



terrafiniti

# earth

**initial public offering**

**2012**



## Towards 9 Billion

The Earth Public Offering project forms part of Terrafiniti's sustainability R&D initiative - Towards 9 Billion.

We believe that the time has come to build a world where we can welcome 9 billion people rather than fear their arrival. A world of 9 billion capable citizens is an ambitious vision and a powerful driver for the development of economies, businesses and societies.

A potential marketplace of 9 billion capable citizens in 2050 demands a range of social, technical, industrial and ecological prerequisites. Such citizens would be highly connected, well educated and economically capable.

Markets would prioritise stability, personal and societal wellbeing and focus on the sustainable use of scarce materials, preservation of vital ecosystem services & functions and the utilisation of abundant & renewable resources.

Terrafiniti is committed to playing a role in developing and defining the pathway towards 9 billion capable citizens, by identifying key opportunities and leverage points.

Our goal is to develop tools, solutions and materials that will encourage, support and drive change, which can be used by organisations of all kinds and which will be freely available where possible.



*We are not going to be able to operate our Spaceship Earth successfully nor for much longer unless we see it as a whole spaceship and our fate as common. It has to be everybody or nobody.*

R. Buckminster Fuller

## An IPO for the Earth

**The EPO project asks a simple question; is the Earth a good investment opportunity? Using the concept of an IPO approach we will seek to answer this question and demonstrate just how valuable sustainable behaviour really is.**

The Earth IPO (or EPO) will provide a striking illustration of taking a planetary perspective, defining the planet's assets, capabilities and liabilities together with the risks and challenges we face and the task required to change current economic, political and social models.

### Towards Planetary Management

The EPO will also introduce simple, clear and resonant principles for planetary management. These will describe, at a high level, how decisions and behaviour founded in these principles will help deliver a world of functioning ecosystems and 9 billion capable citizens.



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# Earth Public Offering

The Earth Public Offering will highlight the investment potential of planet earth for the future of humanity. Through describing principles for planetary management, it will provide a positive approach to ensuring the sustainability of natural systems and human activity.

## Why an EPO?

There is plentiful evidence regarding the scale of the ecological and social challenges that societies face. Projects such as the Millennium Ecosystem Assessment, WWF's Living Planet Report and the IPCC's periodic assessment reports present detailed data on the state of natural systems and environmental trends. Despite such a range of persuasive evidence, policy makers and financial markets have yet to demonstrate responses of a suitable scale or scope to achieve meaningful sustainable change.

There are a number of reasons for this. Fundamentally, the economic system was not designed to recognise natural assets and systems as the basis of all value. Given this, many efforts to create more sustainable behaviour fail because they encourage us to take actions which are not reinforced by the prevailing economic model. Until economic value is founded upon natural value, efforts to encourage more sustainable behaviour demand swimming against the prevailing tide rather than going with the flow.

Environmentalists and financial markets also use different language to express value. Markets base assessment on whether it is possible to derive a monetary value from an activity - its extrinsic value. In contrast, environmentalists focus primarily upon intrinsic value - the innate value of a place, thing, person, plant or animal and assume that this value will be readily perceived by others. In practice such intrinsic values are lost in translation by economics and financial markets that base value largely on price. In response, various initiatives have sought to define the value of nature; for example, TEEB (The Economics of Ecosystems and Biodiversity), is a major international project to describe and promote the global economic benefits of biodiversity.

The EPO presents a creative opportunity to support such initiatives and the wider need for investing in the Earth's

future using a language and form recognised by financial markets.

## Is the Earth a good investment opportunity?

The recent economic crisis and subsequent downturn have provided a rare opportunity to re-consider the functions of financial systems. In particular how they can deliver human wellbeing and maintain the integrity of environmental systems.

The Earth Public Offering (EPO) will contribute to this agenda by emphasising the common interests of investors, policy makers and citizens to invest in the Earth's ability to provide the continuing revenues that support life – breathable air, drinkable water, food and shelter.

Investors and businesses are familiar with the concept of an operating context - interpreted as their competitive environment. Adaptable organisations strive to understand and respond to their context to minimise risks and capitalise upon opportunities.

The EPO will explore and define the operating context of the Earth. Through reinforcing the first principles of human existence, it is designed to advance awareness and understanding of the manifold wealth and hard limits which make up the stuff of life.

*It is characteristic of all deep human problems that they are not to be approached without some humor and some bewilderment.*

Freeman Dyson

*We can only see a short distance ahead, but we can see plenty there that needs to be done.*

Alan Turing

**Inspired by a recognised format**

The EPO will draw upon the concept of an Initial Public Offering (IPO) by highlighting and exploring the earth's assets, capacities, liabilities and risks. It will use this approach to consider different approaches to valuation and risk and explore the integration of natural capital with the existing world of finance. It will investigate the barriers and opportunities that would be encountered in meeting this aim, and to perhaps highlight some of the challenges and absurdities.

While a literal IPO for the Earth may not be possible it will be immensely valuable to explore the limits of the concept and the challenges it reveals.

**What is the purpose?**

The EPO is a piece of creative communication, designed to stimulate new perspectives on value and to motivate and drive the development of a planetary management approach.

It will provide a playful, provocative and thought provoking manner of expressing the value of the Earth as an asset for investment rather than a source of inexhaustible wealth.

Using the language of finance, together with a planetary management approach, the EPO will promote a positive picture of the opportunities for the environment, business and society of maintaining the health, resilience and diversity of natural and human systems.

**What we do**

*"In good and bad times people need to feel secure. As a leading planetary enterprise, we're here to help create prosperity and peace of mind for our customers."*

Earth is one of the most innovative planets. Our premium life support services were worth 840,000 trillion in 2010. We provide more than 532 centillion customers\* with life support and assurance products. We combine strong life, general insurance and asset management businesses under a single strong brand, focused on providing customers with prosperity and peace of mind.

\* Including around 6 billion 'higher' sentient beings

**6 billion** human customers

**4.5 billion** years heritage

**1.75 x 10<sup>17</sup>** watts inward investment

**100 billion** tons carbon net primary production

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**earth**

The views expressed in this document are not necessarily those of planet earth or its agents. Investments can go down as well as up. We are obliged by the universal regulators to highlight to potential investors that we have no control over the laws of thermodynamics and that planetary orbit cannot be guaranteed.

**terrafiniti**  
pioneers in planetary underwriting

## Who is it for?

The EPO is an awareness raising and communication initiative that can be used by investors, businesses, NGOs and policy makers to explore key environmental and societal dependencies in a human context. The planetary management principles will provide a means to explore how long term sustainability and value can be achieved, and how activities and investments can be assessed and developed to meet these ends.

## Scale and Scope

Rather than replicate detailed studies of the Earth's natural capacity and value, the EPO will use existing sources of information in a new form to reinforce the case for treating the earth as a suitable property for investment.

We already have the ability and knowledge required to build a sustainable world. It is not the absence of possible solutions that presents a barrier to change, but the inertia of current systems, values and ways of thinking. The EPO project will demonstrate how the Earth's production and restorative capacities provide the basis for all economic value and highlight the fact that many sustainable technologies and approaches already exist.

We intend to develop a range of activities to explore and develop solutions which bridge the gaps between the value of natural capital and the value assigned by current economic and investment practice. We propose to work in a step wise approach to explore the relevant issues and produce a range of outputs.

## Partners

Terrafiniti is seeking partners who share our passion for positive change towards a sustainable world. Partners may be **companies** which understand that business as usual is insufficient to cope with current environmental and social trends, **investors** who are able to see the long-term challenges of short-term thinking, **organisations** whose role is to stimulate change and **philanthropists** and **visionaries** who want to make a meaningful, compelling contribution towards making humanity fit for the planet and fit for the future.

## Contact

To discuss the EPO, or how we can create value for you, please contact Joss Tantram (Partner, Corporate Sustainability) +44 (0) 1483 531 766.  
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We are looking for two types of involvement from partners:

1. Funding and support in-kind – to develop and deliver EPO outputs to audiences, fora, organisations and decision makers.
2. Intellect, insight and expertise – to tune, refine and test the project's content and approach, to ensure it has the maximum possible impact.



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