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Open source climate data project adds KPMG, BNP Paribas and LSEG to list of high-profile backers

The platform will host climate data sets and tools for scenario analysis and assessing portfolio alignment to Net Zero



by: [Khalid Azizuddin](#) Apr 21st, 2021

KPMG, BNP Paribas, the London Stock Exchange Group (LSEG), the UN-convened Net-Zero Asset Owner Alliance and analytics provider Ortec Finance have become founding members of upcoming open source data platform OS-Climate.

The platform, still under development, will host climate datasets and analytics identified as the most material for financial institutions, and will be available for use by the wider market at no additional cost.

The announcement is a big coup for OS-Climate, which is one of the first non-profit initiatives to pioneer the open source model in the climate data space. While the platform does not yet have an official launch date, it has already attracted diverse cross-industry members including Allianz, S&P Global, Goldman Sachs, Federated Hermes, Microsoft and Amazon.

It has also received backing from prominent industry names including former UN climate chief Christiana Figueres, who supported the initial development of the platform, and Bob Litterman, the former head of risk at Goldman Sachs, who is part of the OS-Climate Planning Team.

The open source nature of OS-Climate means that the costs and resources required to build the platform are shared among members, who are then able to leverage the platform's shared resources to develop their own commercial offerings. In contrast, non-members will only be allowed to use the platform to inform internal decision-making.

Members are represented on OS-Climate's board and have a say in the strategic direction and priorities of the platform. A number of board voting positions will also be made available to non-fee paying NGOs and academic organisations.

The platform will have three initial areas of functionality. Firstly, the platform will house key climate datasets - including company-level emissions, asset level data, climate-related financial data, policy and regulation by jurisdiction, and climate scenarios issued by green central banking body NGFS and the PRI's Inevitable Policy Response - in a so-called 'Data Commons'. Widely viewed as the most important element of the platform, the Commons will give users access to raw datasets while supplying the underlying information needed for the platform's tools to function.

Secondly, users will be able to access a suite of tools for scenario analysis comprising analytics for physical risk, stress testing, and scenario modelling provided by Jupiter Intelligence and Ortec Finance. OS Climate is in talks with think tank 2 Degrees Investing Initiative to use their PACTA tool, and have approached other physical risk data providers as well.

Finally, users will be able to measure the alignment of their portfolio with Net Zero targets through temperature scoring - using an existing target-setting methodology developed by the Science Based Target Initiative (SBTi), with additional refinements being developed by leads Allianz, Goldman Sachs, and the Net Zero Asset Owner Alliance. The platform will also include alignment modules based on production capacity and emissions forecasts.

The refinements to the temperature scoring tool and inclusion of the two modules come after NGOs, industry figures and an SBTi advisor raised **concerns** about the **rigour** of SBTi's methodology.

Commenting on BNP Paribas' decision to join the platform, Group Chief Data Officer & Global ESG Risks Executive Rim Tehraoui said: "Having a single global ecosystem where investors, companies, regulators and other actors can work with the same data and analytics tools creates opportunities to drive industry convergence on climate-related analysis.

"BNP Paribas, which implements the PACTA methodology to measure the alignment of its credit portfolio with the objectives of the Paris Agreement, is convinced that having complete transparency about methodologies and their underlying assumptions is key to normalising the use of climate data and developing globally-accepted approaches."

Arne Staal, who heads LSEG's FTSE Russell business, told RI: "OS-Climate's open source model is a potential solution to break down silos and avoid duplication among competitors who are each trying to reinvent the wheel on climate risks, when we should really be working toward common approaches. We believe that organisational resources are better spent on improving the quality of available data, tools and insights, and supporting society's low-carbon transition more broadly."

Frank Manahan, Managing Director and Climate Risk lead for KPMG US, said: "Reliable sustainability datasets and analytics are sorely needed to pivot companies to low carbon business models, which is why we moved quickly to sign up for this. It was also important that the platform had the support of global financial and tech heavyweights, which to us means that it is probably going to succeed."

Lisa Eichler, the Climate & ESG Solutions Co-Head at Ortec Finance - which was among the initial crop of OS-Climate developers said: "As service providers, we felt that it was a competitive advantage to become a founding member and have a say in the strategic direction of the platform. While the open source model is still relatively new to the financial sector, we feel it is advantageous to become a first mover rather than taking a wait and see approach."

Later this year, OS-Climate is due to host a public demonstration of the platform's capabilities on the fringes of the COP26 summit in Glasgow. The initiative will also present a new tool for companies to share corporate climate data with financial institutions, regulators, ratings providers and other relevant bodies.

Truman Semans, OS-Climate's CEO, said the tool would streamline the disclosure process for companies who face "mushrooming reporting burdens" as a result of external requests for data.

The developments come as governments and regulators are starting to look at creating public databases for key climate and sustainability datasets in response to pressure from the financial sector. The EU has already conducted multiple consultations for a **proposed** 'European Single Access Point' which will collate corporate non-financial disclosures, while the UK government has invested £10m to **create** the UK Centre for Greening Finance and Investment which will house "scientifically robust climate and environmental data for any point on planet earth now and projected into the future".

tagged with: BNP Paribas, KPMG, OS Climate, LSEG, AOA, Ortec

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