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The power of sound: Results of bioacoustics study offer potential for biodiversity measurements to investors

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Biodiversity research study first launched in September 2022 now complete.

- Conservation areas and areas where palm oil is being produced showed notably different acoustic landscapes
- Areas where palm oil is being produced were dominated by monotonous activity of only insects and no mammals were detected
- Conservation and Control plots were populated by varying bird species, frogs and mammals

Today, on the <u>UN's International Day for Biological Diversity</u>

(https://www.un.org/en/observances/biological-diversity-day), we are reminded that there is a growing demand for ways to measure progress towards stated biodiversity goals. One of the biggest hurdles is obtaining reliable data that provides real time insights into the effectiveness of different approaches for managing biodiversity impact.

In light of this, Cardano, along with partners Fidelity International and Nomura Asset Management, sponsored Green PRAXIS, a nature-based solution provider to conduct a bioacoustics study. The research was also in collaboration with Professor Hervé Glotin, Head of the DYNI research team at LIS, University of Toulon, and Professor Gianni Pavan, Director of CIBRA, University of Pavia.

The study, which used bioacoustics technology to monitor and measure biodiversity levels associated with varying land use intensities within a palm oil concession, produced encouraging and clear results. The Green PRAXIS team analysed sound recording data gathered from six recording days over nine locations in West Kalimantan, Indonesia on land owned by a palm oil producer. The recordings were set up across three types of plots:

- · A Control plot: Forested area outside of the concession
- Conservation plots: Secondary forest resulting from conservation efforts
- Production plots: Active monoculture palm oil plantations

To distinguish between the elements in the recordings, Green PRAXIS developed an innovative technique using bioacoustics methodologies to create visual representations (or spectrograms) of the sounds. These spectrograms allow the 'sounds to be seen' and are compiled to inform biodiversity levels.

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The study found that the Conservation areas and Production plots produced notably different acoustic landscapes. Production plots were dominated by monotonous insect activity, primarily cicadas, and no mammals were detected. The absence of gibbons in Production plots is a very important indicator of the degraded state of agricultural areas since primates play vital roles in ecosystem structure, function, and resilience. Conversely, Conservation and Control plots were populated by varying bird species, frogs and mammals - including primates (gibbons).

Have a listen to the Control plot.

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While both the Control and Conservation plots produced a significantly higher number of acoustic events in a wider range of frequencies correlated with species richness, the Conservation plots did not demonstrate the same quantity of events.

Have a listen to the Conservation plot.

Globally, these results corroborate earlier academic findings that conservation efforts by companies are valuable in terms of restoring biodiversity, however, they cannot replace the protection of natural forests.

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Have a listen to the Production plot.

Looking ahead

The goal of the study was to lay the initial foundations for building an affordable, speedy, reliable and non-invasive tool for measuring biodiversity richness and abundance in a certain area. Discussions with a second palm oil producer are already underway to conduct recordings within multiple conservation plots, production areas and control plots (ideally within primary forests). This group of investors intend to use the combined results to encourage companies and their suppliers to incorporate this technology into their own biodiversity monitoring processes.

Greta Fearman, Senior Responsible Investment Officer, Cardano, commented:

Cardano, we are committed to playing our part in engaging with companies to redirect investments away from activities that destroy biodiversity towards those which allow nature to bounce back. This initiative shows that there are ways for companies to measure their impact as they work towards achieving their biodiversity targets. This tool can improve accountability and demonstrate whether companies are actually on track to meeting their Nature Positive commitments.

"We acknowledge that there is a need for further studies with larger sample sizes, that are geographically diverse and done at different times of the year to check for seasonality, but the investor group is pleased with the initial set of results and believe they are promising and inline with previous scientific findings."

Daniela Dorelova, Equity Research & ESG Analyst, Nomura Asset Management UK, said:

"At Nomura Asset Management, we are particularly excited about being part of this project and the promising initial set of results from the study. One key finding and limitation we encountered was our inability to find a true pristine forest adjacent to the plantation to serve as a control group for the study. We learned that all of those forests had been cleared in the 1980s. Future phases of this project will aim to identify pristine forests that are suitable to serve as a control group."

Charlotte Apps, Sustainable Investing Analyst, Fidelity International, said:

"At Fidelity International, we believe the loss of natural capital is a systemic risk to capital markets, the health and preservation of our biodiversity and ecosystems is a top priority for us. We are really encouraged by the initial results of the Green PRAXIS study. Green PRAXIS have been able to devise a potential methodology to assess biodiversity, showing meaningful differences in biodiversity between conservation and production plots over the recording period.

This is important proof that bioacoustics could offer a low-cost, non-invasive, rapid and scalable means by which to assess the health of ecosystems, driving better company disclosure, targeted engagement and effective allocation of capital in the future."

Jérôme Di Giovanni, PhD, Co-founder, Green PRAXIS, said:

"Our goal at Green PRAXIS is to help companies with a large environmental footprint reduce the impact of their vegetation and natural assets management practices. Our core metric is biodiversity preservation. These preliminary results strongly encourage us to accelerate R&D efforts and scale up our bioacoustics approach to deal with the urgent need of quick and rigorous biodiversity assessments, and in turn drive more investments towards nature restoration."

Images and audio clips supplied by GreenPraxis (https://www.greenpraxis.com/en).

To find out more about the study contact

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