

## CR investment in Conservation Credits

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### Information sheet 7

A 'conservation credit' is the unit of currency in Environment Bank's biodiversity accounting system. Conservation credits are purchased by developers who have an environmental impact that cannot be fully mitigated or compensated on-site. Conservation credits are created by landowners (who are usually local to the development) who sign long-term management agreements for habitat creation or restoration schemes on their properties; these credits are then sold to the developer (at a price primarily determined by the landowner) via Environment Bank. However, without developers requiring compensation sites, potential registered credit sites go unfunded while landowners wait for opportunities in their area. Corporate Responsibility (CR) investments into one or more unfunded sites registered with Environment Bank, which may otherwise potentially be waiting indefinitely for a nearby compensation opportunity, allows habitat restoration of a variety of types to begin. Unlike carbon credits, conservation credits brokered by Environment Bank are specific to a particular conservation project (and always UK-based) and so can be found, for example, near to a company's head office, or can be of a particular type of project, such as wetland creation. And because a national metric is used consistently to quantify the habitat being created, this system allows companies to purchase either, say, '20 grassland credits in Cheshire', which may fully fund a 2 ha restoration site, or just '2 woodland credits in Yorkshire' which might part-fund a larger site that other investors, or developers needing compensation, have also funded.

### Business benefits

Buying conservation credits can attract the following benefits:

- Marketing strategy – customers or clients approve of CR initiatives and good environmental values - important for building client loyalty and for competing with other companies.
- Provides an opportunity for company name exposure/product branding.
- Produces greater staff loyalty - a company can improve its employee relations, particularly if credits are purchased from local sites.
- Credits purchased can contribute to large-scale, sustainable conservation/restoration projects.
- Investing in environmental enhancement in the UK contributes to wildlife conservation and supports local communities.
- Environment Bank conservation credits are secured and sold using legal agreements so clarity, transparency and accountability can be demonstrated.
- Because this is a relatively new and innovative mechanism, a business will be demonstrating that they are forward-thinking - finding better ways of investing in the natural environment.

- Conservation credits bought as corporate investment are not 'extinguished' unless the company chooses to do so, and may subsequently be traded to future buyers (such as developers).



- Corporate companies may secure conservation credits to demonstrate their environmental credentials which may be significant in enabling access to finance.
  - Businesses can use conservation credits to compensate for the residual impacts on biodiversity and natural capital through their supply chains – the government is considering requiring large companies to account for natural capital in their annual reporting mechanisms.

### What a company gets for their money

- A proposal with different Environment Bank registered sites as investment options, including a variety of locations, habitat types and prices. The price of a conservation credit (unlike carbon credits) is determined by the management required at a site to create or restore a habitat.
- Conservation Credit Purchase Agreement (CCPA) for signature which details the number and type of credits being bought.
- Letter of sale and Conservation Credit Certificate after a purchase has been made.
- Information regarding the receptor site and conservation work being supported, along with detail about any spin-off benefits, such as to the local community.
- Joint press release to publicise the investment.
- Regular ongoing newsletters and updates from Environment Bank, including progress at the funded site.
- Text and other copy for corporate and strategic plans.

### Find out more;

- about how this system works – see Information sheet 1

All information sheets are downloadable from our online library

[www.environmentbank.com/library.php](http://www.environmentbank.com/library.php)

### Contact us

To find out more about how conservation credits are created and sold, or what Environment Bank do, please contact us on 07710 192295 (Louise Martland) or at [admin@environmentbank.com](mailto:admin@environmentbank.com), or see our website [www.environmentbank.com](http://www.environmentbank.com) for more information.