metrics such as revenue, EBITDA and cash flow.

NatureAlpha's revolutionary metrics enable organisations to capture chronic, direct, and physical risks in a way that aligns natural dependencies with financial implications, thus equipping them to take the necessary action to protect against future associated financial losses and ensure business resilience over the long term.

With financial regulators tightening requirements, the NVaR framework offers a timely solution for organisations preparing to future-proof themselves for upcoming regulatory demands. In particular, Switzerland's FINMA 2028 circular will require financial institutions to quantify the financial materiality of nature-related risks and integrate them into risk management processes. NatureAlpha's operational deficit metrics provide a scalable, robust, and practical tool for banks, insurers, and asset managers to begin meeting these obligations today.

NATURE ALPHA

"By creating the NVaR framework, our mission is to transform how businesses and financial institutions understand and manage nature-related risks," said Nick Hough-Robbins, CEO at NatureAlpha. "As the accessibility of nature data accelerates with pace, the finance industry is crying out for solutions which help to meaningfully translate natural world risk and dependencies into quantifiable financial exposure."

"We are equipping the market with a forward-looking, data-driven methodology that connects ecological realities with financial performance, ultimately supporting a more resilient economy, long term value creation and regulatory readiness.

ENDS

For further information, please contact:
Ali Ring, Communications Consultant - NatureAlpha: ali.ring@naturealpha.ai

Notes to editors

About NatureAlpha
NatureAlpha provides AI and data-driven insights to support a range of solutions including nature and biodiversity risk-related metrics, indexed products, compliance tools and nature-linked financial consulting. NatureAlpha utilises curated datasets from the world's most authoritative scientific, regulatory, corporate and governmental sources including internationally agreed goals as detailed in the Convention for Biodiversity and IUCN, and in line with the Task Force for Nature-related Financial Disclosures' framework. www.naturealpha.ai