Return on Conservation Index:
Texan by Nature and EcoMetrics Methodologies

Texan by Nature (TxN) is excited to share the Return on Conservation Index that articulates the science-based impact of conservation activities measured against the global UN SDG framework**. The goal of these indexes is to bridge the reporting gap between conservation and industry in order to accelerate investments and also show the value of local conservation as a component of ESG strategy.**

Collaboration with EcoMetrics

To quantify the economic return of a project's conservation impact, TxN partnered with EcoMetrics LLC to estimate the economic impact of conservation projects measured against the UN SDGs. Literature-verified rate values for the project's economic impacts are identified from the EcoMetrics database. These values are applied to the project's environmental impacts and fixed for inflation rates and time. All proxies were obtained from peer-reviewed research that addresses value creation in similar land uses or other characteristics. **See a list of proxies used.**

Impact Articulation Example

Texan by Nature (TxN) worked closely with Texas Longleaf Team (TLT), a 2021 Texan by Nature Conservation Wrangler, to collect up-to-date data on TLT's operations and projects since their origin in 2014. Once this data was collected, it was aligned with corresponding UN SDGs.

- *For example, the number of trees planted by TLT since 2014 was placed under Goal 13: Climate Change*.

Next, verified indicators were identified for each goal mapped to TLT's achievements. UN SDG Compass and the UN STATS Metadata websites were used to identify indicators that match up with each UN SDG. Reporting frameworks used in TxN's analyses consist of items such as the General Reporting Initiative (GRI), Global Rights Index, WHO Global Health Observatory Indicator, and many others.

- *Building on the example for Goal 13, TxN utilized a GRI indicator (G4-EN19), reduction of greenhouse gas emissions, to add quantitative carbon emission reduction data to the number of planted trees by TLT.*

For each goal mapped to TLT's achievements, TxN went through this workflow of applying reporting indices. Last, TxN calculated the environmental impact each goal outlines based on the reporting index chosen.

- *Building on the example for Goal 13, TxN calculated the total carbon emission reductions (or carbon sequestered) by the number of trees planted by TLT since 2014.*

To quantify the economic return of the environmental impact above, EcoMetrics used their peer-reviewed database of economic proxies to identify the economic value to the environment, economy, and society of carbon sequestration by longleaf pine.

- *EcoMetrics approximated the market, social, and economic value of the carbon sequestered by the trees planted by TLT since 2014 and this value can be seen in their published ROC Indexes.*

DISCLAIMERS:

As these analyses are not the result of a formal EcoMetrics methodology analysis, there are a number of caveats to keep in mind. The current metrics on the TxN Return on Conservation Index are as accurate as possible and show the tremendous economic and environmental impact the projects have made. These metrics should be used to show the degree of achievement by the projects and how investors, landowners, or others impacted by the project may see a benefit to their bottom line by investing in the mission of the organization.

The caveats related to these analyses done in partnership with EcoMetrics LLC include:

- *The proxies provided are peer-reviewed research-based values that are not project or site validated, and are based on similar land use values.*
- *The proxies can provide a "snapshot in time" approximation of value created in the respective categories and are based on the quantification metrics provided elsewhere on the index. If a partner wishes for some of these values to be projected out for a certain number of years, TxN can help to engage a third party to do such analysis.*
- *Depending on the intended use of the valuation data and degree of accuracy desired, a sensitivity analysis of highly sensitive proxies would be prudent.*
- *As this is not a formal EcoMetrics methodology analysis, a major component lacking is the stakeholder input which guides how much weight is given to the anticipated impacts in terms of likelihood of a benefit happening and the magnitude of that impact.*
- *The calculation does not include investment costs, so the total investment in the project made would need to be divided from the total value created to calculate a true Return on Investment for potential clients.*
- *Some economic values in the index represent future opportunity values. Some of these markets may not be currently available or active in Texas, but information from around the country indicates the field of voluntary-based markets moving towards these types of opportunity credits.*
- *Project Specific Caveats:*
    - *Texas Partnership for Forest and Water: The economic values presented in this index represent the value of the project at the 5-year mark after planting is completed. The environmental values were guided by the iTree model, which was used to calculate the environmental impacts of the corporate planting project.*