

# Nature Disclosure Statement 2025

April 2025

The biodiversity experts



# Nature Disclosure Statement

This Nature Disclosure Statement outlines the steps Environment Bank is taking to identify, assess, and manage nature-related risks and dependencies within our business. The Statement has been prepared in alignment with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD).

This Statement applies across Environment Bank’s workstreams, ensuring a consistent approach to understanding and addressing nature-related risks and opportunities.

Our Nature Disclosure Statement is approved by Environment Bank's Board and informs our approach to integrating nature-related considerations into our business strategy and decision-making.

We are committed to enhancing our understanding of nature-related risks and opportunities and will continue to evolve our approach as our frameworks and strategies develop.

## Contents

Introduction.....

5

About us.....

6

Methodology.....

8

Governance.....

11

Strategy.....

12

Risk management.....

34

Metrics & targets.....

37

Appendix A.....

41

Appendix B.....

42

Appendix C.....

47

References.....

54

# Disclaimer

*This is Environment Bank's first Nature Disclosure Statement, prepared to outline our current approach to nature-related risks and opportunities, as well as identify gaps in our capabilities. We recognise that this is an evolving process and hope to build on this foundation in future years as more resources become available.*

*At this stage, the Statement is aligned solely with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). It does not constitute investment, legal, or other professional advice and should not be relied upon as such.*

*This Statement may contain forward-looking statements based on current assumptions, which may be subject to change as well as uncertainties. Scenario analysis, where referenced, is exploratory and not predictive.*

*While we strive for accuracy, Environment Bank makes no warranties regarding the completeness or reliability of this Statement. To the maximum extent permitted by law, we disclaim any liability for loss or damage arising from its use.*

*Information is current as of April 2025 and may change. We are not obligated to update this Statement unless required by law.*



# Executive summary

The Nature Disclosure Statement 2025 by Environment Bank provides a detailed framework for identifying, assessing, and managing nature-related risks and dependencies. It aligns with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and applies across all workstreams of the organisation. Below is a specific outline of what the document covers:

## Introduction & Environment Bank

The introduction highlights the critical issue of biodiversity loss in the UK, primarily driven by agriculture, urbanisation, and infrastructure development, which undermine crucial ecosystem services. It emphasises Environment Bank's core mission to restore degraded farmland through Biodiversity Net Gain (BNG) units and Nature Shares, enabling businesses and individuals to invest in biodiversity restoration, track their impact, and contribute to transforming degraded ecosystems into thriving habitats. It also addresses the global context of agriculture's impact on the environment and how Environment Bank is committed to integrating biodiversity recovery into the broader economic and environmental landscape.

## Methodology

The methodology section outlines the approach used to assess the materiality of organisational activities on biodiversity and ecosystem services, relying heavily on the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) tool. It details the steps taken to define activities, identify potential negative environmental impacts, and evaluate the significance of each impact through a risk assessment process. The assessment also covers the organisation's dependencies on various ecosystem services and includes a high-level scenario analysis to assess the potential impacts of environmental changes on Habitat Banks and biodiversity restoration efforts.

## Governance

Environment Bank's governance structure ensures accountability for nature-related risks and aligns practices with the TNFD recommendations. The Board oversees the integration of biodiversity considerations into business strategy and decision-making. This governance framework supports the organisation's commitment to enhancing the understanding of nature-related risks and opportunities, evolving its approach as frameworks and strategies develop.

## Strategy

Environment Bank's strategy involves a thorough application of the TNFD's LEAP approach to locate and evaluate its interactions with nature.

This entails identifying the organisation's dependencies and impacts on nature across its operations. The strategy leverages the ENCORE tool for initial materiality assessments and incorporates climate change projections to understand how varying scenarios might affect the resilience of Environment Bank's Habitat Banks. This analysis helps prioritise areas and activities for targeted action.

## Risk management

Environment Bank's risk management focuses on actively addressing the nature-related risks identified through the LEAP framework. Adaptive management strategies are implemented to mitigate risks associated with climate change, soil degradation and habitat destruction. Long-term plans are in place to ensure the sustainability of Environment Bank's projects and to mitigate financial risks. This proactive approach ensures that Environment Bank is well-prepared to manage potential challenges and protect its investments in biodiversity.

## Metrics & targets

Environment Bank tracks progress using science-based metrics that are verified by independent third parties to ensure transparency and accountability. The company focuses on measurable biodiversity improvements and ecosystem recovery to demonstrate the effectiveness of its initiatives. This commitment to verifiable outcomes underscores Environment Bank's dedication to achieving meaningful and sustainable environmental benefits.



# Introduction

Biodiversity loss in the UK has become a major environmental challenge, with significant declines in native species of fauna and flora and ecosystems over recent decades. Agriculture, along with urbanisation and infrastructure development, has been a primary driver of this decline, leading to habitat destruction and fragmentation. This loss of biodiversity not only affects ecosystems but also undermines the services they provide, such as soil fertility, water regulation, and pollination.

The global food system is fundamental to economic stability and human well-being, contributing significantly to GDP and employment worldwide (Strauss, 2022). However, modern agricultural practices are a major driver of environmental degradation, leading to biodiversity loss, soil depletion, and deforestation (WWF, 2021). At the same time, the industry depends on healthy ecosystems—for example fertile soils, pollination, and sustainable water management are essential for long-term productivity (FAO, 2023) (IPBES, 2016).

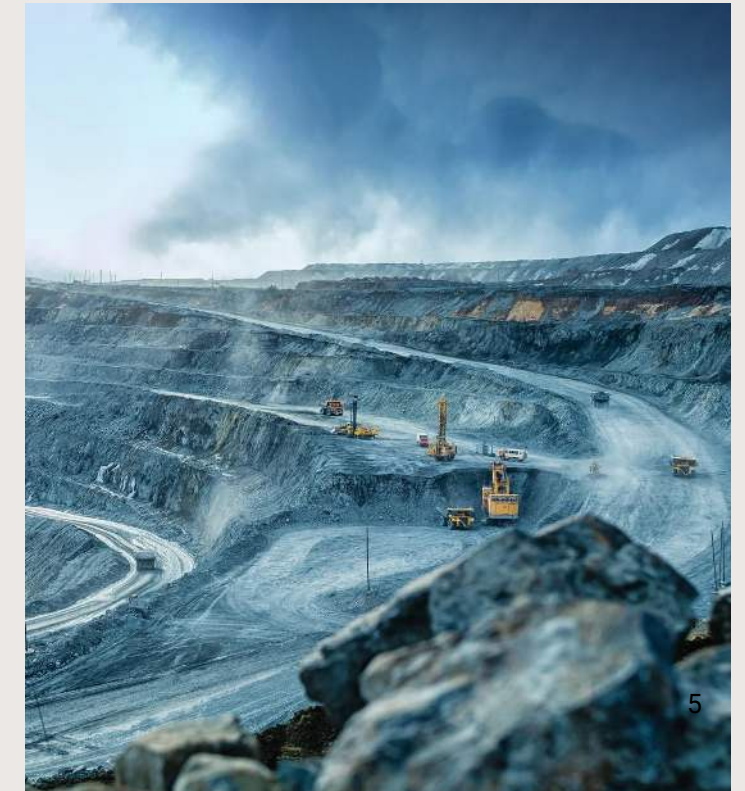
At Environment Bank, our core mission is to restore degraded farmland and bring life back to landscapes that have suffered from intensive agriculture. Through our Biodiversity Units (BNG) and Nature Shares, we are building England's largest network of Habitat Banks—large-scale restoration projects that increase biodiversity, heal ecosystems, and support rural economies.

Our ecologist-led initiatives focus on creating and managing habitats that provide a measurable uplift in biodiversity, including wildflower meadows, woodlands, hedgerows, ponds, and rivers.

Despite innovations such as regenerative farming, conservation grazing, and rotational grazing, soil degradation remains a critical issue, with one-third of global soils affected by erosion and nutrient imbalance (FAO, 2023). Pollination services, essential for three-quarters of food crops, continue to decline due to habitat destruction and climate change (IPBES, 2016). Agriculture also accounts for 70% of global water consumption, with nearly half lost due to inefficient irrigation (World Bank, 2022), while food waste exacerbates environmental pressures, with around a third of all food produced never reaching consumers (Bhatia, L et al, 2023).

In England, legislation now requires developments to contribute positively to nature rather than causing further ecological degradation. Environment Bank plays a crucial role in this system by providing high-integrity Biodiversity Units and leading large-scale restoration initiatives in collaboration with farmers, landowners, and land managers. Our projects secure biodiversity gains for a minimum of 30 years while where possible, maintaining sustainable agricultural practices such as conservation grazing and upland hay meadow restoration.

For this TNFD assessment, we have mapped our activities across multiple International Standard Industrial Classification (ISIC) divisions, reflecting the different aspects of our business—whether upstream, downstream, or core operations. This ensures a comprehensive evaluation of our nature-related risks, dependencies, impacts, and opportunities across all areas of our work. As we continue expanding our Habitat Banks and nature restoration efforts, we remain committed to integrating biodiversity recovery into the broader economic and environmental landscape.



# About us

At Environment Bank, we are pioneers in delivering nature-positive solutions, focusing on restoring lost habitats and reversing biodiversity decline. As the leading provider of off-site BNG, we have created England's largest and fastest-growing network of Habitat Banks, which spans thousands of acres dedicated to restoring and enhancing biodiversity. Our mission is to work in partnership with landowners, farmers, and developers to create high-impact, long-term solutions that benefit nature, communities, and businesses alike.

Through our Habitat Banks, we provide developers with high-quality Biodiversity Units, ensuring they meet their BNG obligations in a cost-effective and locally sourced manner. Our ecologist-led restoration projects include a variety of habitat types—such as grasslands, meadows, woodlands, hedgerows, and wetlands—all designed to support native wildlife and ecosystems. The management costs for each Habitat Bank are fully funded for 30 years in advance once creation works are complete, ensuring the long-term protection and enhancement of biodiversity.

In addition to BNG, we offer Nature Shares—a unique opportunity for businesses and individuals to invest in biodiversity restoration. Each Nature Share represents one square metre of land actively being restored and rewilded. Through our interactive platform, Nature Shareholders can track their impact on wildlife populations, carbon sequestration, and overall biodiversity recovery.

At Environment Bank, we are dedicated to making a real difference by transforming degraded ecosystems into thriving habitats, boosting rural economies, and providing valuable green spaces for communities. We believe that to recover nature, everyone must do their part.

## Environment Bank is a leader in biodiversity solutions for businesses

**200%**

**projected rise in biodiversity**

**£240m**

**investment, with projects funded for their lifetime**

**2,500+**

**acres of restored land**

**35+**

**large-scale nature recovery projects**

# About us CONTINUED

**We are setting the standard for high-integrity nature recovery for businesses to support.**

**We are a trusted biodiversity partner to the leading brands.**



Projects with lifetime management fully funded through sustainable private investment



Co-created with the land custodians on unproductive agricultural land



Fully reportable outcomes verified by independent third party



Solutions rooted in key ecological principles and frameworks



Latest technology used to enable science-based tracking of outcomes



Aligned to industry standards and UK Government biodiversity metrics





# Methodology

## TNFD, the LEAP approach and ENCORE

Environment Bank is committed to systematically addressing nature-related risks and opportunities through the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). The TNFD provides a framework for organisations to report and act on their dependencies and impacts on nature, helping to channel financial flows towards nature-positive outcomes. A core component of this framework is the LEAP approach: Locate your interface with nature; Evaluate your dependencies and impacts; Assess your risks and opportunities; and Prepare to respond to nature-related issues.

Environment Bank has used the LEAP framework as the cornerstone of its approach to nature-related risk management. It helps to structure the process of identifying and evaluating the environmental impacts and dependencies associated with our activities, ranging from habitat restoration to policy advocacy. The TNFD's LEAP framework ensures a comprehensive understanding of our current interactions with nature. This will enable us to identify and manage risks effectively, fostering a more sustainable and resilient business model.

To support this process, Environment Bank uses the ENCORE tool. ENCORE sets out how the economy – sectors, subsectors, and activities – depends on and impacts nature. Financial institutions in particular can use data from ENCORE to identify nature-related risks they are exposed to through their lending, underwriting, and investment in high-risk industries and sub-industries.

With a vision to establish a global financial system that works for nature and people, ENCORE is designed as a useful entry point to nature-related assessment initiatives. Maintained and continuously improved by Global Canopy, UNEP FI, and UNEP-WCMC (the ENCORE Partnership), the tool guides organisations through the early stages of their nature-positive journey, whatever their understanding or prior experience of managing nature-related risks. Environment Bank uses ENCORE for initial materiality assessments and incorporates climate change projections to understand the possible effects on the sustainability of Habitat Banks.





# Methodology CONTINUED

## Biodiversity and Ecosystem Materiality Assessment

This section outlines the methodology employed in the creation of the Biodiversity and Ecosystem Materiality Assessment spreadsheet (see appendices for parts of this). The primary goal of this spreadsheet was to evaluate the materiality of various organisational activities on biodiversity and ecosystem services, specifically dependencies and impacts for the short term, specifically up to the year 2030.

The development of this spreadsheet heavily relied on the ENCORE tool for its data collection and initial materiality assessments.

The first crucial step was to define the specific activities undertaken by the organisation that could potentially interact with biodiversity and ecosystem services. Examples of these defined activities include "habitat creation and restoration" and "policy advocacy and stakeholder collaboration". Each activity was further characterised by relevant information such as its "ISIC section", "ISIC division", and "ISIC group/class (if applicable)", as well as its "value chain position" (e.g. core, upstream, downstream) and geographical "location" (e.g. England, worldwide).

For each defined activity, potential negative environmental impacts on biodiversity and ecosystems were identified. As noted, these impacts were taken from ENCORE if applicable to activity. Examples of identified impacts include "disturbances (e.g. noise, light)", "emissions of GHG", and "generation and release of solid waste". A concise "impact description" was provided to elaborate on the nature of each impact. Where applicable, each identified impact was assigned a "materiality score from ENCORE". This score reflects the significance of the environmental impact based on the ENCORE methodology. To further evaluate the significance of each impact, a separate risk assessment was conducted. This involved assigning a score for the "impact" severity (ranging from 0 - insignificant to 3 - critical) and the "probability" of its occurrence (ranging from 0 - unlikely to 3 - frequent). The "risk rating" was then calculated by multiplying the impact score by the probability score. Based on the calculated risk rating, an "initial materiality rating" (e.g. low, moderate, high, critical) was assigned to each impact.

The spreadsheet also assessed the organisation's Dependencies on various ecosystem services for each activity. Similar to impacts, these dependencies and their associated materiality scores were also taken from ENCORE if applicable to activity. A risk assessment was performed for each dependency, involving the assignment of "impact" and "probability" scores, the calculation of a "risk rating", and the assignment of an "initial materiality rating".

For negative impacts, we used the ENCORE materiality rating to help inform our overall initial materiality ratings. Since we did not have this for our positive impacts, we have not rated them at this time, instead, they have been listed in full, and their impacts will be assessed in future reports.

Please note that as this is our first report, for the initial materiality rating, we will only be considering activities and impacts that are rated as high (6-8) or critical (9). More detailed consideration of low and moderate materiality ratings may be undertaken in due course if necessary.

In essence, the methodology combined a structured approach to define organisational activities with the framework and data provided by the ENCORE tool. This allowed for a systematic evaluation of both the nature-related impacts of these activities and their reliance on essential ecosystem services in a format that can be updated as our data collection improves.

# Methodology CONTINUED

## Scenario analysis

As part of our ongoing commitment to understanding and managing nature-related risks, we have conducted a high-level scenario analysis to assess the potential impacts of environmental changes on our Habitat Banks and broader biodiversity restoration efforts. This analysis used a range of climate change projections to evaluate how varying scenarios of temperature and precipitation changes might influence the sustainability and resilience of the ecosystems we are working to restore.

We employed data layers from the Annual Average Temperature Change Projections and Precipitation Change Projections for both winter and summer, which cover various climate change scenarios at different levels of global warming (1.5°C, 2.5°C, and 4.0°C).

This dataset forms part of the Met Office Climate Data Portal service where other datasets, help and guidance can be found:

<https://climatedataportal.metoffice.gov.uk/>

These projections were integrated with our own Environment Bank Site Boundaries map, which locates the Habitat Banks in England, allowing us to assess how different areas within our network may be affected by shifts in climate.

By overlaying this climate data with the locations of our Habitat Banks, we identified regions that may experience the most significant changes, such as:

### **Increased temperature changes in winter and summer:**

Certain areas may face challenges due to higher temperature projections, potentially affecting soil health, water availability, and the composition of plant and animal species.

**Changes in precipitation patterns:** Some Habitat Banks are located in regions expected to see either significant increases and decreases in winter precipitation or decreased summer rainfall. These shifts could impact wetland habitats, grasslands, and other sensitive ecosystems.

This analysis has provided us with valuable insights into the potential risks that climate change may pose to our biodiversity projects. We are using this information to prioritise adaptive management strategies and increase the resilience of our Habitat Banks. In addition, we are considering the location and habitat type for new projects, aiming to mitigate future risks and enhance the long-term sustainability of our restoration efforts.

We are committed to continuously refining our scenario analysis as new data becomes available and as we deepen our understanding of climate impacts on biodiversity. This proactive approach ensures that we are not only meeting current biodiversity needs but also preparing for future challenges to ensure long-lasting nature-positive outcomes.



# Governance

At Environment Bank, our approach to managing nature-related risks is grounded in strong governance that is evolving to meet the growing importance of biodiversity and ecosystem sustainability. As part of our commitment to effective risk management, we have already implemented key tools, such as the Biodiversity and Ecosystem Materiality Assessment Spreadsheet, which helps us identify and assess nature-related risks and dependencies across the business.

While we are still in the process of formalising dedicated nature and climate policies, we have established a strong foundation by incorporating nature-related considerations into our risk management practices.

We recognise that nature-related risks, such as biodiversity loss, ecosystem degradation, and land-use changes, pose material risks to our business. To address these, we are working to expand our existing Risk Register, which currently covers financial, operational, legal, and other risks. We aim to integrate nature-related risks into this register, ensuring that nature is considered alongside other key business risks.

## Board and executive leadership

Environment Bank's Board of Directors oversees the management of nature-related risks, ensuring that biodiversity and ecosystem services are central to decision-making. The Chief Executive Officer (CEO) is ultimately responsible for ensuring that nature-related risks are effectively integrated into the business strategy.

The Chief Land & Nature Officer (CLNO) plays a key role in overseeing the management of nature-related risks across the business. The CLNO reports directly to the CEO and is responsible for ensuring that nature-related risks and dependencies are regularly updated and that they are adequately incorporated into our broader risk management processes. The CLNO is also instrumental in ensuring that the company's leadership team is aligned on key nature-related issues and that adequate resources are allocated to managing these risks.

## Continuous improvement

We are committed to the continuous improvement of our governance processes. As our understanding of nature-related impacts and dependencies deepens, we will continue to refine and expand our Risk Register and enhance our approach to managing nature-related impacts and dependencies.

This iterative process ensures that we remain responsive to new information and that our governance framework evolves to address emerging risks and opportunities related to biodiversity and ecosystems.

## Ethical practice and transparency

At Environment Bank, we are committed to ethical practices across our business. Our Anti-Slavery and Human Trafficking Policy plays a vital role in ensuring that exploitation is prevented within our operations and supply chains. We take this responsibility seriously, safeguarding human dignity, and upholding fairness and respect for all people.

In addition, we prioritise transparency in how we manage nature-related risks and dependencies, ensuring our approach aligns with best practices in biodiversity and ecosystem management. When designing our habitat banks, we actively collaborate with external stakeholders, including environmental organisations, regulatory bodies, and local communities, to ensure our projects meet global standards and local needs.

Our goal is to regularly report on the effectiveness of our nature-related risk management efforts and provide annual updates on how we are addressing biodiversity and ecosystem risks. We believe that transparent reporting fosters trust and accountability, helping to mitigate risks and support positive environmental outcomes.

# Strategy

## Introduction

This section covers the effects of nature-related dependencies, impacts, risks and opportunities on the organisation's business model, strategy and financial planning where such information is material.



## Scoping a LEAP assessment

Our scoping will focus on identifying key nature-related dependencies, impacts, risks, and opportunities within our operations and partnerships, particularly in relation to BNG and Nature Shares.

As we develop our assessment capabilities, we aim to refine our data collection processes and enhance collaboration with landowners, farmers, and other stakeholders.

Our phased approach will allow us to progressively expand our coverage, ensuring that future reports provide deeper insights and improved nature-related disclosures. Tools such as ENCORE, SBTN's High Impact Commodities List, and the WWF Biodiversity Risk Filter may be explored to support this process as our capabilities evolve.

We are using TNFD's LEAP approach to help us identify nature-related risks and opportunities across our business. This framework guides us through a structured process to better understand our dependencies on nature and the potential risks and impacts associated with our operations.

## LEAP stands for:

**Locate** – Identifying where our business interacts with nature, including our habitat banks and supply chains.

**Evaluate** – Assessing how we depend on nature (e.g. soil health, water availability) and how our activities impact ecosystems.

**Assess** – Understanding the risks and opportunities tied to biodiversity loss, ecosystem changes, and regulatory developments.

**Prepare** – Developing strategies to mitigate risks, enhance positive impacts, and report transparently on our progress.





# Strategy CONTINUED

## Our interface with nature

### Span of the business model and value chain

To have the biggest impact on nature, we're creating Habitat Banks in areas where biodiversity is low, often on land that's difficult to farm or has a history of intensive farming. With a national team of highly qualified biodiversity experts and land specialists, we've been creating impactful Habitat Banks around the country, and we're already seeing biodiversity increase in these areas.

Our approach typically begins by reaching out to landowners who may have degraded or unproductive agricultural land. We then offer them the opportunity to enhance the ecological value of their land through the creation of Habitat Banks. We lease land for 33+ years, allowing our ecologists to work alongside the landowner to manage the habitats until they're fully established. This long-term commitment ensures the restoration process is fully supported, and the landowner can see the positive ecological impact over time.

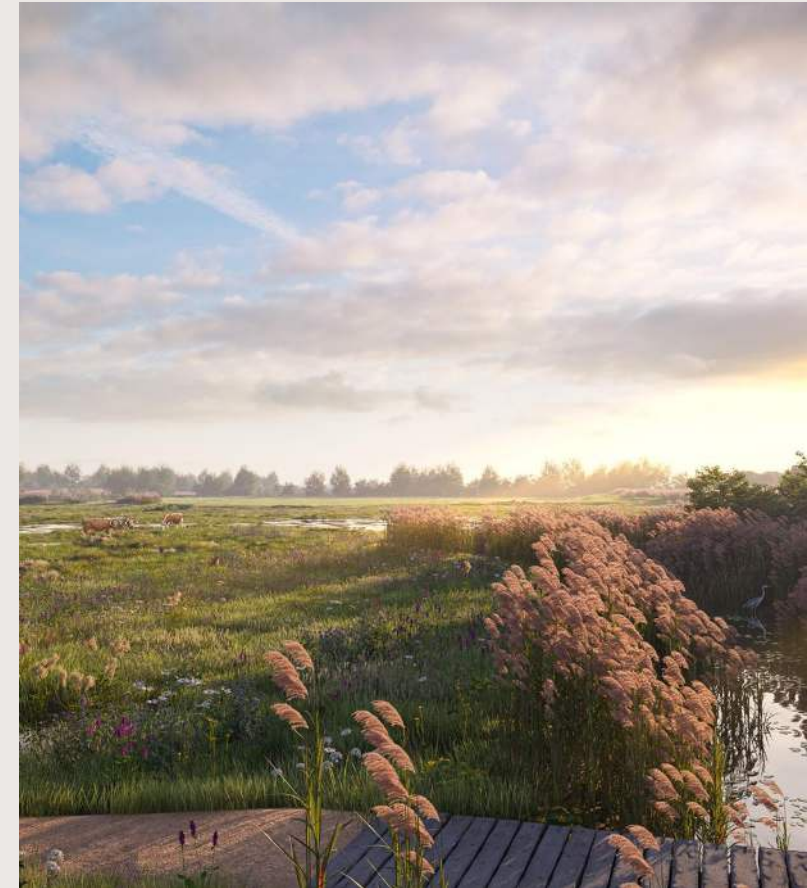
Each Habitat Bank is tailored to support the local landscape, introducing a variety of habitats—such as meadows, woodlands, wetlands, and scrublands—designed to enhance biodiversity. We cover the full cost of creating and managing these habitats for their entire lifetime, from lease payments to the restoration work. This provides landowners with a secure, reliable source of income for more than 30 years.

In addition to lease payments, we also pay landowners to help manage the Habitat Banks through sustainable farming activities, like livestock grazing and hay cutting. This approach ensures that the land can remain agricultural while also improving its biodiversity. By partnering with us, landowners can not only restore and enhance their land's ecological value but also gain a sustainable income for years to come.

### Our customer relationship management system

Environment Bank uses a customer relationship management (CRM) system to manage the data across its various sites and stages of habitat restoration. The CRM enables the organisation to track the progress of each site, from registration and onboarding through to ecological assessment, offer negotiation, habitat delivery, long-term management, and ultimately, when the site is closed. This system ensures that the team can efficiently manage the active habitat delivery sites and the sites under long-term management, providing a central location for information about each site's status.

While we have offices in London, Bristol and York, the majority of the team working remotely, so the CRM is essential for collaboration across dispersed teams. The CRM likely integrates all relevant information, making it easy for staff to access up-to-date details on the status of projects and communicate effectively with landowners, developers, and other stakeholders involved in the process.



# Strategy CONTINUED

## Mapping our supply chain

To better understand and optimise our operations, we've analysed our supply chain. This breakdown identifies key stages – upstream (resource acquisition), direct operations (habitat creation and management), and downstream (Biodiversity Unit and Nature Share sales) – allowing us to pinpoint where our activities occur and assess their effectiveness within the overall process. This structured approach enables us to strategically map our current work and identify potential areas for improvement or expansion.



### Upstream

- **Landowners & access:** farmers, estate managers, local authorities, conservation trusts, and land brokers provide land for restoration.
- **Seed, plant & habitat infrastructure suppliers:** provide native plant species, seeds, and young trees for habitat creation.

### Direct operations

- **Habitat creation & restoration:** designing, implementing, and managing large-scale restoration projects (meadows, wetlands, woodlands).
- **Ecology & land management:** conduct biodiversity assessments to establish baselines and track progress.
- **BNG & environmental markets:** incentivising farmers, leasing land, and facilitating biodiversity offsetting through Unit sales.
- **Monitoring, reporting & verification (MRV):** conducting biodiversity assessments and developing MRV methodologies for tracking.
- **Investment & financial model:** securing private capital and structuring revenue streams from Biodiversity Units.
- **Stakeholder engagement & policy:** advocating for policy changes, educating landowners, and attending conferences.
- **Marketing:** promoting BNG and nature shares through articles, social media, events, and talks.

### Downstream

- **Housebuilders & developers:** purchase Biodiversity Units to offset construction impacts.
- **Infrastructure & energy companies:** offset biodiversity impacts from road, rail, and energy projects.
- **ESG-focused businesses:** large corporations invest in Nature Shares to meet sustainability goals.

Strategy

CONTINUED

Key nature-related

negative impacts

Our full list of sectors and value chains within our operations is shown in a table in Appendix A. Using the methodology described on page 7, we created a bespoke Biodiversity and Ecosystem Materiality Assessment Spreadsheet. It’s important to note that these impacts have been assessed only in the short term, up to 2030.

This assessment evaluates the potential impacts across our activities, detailing various environmental factors such as habitat disturbance, GHG emissions, water usage, waste generation, and the introduction of invasive species. Each impact is rated according to its materiality score, with significant emphasis placed on land use, habitat management, and biodiversity. This enables us to identify critical and high-risk areas where mitigation strategies are needed, ensuring that our operations contribute positively to biodiversity conservation. For this section, we will look at materiality ratings of impacts that fall into the high and critical category, but our full list of impacts can be viewed in Appendix B.

High and critical negative impacts table – split by activity

Activity	Value chain position	Impact	Description	Initial materiality rating
Converting farmland and degraded ecosystems into nature recovery sites (e.g. wildflower meadows, wetlands, woodlands)	Core	Emissions of GHG	Farming practices can release greenhouse gas emissions through methane from livestock and various crop cultivation processes like synthetic fertiliser use, soil decomposition, use of machinery and equipment that is powered by fossil fuels.	High
		Emissions of non-GHG air pollutants	Farming that involves livestock produces ammonia emissions from manure, leading to soil and water acidification, eutrophication of aquatic ecosystems, and contributing to particulate matter (PM) pollution. Enteric fermentation and manure/urine management also generate NOx, H <sub>2</sub> S, while crop cultivation is a significant source of PM10 emissions.	High
		Generation and release of solid waste	Farming can lead to the production of a variety of organic and inorganic solid waste, including bedding/litter, animal carcasses, manure, damaged feeders and water troughs. If improperly disposed of, it can lead to habitat degradation and land contamination.	High
Native plant and tree supply for habitat creation	Upstream operation	Area of freshwater use	Some sites used for plant propagation are converted freshwater areas (e.g. through drainage of wetlands).	High
		Emissions of GHG	Seed processing (e.g. cleaning and preparation of seeds) uses large machinery and equipment that can be powered by combustion engines or on-site energy generators, which release greenhouse gas emissions. Plant propagation can release greenhouse gas emissions through the use of synthetic fertilisers (N <sub>2</sub> O emissions) and decomposition of organic matter in soils (N <sub>2</sub> O emissions). Some agricultural machinery and equipment use combustion engines, which release greenhouse gas emissions.	High
		Generation and release of solid waste	Plant propagation generates different types of solid waste (e.g. residue samplings, excess compost, equipment, packaging). If improperly disposed of, it can lead to habitat degradation and land contamination. Seed processing activities generate solid waste. The exact form of the waste will vary but includes plant residues, packaging materials and excess seeds. If improperly disposed of, it can lead to habitat degradation and land contamination.	High
		Volume of water use	A significant amount of water is required during plant propagation due to potential water losses through the puddling process, surface evaporation, and percolation. Irrigation of crops leads to a substantial water footprint which contributes to water stress, especially in areas where water resources are already limited. Some seed processing activities (e.g. cleaning of seeds) require significant amounts of water. Water is also used for cleaning and maintenance of facilities for seed processing.	Critical

# Strategy CONTINUED

## Key nature-related negative impacts

Our assessment has identified key areas where Environment Bank's operations, value chains, and sectors have high to critical impacts on nature. Our core operations, particularly Habitat Bank creation, depend on healthy ecosystems such as grasslands, woodlands, wetlands, and freshwater systems while also influencing land use, water resources, and biodiversity.

Upstream, we rely on native plant and tree supply, which has dependencies on water availability and soil health.

Downstream, sectors like housebuilding, infrastructure, and energy depend on biodiversity offsetting while contributing to habitat disturbance and emissions. Our work is closely tied to restoring degraded farmland into thriving nature recovery sites, ensuring long-term ecological benefits.

Activity	Value chain position	Impact	Description	Initial materiality rating
Housebuilders & real estate developers – required to purchase Biodiversity Units to offset biodiversity loss from construction	Downstream	Disturbances (e.g. noise, light)	Construction of buildings can cause disturbances like noise, light, and odour pollution due to the operation of machinery (e.g. during excavation or transportation), that can disrupt or negatively affect species populations and lead to habitat fragmentation.	Critical
		Emissions of GHG	Construction of buildings can release carbon dioxide and other indirect greenhouse gases from the use of heavy machinery, vehicular traffic and use of explosives; contributing to air pollution.	High
Infrastructure & energy companies – road, rail, and renewable energy projects need to purchase Biodiversity Units to offset biodiversity loss	Downstream	Disturbances (e.g. noise, light)	Construction of other civil engineering projects can cause disturbances like noise, light, and odour pollution due to the operation of machinery (e.g. during excavation or transportation), that can disrupt or negatively affect species populations and lead to habitat fragmentation. Construction of roads and railways can cause disturbances like noise, light, and odour pollution due to the operation of machinery (e.g. during excavation or transportation), that can disrupt or negatively affect species populations and lead to habitat fragmentation.	Critical
		Area of freshwater use	Construction activities, especially those involving the utilisation of rivers and lakes, such as building bridges or dams, can lead to changes in the geomorphology of freshwater systems and their hydrology, as well as the clearance and degradation of freshwater habitats. Road and tunnel construction can occur within freshwater systems, leading to reclamation of land, sedimentation near crossings of cultivated flood plains, removal of freshwater vegetation and modification of surface and subterranean water flows, resulting in drying or flooding and river diversion and canalisation to accommodate new infrastructure.	High



Strategy

CONTINUED

Key nature-related

negative impacts

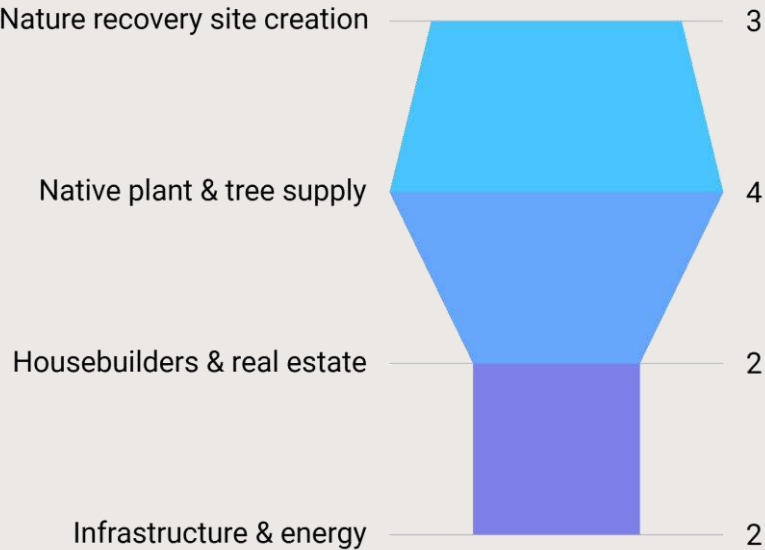
From the summary table, it's clear that our most common high and critical (our highest category) impacts are emissions of GHG, emissions of non-GHG air pollutants, generation and release of solid waste, area of freshwater use, volume of water use, and disturbances (e.g. noise, light).

Our activities most heavily dependent on nature are: converting farmland and degraded ecosystems into nature recovery sites, native plant and tree supply for habitat creation, housebuilders & real estate developer activities, and infrastructure & energy company activities.

Summary table – our most common high and critical impacts are highlighted in green

Activity	Emissions of GHG	Emissions of non-GHG air pollutants	Generation and release of solid waste	Area of freshwater use	Volume of water use	Disturbances (e.g. noise, light)
Converting farmland and degraded ecosystems into nature recovery sites (e.g. wildflower meadows, wetlands, woodlands)	X	X	X			
Native plant and tree supply for habitat creation	X		X	X	X	
Housebuilders & real estate developers – projects need biodiversity offsets	X					X
Infrastructure & energy companies – road, rail, and renewable energy projects need biodiversity offsets				X		X

Graph showing number of high and critical impacts per relevant activity



# Strategy CONTINUED

## Key nature-related negative impacts

### Emissions of GHG

Environment Bank's activities in habitat creation and restoration may contribute to greenhouse gas emissions, but the impact is likely to be very low.

For example:

- During initial land preparation, the use of machinery for clearing or planting may result in some CO<sub>2</sub> emissions.
- In wetland restoration projects, there might be temporary methane releases as anaerobic conditions are established.

However, the long-term benefits of restored habitats in carbon sequestration are expected to significantly outweigh these short-term impacts. As habitats mature, they will likely become net carbon sinks, absorbing more CO<sub>2</sub> than was emitted during their creation.

### Generation and release of solid waste

The creation and management of Habitat Banks may generate some solid waste, particularly during the initial phase of restoration, but we expect the impact to be low. Examples include:

- Removal of invasive plant species might generate organic waste.
- Installation of fencing or signage could produce small amounts of packaging waste.

Most materials used in habitat restoration are biodegradable or can be repurposed. Any non-biodegradable waste is likely to be minimal and carefully managed to mitigate potential negative impacts on the environment.

### Area of freshwater use

We recognise that freshwater is used upstream in the supply chain for native plant and tree supply activities related to habitat creation. While we do not directly control these upstream practices, we acknowledge their importance and strive to minimise any negative impacts. Growing native trees and plants in nurseries necessitates irrigation. This water use is largely outside our direct operational control, as we source plants from third-party suppliers.

Given the upstream nature of this impact and our limited direct influence, Environment Bank focuses on:

**Local sourcing:** prioritising the sourcing of native plants and trees from local nurseries to reduce transportation emissions and support regional economies.

**Sustainable sourcing:** specifically requesting and, where possible, selecting nurseries with certified sustainable growing practices, including water-efficient irrigation techniques and responsible water sourcing.

**Native species:** choosing native species that are well-adapted to local conditions, thereby reducing the overall need for supplemental watering once established in Habitat Banks.

### Disturbances

The process of creating a Habitat Bank may involve minimal, temporary disturbances, such as limited noise from habitat creation activities, but this is short-term. The report has shown that ongoing noise impacts are predominantly downstream, stemming from the activities of housebuilders, real estate developers, and infrastructure & energy companies.



Strategy

CONTINUED

Key nature-related

positive impacts

Alongside identifying our dependencies and negative impacts, we have also outlined the positive impacts of our operations. Our Habitat Banks actively restore degraded land, enhance biodiversity, and improve ecosystem services such as carbon sequestration, water retention, and soil health. These nature-positive contributions are a core part of our mission to create a net gain for biodiversity.

For negative impacts, we used the ENCORE materiality rating to help inform our initial materiality assessments. However, since no equivalent rating exists for positive impacts, we have not assigned materiality scores at this time. Instead, we have listed them in full, and their impacts will be assessed in future reports as we refine our approach to measuring biodiversity gains.

Positive impacts table – split by activity

Activity	Detail	Value chain position	Location	Impact	Impact description
Converting farmland and degraded ecosystems into nature recovery sites (e.g. wildflower meadows, wetlands, woodlands).	Transforming farmland and degraded landscapes into biodiversity-rich habitats such as wildflower meadows, wetlands, and woodlands.	Core	England	Enhanced biodiversity	Habitat restoration leads to increased biodiversity by providing a diverse range of ecosystems, such as woodlands, meadows, wetlands, and scrublands, which support a variety of species. This contributes to a healthier, more resilient ecosystem.
				Carbon sequestration	Restoring natural habitats such as wetlands and forests helps sequester carbon dioxide from the atmosphere, helping to mitigate climate change by reducing the overall levels of greenhouse gases (GHGs) in the environment.
				Improved water quality	Restored habitats, particularly wetlands, act as natural filters for water, improving water quality by reducing pollutants like nitrates, phosphates, and sediments that can cause eutrophication and pollution in aquatic ecosystems.
				Reduction in soil erosion	Habitat restoration through activities like replanting vegetation or creating wetlands helps stabilize soil, preventing erosion. This can improve soil quality and prevent sedimentation in waterways, protecting aquatic habitats and preventing loss of agricultural land.
				Increased resilience to climate change	Restored habitats increase ecosystem resilience by providing natural buffers against extreme weather events, such as floods, storms, and droughts. Wetlands, for example, act as buffers against floods, while forests mitigate the impact of heatwaves.
				Pollinator support	Restoration of diverse habitats provides a range of flowering plants that support pollinators, including bees, butterflies, and other insects. This is vital for the pollination of both wild plants and agricultural crops.
				Natural pest control	Restoring habitats can increase populations of beneficial insects, birds, and other animals that act as natural pest control agents. This can reduce the need for harmful chemical pesticides, benefiting both the environment and agricultural systems.
				Improved recreation and wellbeing	Restored natural habitats provide spaces for recreation, tourism, and outdoor activities. These areas can be used for hiking, birdwatching, and nature-based tourism, contributing to both physical and mental wellbeing for local communities.
				Sustainable livelihoods for landowners	Habitat restoration can provide sustainable income opportunities for landowners through payments for ecosystem services such as Biodiversity Units and long-term leases for managing land for conservation purposes.
				Reduction of invasive species	Well-managed restoration projects can help control and limit the spread of invasive species by reintroducing native plant and animal species that can naturally outcompete non-native species. Healthy ecosystems are more resilient to invasions and can recover more quickly from disturbances.
				Enhancing soil fertility	Restoring habitats with native plants can improve soil health by enhancing nutrient cycling. Plants in restored habitats, such as meadows and woodlands, support healthier, more fertile soil that benefits the overall ecosystem and can reduce the need for synthetic fertilisers.
				Improved ecosystem services	Habitat restoration enhances key ecosystem services such as clean air, water filtration, pollination, and climate regulation. These services are vital to the well-being of human populations and the sustainability of agriculture.
				Improved ecosystem resilience	Restoration improves resilience by enhancing biodiversity, ecosystem services, and natural resources, enabling ecosystems to better withstand and recover from disturbances.

StrategyCONTINUED

Key nature-relatedpositive impacts

Activity	Detail	Value chain position	Location	Impact	Impact description
Providing financial incentives to farmers for habitat creation and maintenance	Leasing or contracting farmland for long-term habitat restoration (30+ years), ensuring sustainable land management and biodiversity improvements.	Core	England	Sustainable livelihoods for landowners	Habitat restoration can provide sustainable income opportunities for landowners through payments for ecosystem services such as Biodiversity Units and long-term leases for managing land for conservation purposes.
Biodiversity offsetting and compliance	Selling Biodiversity Units to developers to meet BNG legal requirements, facilitating compliance with The Environment Act 2021, and engaging businesses in nature-positive investments to offset biodiversity impacts.	Core	England	Sustainable livelihoods for landowners	Habitat restoration can provide sustainable income opportunities for landowners through payments for ecosystem services such as Biodiversity Units and long-term leases for managing land for conservation purposes.
Testing MRV to develop these activities in habitat restoration	Developing and piloting MRV methodologies to ensure accurate biodiversity tracking in habitat restoration projects.	Core	England	Improved ecosystem resilience	Real-time monitoring allows for early detection of environmental threats such as climate change impacts, invasive species, or habitat degradation. This enables adaptive management, helping ecosystems become more resilient to disturbances and improving their capacity to recover, which is vital for long-term biodiversity sustainability.
				Enhanced habitat restoration success	Continuous monitoring using MRV tools ensures that habitat restoration efforts are tracked and adjusted in real-time. This increases the likelihood of successful restoration by providing data on species reintroduction, habitat recovery, and ecosystem health, ultimately promoting biodiversity recovery and habitat restoration.
				Increased biodiversity conservation	Innovative MRV technologies help identify critical habitats and vulnerable species, enabling more targeted and efficient conservation efforts. This ensures that resources are focused on areas that are most in need of protection, directly contributing to the preservation of biodiversity.
				Advancement in ecological research and understanding	Innovation in MRV technologies significantly enhances ecological research by providing more precise, real-time data on biodiversity, species populations, and ecosystem health. These tools enable scientists to track complex ecological processes over time and across vast areas, leading to a deeper understanding of species interactions, ecosystem dynamics, and the impacts of climate change. With better data, researchers can refine conservation strategies, improve predictions about biodiversity trends, and create more effective models for ecosystem management, ultimately advancing the field of natural sciences and biodiversity research.
Policy advocacy and stakeholder collaboration	Engaging with policymakers, regulators, and environmental groups to advocate for policy frameworks that enhance nature-based solutions and biodiversity conservation.	Core	England	Advancement in ecological research and understanding	Stakeholder engagement and education in nature support the advancement of ecological research by fostering collaboration, integrating local knowledge, and enhancing public awareness. Engaging stakeholders such as local communities, policymakers, and conservation organisations allows for the exchange of valuable insights and data, improving research design and relevance. Educating the public and policymakers ensures informed decision-making, increased investment, and broader support for research initiatives.



StrategyCONTINUED

Key nature-relatedpositive impacts

Table continued on next page

Activity	Detail	Value chain position	Location	Impact	Impact description
Educating landowners, businesses, and communities on biodiversity benefits.	Delivering workshops, information sessions, and advisory services to stakeholders on the benefits of biodiversity conservation and investment.	Core	England	Advancement in ecological research and understanding	Stakeholder engagement and education in nature support the advancement of ecological research by fostering collaboration, integrating local knowledge, and enhancing public awareness. Engaging stakeholders such as local communities, policymakers, and conservation organisations allows for the exchange of valuable insights and data, improving research design and relevance. Educating the public and policymakers ensures informed decision-making, increased investment, and broader support for research initiatives.
Attending conferences and events	Representing the organisation at industry conferences, environmental summits, and stakeholder meetings to promote biodiversity initiatives and partnerships.	Core	Worldwide	Advancement in ecological research and understanding	
Local authorities & conservation trusts – collaborate on land access and conservation projects.	Collaborating on land access and conservation projects to support regional biodiversity and nature recovery efforts.	Upstream	England	Advancement in ecological research and understanding	
Land aggregators & brokers – facilitate large-scale land acquisition or lease agreements for restoration projects.	Facilitating large-scale land acquisition or lease agreements to enable large-scale biodiversity restoration projects.	Upstream	England	Funding for habitat conservation and restoration	By securing private capital and corporate investment, it ensures long-term support for nature-based solutions, such as Biodiversity Units and ecosystem services, which directly contribute to the preservation and enhancement of ecosystems, biodiversity, and overall environmental health. This financial model enables the continuous restoration and protection of habitats, ultimately improving ecosystem resilience and the provision of vital ecosystem services like carbon sequestration, water filtration, and soil health.
Native plant and tree supply for habitat creation	Providing native plant species, seeds, and young trees for habitat restoration, reforestation, and afforestation projects.	Upstream	England	Increased biodiversity conservation	Introducing native plant species and trees restores the natural plant communities that support a wide range of native animals and microorganisms. These native species help rebuild ecosystems, ensuring that local biodiversity thrives by providing food and shelter for native wildlife and preserving genetic diversity within species.
				Improved ecosystem resilience	Native plants and trees are adapted to the local climate and soil conditions, making them more resilient to environmental stressors such as drought, pests, and diseases. By restoring ecosystems with these species, the resilience of habitats is strengthened, helping them better withstand and recover from climate-related disruptions and other disturbances.
				Improved ecosystem services	Native trees and plants contribute significantly to ecosystem services such as carbon sequestration, water filtration, soil stabilisation, and air purification. Reintroducing these species into degraded areas helps restore these essential functions, enhancing the health and functioning of ecosystems while also contributing to climate change mitigation and improved water quality.
				Reduction in soil erosion	Native plants, particularly trees, play a critical role in improving soil structure, preventing erosion, and increasing water retention. Restoring habitats with these species helps reduce soil degradation, manage water resources more effectively, and protect against the impacts of flooding and droughts, which are particularly important in areas prone to extreme weather events.
				Enhanced biodiversity	Native plants and trees are essential for rebuilding ecosystems that support a variety of species. They create the right environment for local wildlife by offering the food, shelter, and resources that native species depend on. This process helps reverse habitat loss and fragmentation, supporting the recovery of local flora and fauna.

StrategyCONTINUED

Key nature-relatedpositive impacts

Activity	Detail	Value chain position	Location	Impact	Impact description
Housebuilders & real estate developers – required to purchase Biodiversity Units to offset biodiversity loss from construction..	Purchasing Biodiversity Units to offset biodiversity loss from construction projects, ensuring compliance with biodiversity regulations.	Downstream	England	Enhanced biodiversity	By purchasing Biodiversity Units, developers contribute to the restoration or enhancement of natural habitats, leading to a direct increase in biodiversity. The funds used to buy these Units typically support projects that focus on habitat restoration or creation, which helps conserve species and restore ecological balance in areas impacted by construction activities.
				Funding for habitat conservation and restoration	Purchasing Biodiversity Units allows construction projects to comply with biodiversity regulations while still enabling economic growth and development. This ensures that biodiversity conservation and ecosystem health are integrated into urban development and infrastructure projects, contributing to sustainable land-use practices and a balance between development and nature.
				Improved ecosystem services	The purchase of Biodiversity Units supports habitat projects that restore vital ecosystem services, such as carbon sequestration, water filtration, soil stabilisation, and flood regulation. By funding these projects, developers help re-establish natural processes that benefit both the environment and human communities, improving the overall health and functioning of ecosystems.
Infrastructure & energy companies – road, rail, and renewable energy projects need to purchase Biodiversity Units to offset biodiversity loss.	Securing biodiversity offsets for road, rail, and renewable energy projects to mitigate environmental impacts.	Downstream	England	Enhanced biodiversity	By purchasing Biodiversity Units, developers contribute to the restoration or enhancement of natural habitats, leading to a direct increase in biodiversity. The funds used to buy these units typically support projects that focus on habitat restoration or creation, which helps conserve species and restore ecological balance in areas impacted by construction activities.
				Funding for habitat conservation and restoration	Purchasing Biodiversity Units allows construction projects to comply with biodiversity regulations while still enabling economic growth and development. This ensures that biodiversity conservation and ecosystem health are integrated into urban development and infrastructure projects, contributing to sustainable land-use practices and a balance between development and nature.
				Improved ecosystem services	The purchase of Biodiversity Units supports habitat projects that restore vital ecosystem services, such as carbon sequestration, water filtration, soil stabilisation, and flood regulation. By funding these projects, developers help re-establish natural processes that benefit both the environment and human communities, improving the overall health and functioning of ecosystems.
ESG-focused businesses – large corporations (e.g. retail, finance, agriculture) purchasing Nature Shares to meet sustainability commitments or investing in nature-based solutions.	Large corporations (e.g. retail, finance, agriculture) purchasing Nature Shares to meet sustainability commitments and invest in nature-based solutions.	Downstream	England	Enhanced biodiversity	By purchasing Nature Shares, corporates contribute to the restoration or enhancement of natural habitats, leading to a direct increase in biodiversity. The funds used to buy these Nature Shares typically support projects that focus on habitat restoration or creation, which helps conserve species and restore ecological balance in areas impacted by human activity.
				Funding for habitat conservation and restoration	Purchasing Nature Shares allows construction projects to comply with biodiversity regulations while still enabling economic growth and development. This ensures that biodiversity conservation and ecosystem health are integrated into urban development and infrastructure projects, contributing to sustainable land-use practices and a balance between humans and nature.
				Improved ecosystem services	The purchase of Nature Shares supports habitat projects that restore vital ecosystem services, such as carbon sequestration, water filtration, soil stabilisation, and flood regulation. By funding these projects, developers help re-establish natural processes that benefit both the environment and human communities, improving the overall health and functioning of ecosystems.

# Strategy CONTINUED

## Key nature-related **positive** impacts

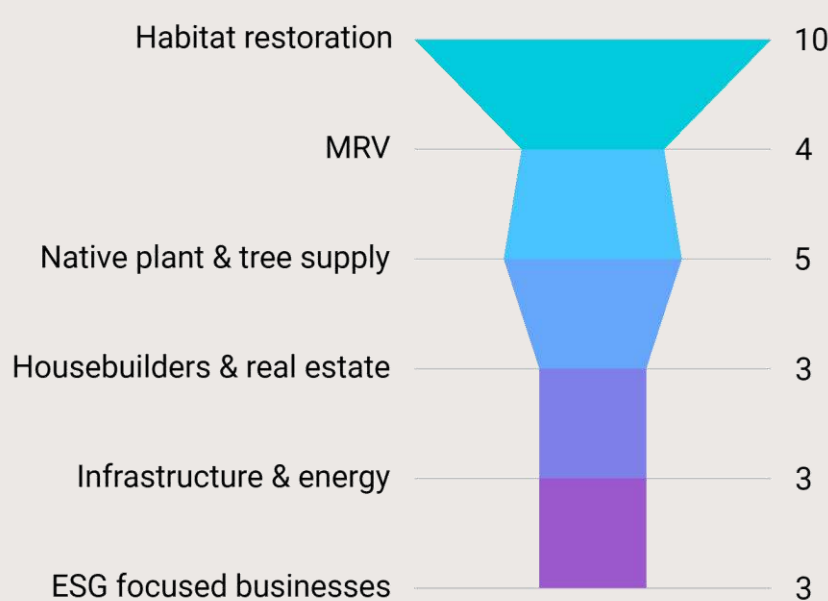
Summary table – our most common positive impacts are highlighted in green

	Advancement in ecological research and understanding	Carbon sequestration	Enhanced biodiversity	Enhanced habitat restoration success	Enhancing soil fertility	Funding for habitat conservation and restoration	Improved ecosystem resilience	Improved ecosystem services	Improved recreation and wellbeing	Improved water quality	Increased resilience to climate change	Increased biodiversity conservation	Natural pest control	Pollinator support	Reduction in soil erosion	Reduction of invasive species	Sustainable livelihoods for landowners
Converting farmland and degraded ecosystems into nature recovery sites (e.g. wildflower meadows, wetlands, woodlands)		X	X		X		X	X	X	X	X		X	X	X	X	X
Providing financial incentives to farmers for habitat creation and maintenance																	X
Biodiversity offsetting and compliance																	X
Testing MRV to develop these activities in habitat restoration	X			X			X					X					
Policy advocacy and stakeholder collaboration	X																
Educating landowners, businesses, and communities on biodiversity benefits	X																
Attending conferences and events	X																
Local authorities & conservation trusts – collaborate on land access and conservation projects	X																
Land aggregators & brokers – facilitate large-scale land acquisition or lease agreements for restoration projects	X																
Native plant and tree supply for habitat creation			X				X	X				X		X			
Housebuilders & real estate developers – required to purchase Biodiversity Units to offset biodiversity loss from construction..			X			X		X									
Infrastructure & energy companies – road, rail, and renewable energy projects need to purchase Biodiversity Units for biodiversity offsets.			X			X		X									
ESG-focused businesses – large corporations (e.g. retail, finance, agriculture) purchasing Nature Shares to meet sustainability commitments or investing in nature-based solutions.			X			X		X									

# Strategy CONTINUED

## Key nature-related **positive** impacts

### Key activities driving positive impacts



*Graph showing number of positive impacts per relevant activity*

These areas, once unproductive or environmentally compromised, are transformed into vibrant ecosystems that provide essential services such as pollination, natural pest control, water purification, and flood mitigation. Additionally, our financial incentives to farmers encourage sustainable land management practices that further support and improve these crucial ecosystem functions. Our collaborative projects with local authorities, conservation trusts, and other stakeholders also ensure the ongoing health and resilience of these ecosystems.

### Advancement in ecological research & understanding

At Environment Bank, we actively contribute to the advancement of ecological research and understanding through several key activities. Our commitment to testing MRV in habitat restoration allows us to rigorously evaluate the effectiveness of different conservation strategies, providing valuable data to the scientific community.

Additionally, our policy advocacy and stakeholder collaboration involve sharing research findings and best practices with policymakers, landowners, and businesses, thereby promoting evidence-based decision-making. By educating landowners, businesses, and communities about the benefits of biodiversity, we foster a greater appreciation for ecological research and its importance in guiding conservation efforts.

### Enhanced biodiversity

Our activities are also, of course, strongly geared towards enhancing biodiversity, as evidenced by our part in biodiversity offsetting, uplift and compliance. This approach ensures that any unavoidable biodiversity loss from development projects is counterbalanced and uplifted by creating or restoring habitats elsewhere, effectively maintaining and improving overall biodiversity levels. We work closely with local authorities, conservation trusts, and infrastructure companies to identify and implement projects that support diverse species and ecosystems.

Furthermore, our support for native plant and tree supply for habitat creation ensures that restoration efforts prioritise local flora, enhancing the resilience and ecological integrity of restored habitats. Through these actions, we actively promote the conservation and enhancement of biodiversity across the landscapes in which we operate.

## Most abundant **positive** impacts

### Improved ecosystem services

Our activities are strategically designed to deliver significant improvements in ecosystem services. By converting farmland and degraded ecosystems into thriving nature recovery sites, we actively enhance the natural processes that underpin environmental health.



# Strategy CONTINUED

## Key dependencies on nature

This assessment evaluates the potential dependencies across our activities, detailing various environmental factors such as ecosystem services, biomass provisioning services, and climate regulation. Each dependency is rated according to its materiality score, its impact to Environment Bank and its probability score. This enabled us to identify critical and high-risk dependencies where resilience strategies are needed, ensuring that our operations remain sustainable and aligned with nature-positive outcomes.

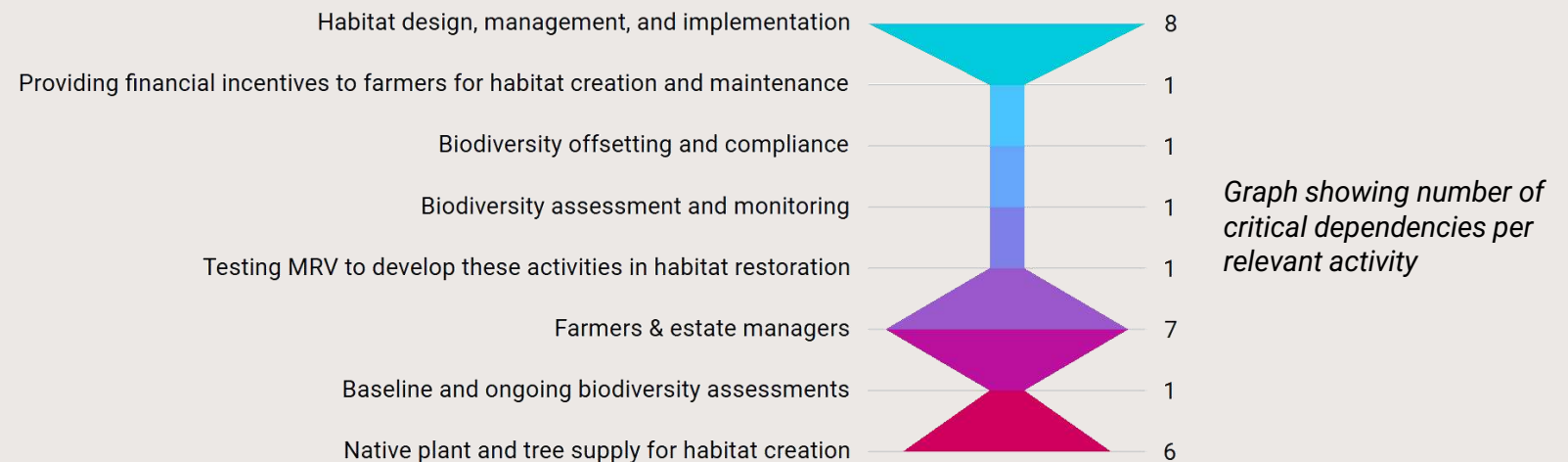
At this time, we are only analysing our highest dependencies, focusing on those that are most material to our operations. Additionally, these dependencies have been assessed only in the short term, up to 2030.

For this section, we will focus on the materiality ratings of dependencies that fall into the critical category, but our full list of dependencies can be viewed in Appendix C.

From the summary table, it's clear that our most common critical (our highest category) dependencies are education, scientific & research services, biomass provisioning services, local climate regulation services, soil & sediment retention services, and water purification services. Our activities most heavily dependent on nature are Habitat design, management, and implementation and farmers & estate managers – providing land under long-term lease or partnership agreements for habitat restoration.

*Summary table – our most common critical dependencies are highlighted in blue*

Activity	Education, scientific & research services	Biomass provisioning services	Global climate regulation services	Rainfall pattern regulation services	Local climate regulation services	Soil quality regulation services	Soil & sediment retention services	Water purification services	Water supply services
Habitat design, management, and implementation	X	X	X	X	X	X	X	X	
Providing financial incentives to farmers for habitat creation and maintenance	X								
Biodiversity offsetting and compliance	X								
Biodiversity assessment and monitoring	X								
Testing MRV to develop these activities in habitat restoration	X								
Farmers & estate managers – provide land under long-term lease or partnership agreements for habitat restoration.		X	X	X	X	X	X	X	
Baseline and ongoing biodiversity assessments	X								
Native plant and tree supply for habitat creation	X	X			X		X	X	X



StrategyCONTINUED

Key dependencies on nature

Critical nature related dependencies table – split by activity

Table continued on next page

Activity	Detail	Dependencies (taken from ENCORE if applicable to activity)	Dependency description
Habitat design, management, and implementation	Identifying the most effective restoration strategy for a given site, designing, organising, and managing large-scale habitat restoration projects.	Education, scientific & research services	Many scientific activities depend on the provision of scientific and research services by natural ecosystems.
		Biomass provisioning services	Mixed farming is dependent on the ecosystem's capacity to provide biomass. Mixed farming depends on crop provisioning services for the growth of plants that are harvested, grazed provisioning services to the growth of inputs for livestock, and livestock provisioning for the growth of cultivated livestock and livestock products for food production. Other biomass such as organic matter, waste and compost, is also used in mixed farming.
		Global climate regulation services	Mixed farming depends on global climate regulation by ecosystems to mitigate climate change, maintain the climatic conditions necessary for the cultivation of crops, and reduce the frequency and intensity of major climate events that could damage infrastructure.
		Rainfall pattern regulation services	Mixed farming activities are dependent on rainfall pattern regulation by ecosystems to ensure sufficient levels of rainfall for productive cultivation.
		Local climate regulation services	Mixed farming depends on the capacity of ecosystems to regulate the microclimate in the locations of agricultural production (e.g. stabilising local temperatures, regulating local humidity levels), providing stable conditions for growing crops.
		Soil quality regulation services	Healthy and fertile soils generated by bio-geochemical decomposition are critical for mixed farming practices.
		Soil and sediment retention services	The cultivation of crops depends on the retention of soil and sediment to prevent damage to other ecosystems and runoff of fertilisers, as well as the use of vegetation and surrounding habitats for erosion control to maintain the quality of soils and sediments.
		Water purification services	Mixed farming is dependent on water purification ecosystem services for ensuring the quality and availability of water for production and reducing the impact of agriculture on water quality.
Providing financial incentives to farmers for habitat creation and maintenance	Leasing or contracting farmland for long-term habitat restoration (30+ years), ensuring sustainable land management and biodiversity improvements.	Education, scientific & research services	Many scientific activities depend on the provision of scientific and research services by natural ecosystems.
Biodiversity offsetting and compliance	Selling Biodiversity Units to developers to meet BNG legal requirements, facilitating compliance with The Environment Act 2021, and engaging businesses in nature-positive investments to offset biodiversity impacts.	Education, scientific & research services	Many scientific activities depend on the provision of scientific and research services by natural ecosystems.
Biodiversity assessment and monitoring	Conducting ecological assessments, establishing biodiversity baselines, implementing long-term monitoring of habitat quality and ecosystem service improvements, and reporting biodiversity gains using scientific methodologies (e.g. DEFRA metric).	Education, scientific & research services	Many scientific activities depend on the provision of scientific and research services by natural ecosystems.
Testing MRV to develop these activities in habitat restoration	Developing and piloting MRV methodologies to ensure accurate biodiversity tracking in habitat restoration projects.	Education, scientific & research services	Education, scientific and research services provided by ecosystems contribute to new scientific discoveries and support development of new tools and techniques for a wide variety of end-use sectors, which can improve their performance.

Strategy

CONTINUED

Key dependencies on nature

Activity	Detail	Dependencies (taken from ENCORE if applicable to activity)	Dependency description
Farmers & estate managers – provide land under long-term lease or partnership agreements for habitat restoration.	Providing land under long-term lease or partnership agreements for habitat restoration, ensuring sustainable land stewardship.	Biomass provisioning services	Mixed farming is dependent on the ecosystem's capacity to provide biomass. Mixed farming depends on crop provisioning services for the growth of plants that are harvested, grazed provisioning services to the growth of inputs for livestock, and livestock provisioning for the growth of cultivated livestock and livestock products for food production. Other biomass such as organic matter, waste and compost, is also used in mixed farming.
		Global climate regulation services	Mixed farming depends on global climate regulation by ecosystems to mitigate climate change, maintain the climatic conditions necessary for the cultivation of crops, and reduce the frequency and intensity of major climate events that could damage infrastructure.
		Rainfall pattern regulation services	Mixed farming activities are dependent on rainfall pattern regulation by ecosystems to ensure sufficient levels of rainfall for productive cultivation.
		Local climate regulation services	Mixed farming depends on the capacity of ecosystems to regulate the microclimate in the locations of agricultural production (e.g. stabilising local temperatures, regulating local humidity levels), providing stable conditions for growing crops.
		Soil quality regulation services	Healthy and fertile soils generated by bio-geochemical decomposition are critical for mixed farming practices.
		Soil & sediment retention services	The cultivation of crops depends on the retention of soil and sediment to prevent damage to other ecosystems and runoff of fertilisers, as well as the use of vegetation and surrounding habitats for erosion control to maintain the quality of soils and sediments.
		Water purification services	Mixed farming is dependent on water purification ecosystem services for ensuring the quality and availability of water for production and reducing the impact of agriculture on water quality.
Baseline and ongoing biodiversity assessments	Conducting initial biodiversity surveys to assess ecological value and implementing ongoing assessments to track conservation progress.	Education, scientific & research services	Many scientific activities depend on the provision of scientific and research services by natural ecosystems.
Native plant and tree supply for habitat creation	Providing native plant species, seeds, and young trees for habitat restoration, reforestation, and afforestation projects.	Education, scientific & research services	Indigenous and local communities' knowledge can inform the management of certain agricultural products. Biodiversity can contribute a variety of supporting services to agroecosystems and surrounding ecosystems. Seed processing for propagation can be informed by knowledge regarding the management of certain agricultural products.
		Biomass provisioning services	Plant propagation is dependent on the ecosystem's capacity to provide biomass. The activity depends on crop provisioning services for the growth of plants that can be harvested, wood provisioning to the growth of trees and other woody biomass in both cultivated (plantation) and uncultivated production contexts. Other biomass such as organic matter, waste and compost, is also used in plant propagation. Seed processing for propagation depends on the ecosystem to produce biomass materials, specifically seeds. The activity also depends on the ecosystem contributions to the growth of organic material, as well as waste, and compost.
		Water supply services	Plant propagation depends on water supply services provided by ecosystems to ensure sufficient quantity and quality of water, to grow the given plants and for general on-farm use (such as cleaning, sanitation, crop spraying). Seed processing depends on water supply services provided by ecosystems to ensure sufficient quantity and quality of water for cleaning and treatment of seeds. Water is also needed for cleaning and sanitation of the facilities.
		Local climate regulation services	Ecosystems regulate the microclimate in the locations of growing sites (e.g. stabilising local temperatures, regulating local humidity levels), providing stable conditions for plant propagation. Seed processing activities depend on ecosystems to regulate the microclimate in the location of the activities. This improves the conditions for storing and processing of the seeds (e.g. stabilising local temperatures, regulating local humidity levels), reducing the need for human-made cooling or humidity controls.
		Soil & sediment retention services	Plant propagation depends on erosion control provided by ecosystems, which reduces the loss of soil and runoff of fertilisers from the growing sites. It also depends on landslide mitigation as the mass movement of soil and rock could damage the growing site and areas around it. Seed processing for propagation is dependent on soil and sediment retention to provide a stable substrate, erosion control, and landslide mitigation for buildings and infrastructure.
		Water purification services	Plant propagation is dependent on water purification ecosystem services for ensuring the quality and availability of water for the activities and reducing the activities' impact on water quality. Seed processing for propagation is dependent on water purification by ecosystems to maintain or improve the quality of the water used for cleaning seeds.

# Strategy CONTINUED

## Key dependencies on nature

For our dependencies, we have analysed the ENCORE map-viewer tool to look at the associated spatial data and explored location-specific risks. This is something that will also be looked at going forward when considering site locations.

### Education, scientific & research services

Environment Bank heavily relies on ecological expertise and scientific research to inform its habitat restoration and creation strategies. Ongoing education and research are crucial for understanding ecosystem dynamics, measuring biodiversity gains, and adapting management practices to changing environmental conditions.

### Biomass provisioning services

The success of Habitat Banks depends on the ability of ecosystems to produce biomass, including vegetation for wildlife habitats and food sources especially where we are relying on rewilding practices for habitat restoration. This provisioning service is fundamental to supporting biodiversity and ecosystem functioning within restored areas.

### Local climate regulation services

Habitat Banks benefit from and contribute to local climate regulation.

Restored ecosystems help moderate local temperatures, humidity, and precipitation patterns, which in turn support the resilience and sustainability of the habitats being created.

Here are some examples of our reliance on climate regulation services:

Our wetland restoration projects depend on stable local temperature and precipitation patterns to maintain appropriate water levels and support diverse aquatic ecosystems. Local climate regulation helps prevent extreme temperature fluctuations that could stress newly established plant communities or disrupt the breeding cycles of amphibians and waterfowl.

In woodland creation initiatives, local climate regulation is crucial for maintaining suitable conditions for tree growth and forest ecosystem development. Consistent temperatures and rainfall patterns support seedling establishment, promote healthy tree growth, and help prevent drought stress or frost damage to young trees.

Additionally, our grassland and meadow restoration efforts benefit from local climate regulation services that maintain suitable growing conditions for native wildflowers and grasses. Stable local climates help prevent unseasonable frosts or heat waves that could damage sensitive plant species or disrupt pollinator activity essential for ecosystem health.

### Soil and sediment retention services

The stability and health of restored habitats rely heavily on soil and sediment retention services. These services prevent erosion, maintain soil fertility, and support the establishment and growth of vegetation in Habitat Banks.

### Water purification services

Clean water is essential for many of the ecosystems Environment Bank aims to restore, particularly wetlands and aquatic habitats. Natural water purification services, provided by healthy ecosystems, play a crucial role in maintaining water quality within Habitat Banks and surrounding areas.





# Strategy – risks and opportunities CONTINUED

## Where are our high-risk areas?

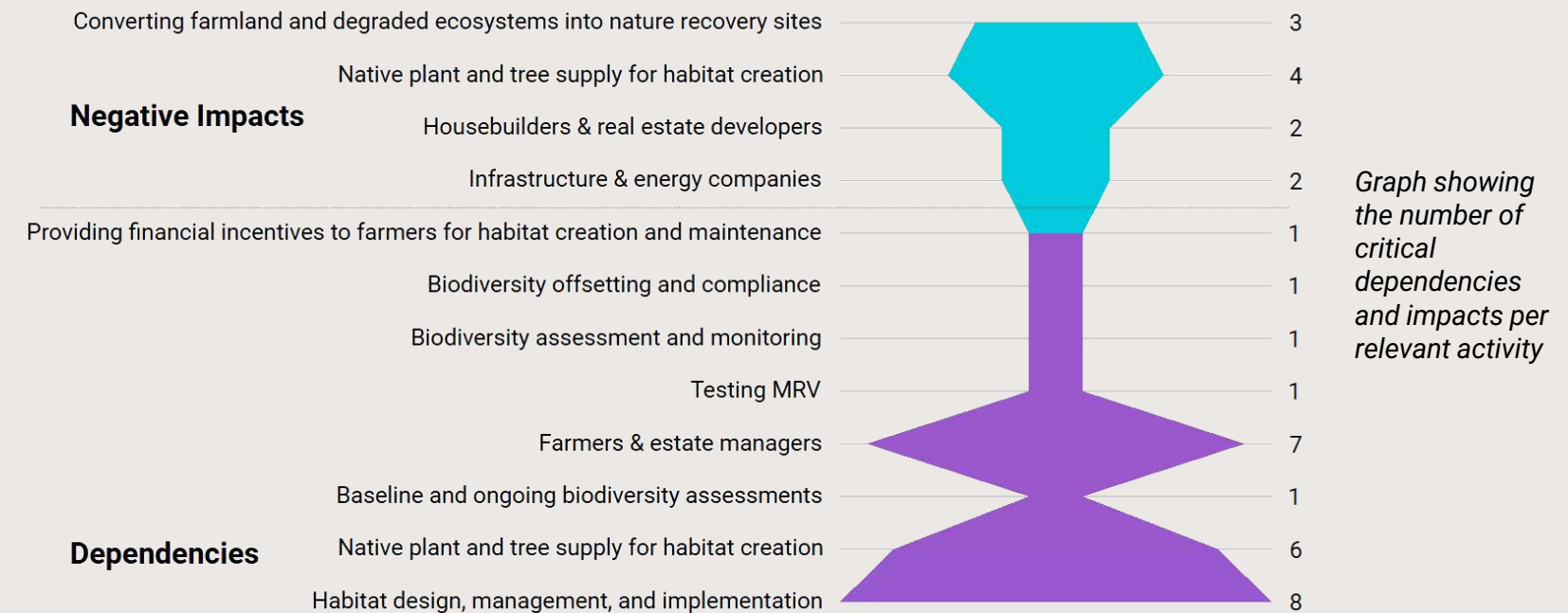
The TNFD assessment has identified key areas where Environment Bank’s activities have significant environmental impacts and critical dependencies. Understanding these risks is essential for ensuring the resilience of our sites. One of the most significant impact areas is the supply of native plants and trees for habitat creation, with a total of four high or critical impacts identified. This suggests that sourcing these materials may contribute to biodiversity loss, through the area of freshwater use, emissions of GHGs produced, generation and release of solid waste, and volume of water use.

Similarly, converting farmland and degraded ecosystems into nature recovery sites has three high or critical impacts, highlighting potential short-term environmental disturbances such as emissions of GHGs, emissions of non-GHG air pollutants, and generation and release of solid waste.

Other activities with notable environmental impacts include housebuilders and real estate developers and infrastructure and energy companies, each with two high or critical impacts. However, these are downstream activities and are not part of Environment Bank’s core operations. Their impacts primarily relate to land-use change and resource extraction, which can affect biodiversity but occur outside the direct scope of our nature recovery initiatives.

On the dependency side, the most critical factor is habitat design, management, and implementation, which has eight critical dependencies. As shown in the table, this activity relies on biomass provisioning, local climate regulation, soil quality regulation, soil and sediment retention, water purification, and water supply services. This highlights the importance of maintaining healthy ecosystems to support habitat restoration, as well as ensuring access to suitable land and ecological expertise for effective implementation.

Another major dependency is on farmers and estate managers, with seven critical dependencies. Their role in habitat restoration depends on biomass provisioning, soil quality regulation, soil and sediment retention, and water purification services. This reflects a strong reliance on private landowners, meaning any challenges related to landowner engagement, financial constraints, or shifting agricultural policies could pose a significant risk to project delivery.



# Strategy – risks and opportunities CONTINUED

## Integrating nature-related risks into enterprise risk management frameworks

After completing our TNFD scoping and identifying nature-related risks, we've integrated them into our current risk register using the same scoring system. This allows us to evaluate and prioritise these risks based on their likelihood and impact, just like our other risks. By maintaining consistency in how we assess and report risks, nature-related risks are seamlessly incorporated into our existing risk management processes, ensuring a unified approach to monitoring and mitigating threats.

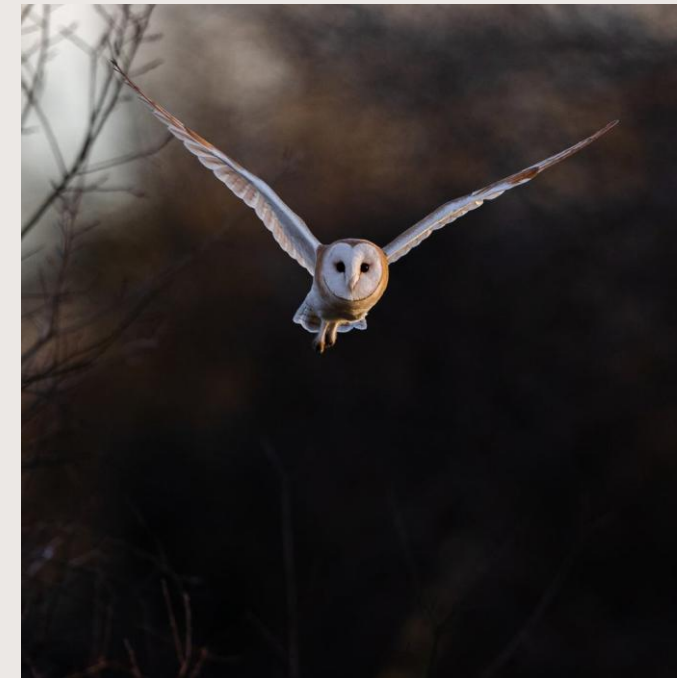


## Establishing internal systems to monitor & prepare for nature-related issues

Environment Bank has established a robust system to monitor and prepare for nature-related risks across our sites, leveraging climate scenario analysis tools and GIS. This system integrates high-level climate change projections with our Habitat Bank's geographic data to assess the impacts of varying temperature and precipitation scenarios on biodiversity restoration efforts. Using datasets from the Met Office Climate Data Portal, including Annual Average Temperature Change Projections and Precipitation Change Projections for both winter and summer, we evaluate different global warming scenarios (1.5°C, 2.5°C, and 4.0°C). These projections are layered onto our Environment Bank Site Boundaries map, enabling us to analyse how climate shifts may affect specific sites within our network. This approach allows us to make informed decisions about habitat placement and restoration strategies tailored to future climate conditions.

This system enhances its functionality by allowing us to overlay additional environmental data layers over time. It also enables us to visualise relationships between climate variables and ecological factors, such as land use, biodiversity, and natural capital uplift, across our site network. This capability supports precise planning for habitat creation by identifying areas most resilient to projected climate changes or those requiring specific interventions. For example, GIS can help pinpoint flood-prone areas or regions with high biodiversity potential, ensuring that our restoration efforts are both strategic and sustainable.

We have already initiated this analysis at a high level, and the preliminary results are presented in the following sections.

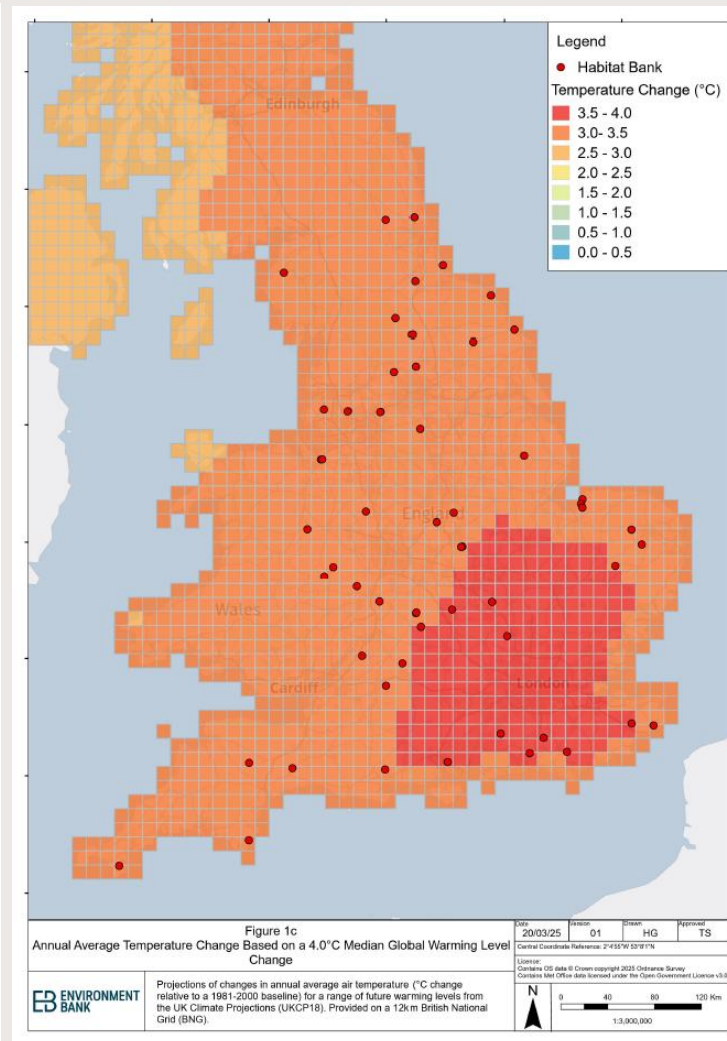
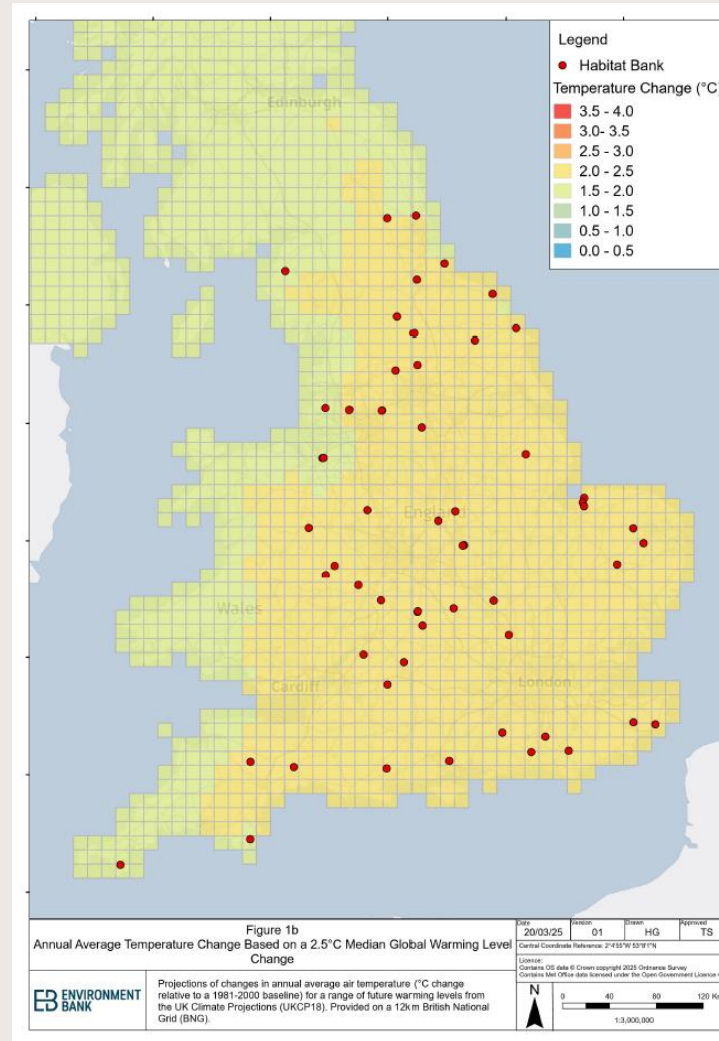
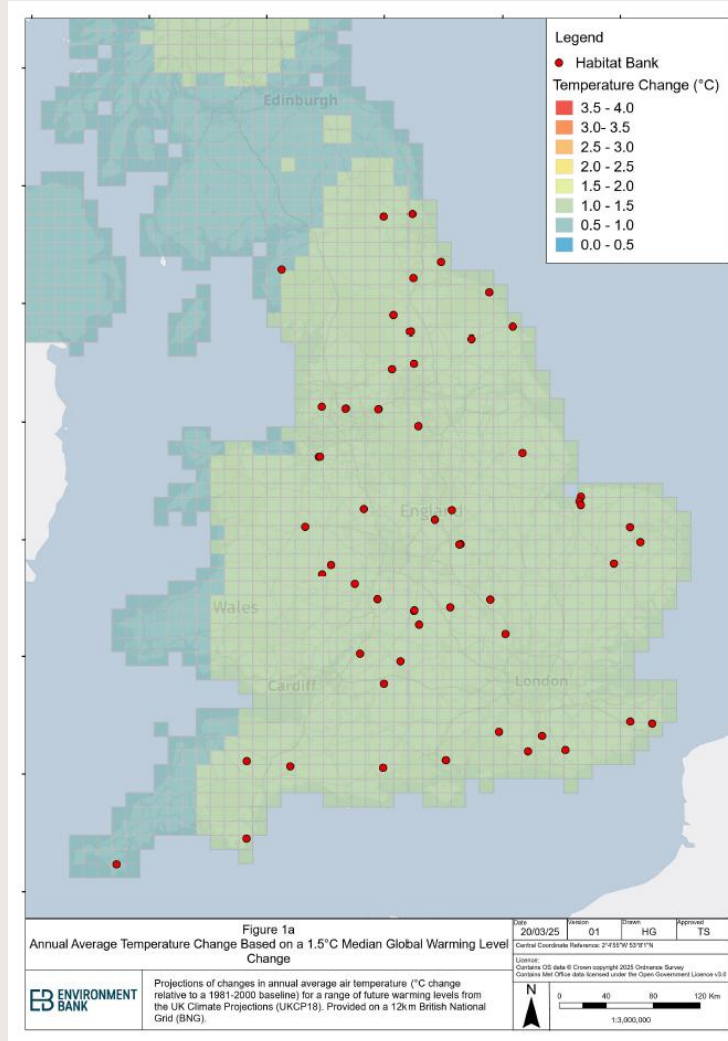




# Strategy – risks and opportunities CONTINUED

## Our Habitat Bank climate data – temperature

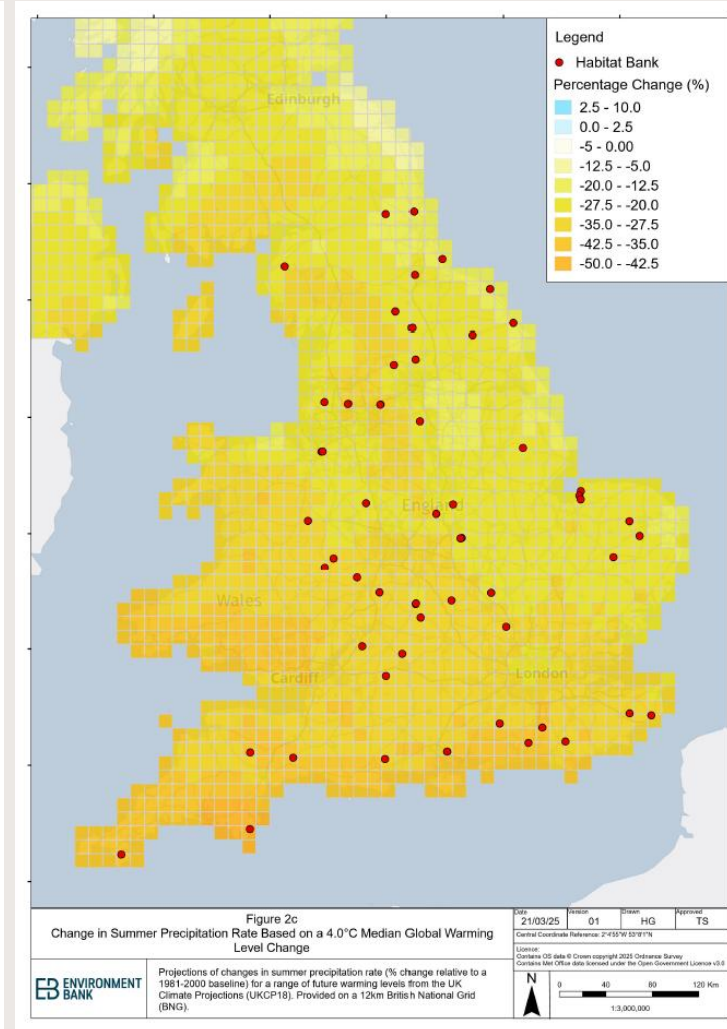
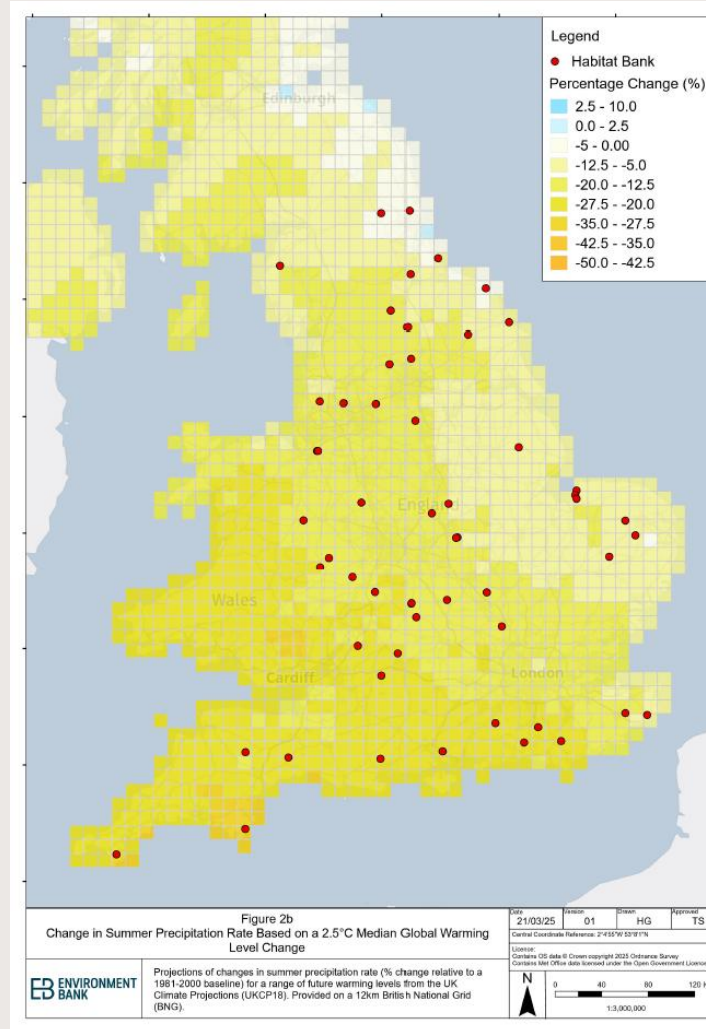
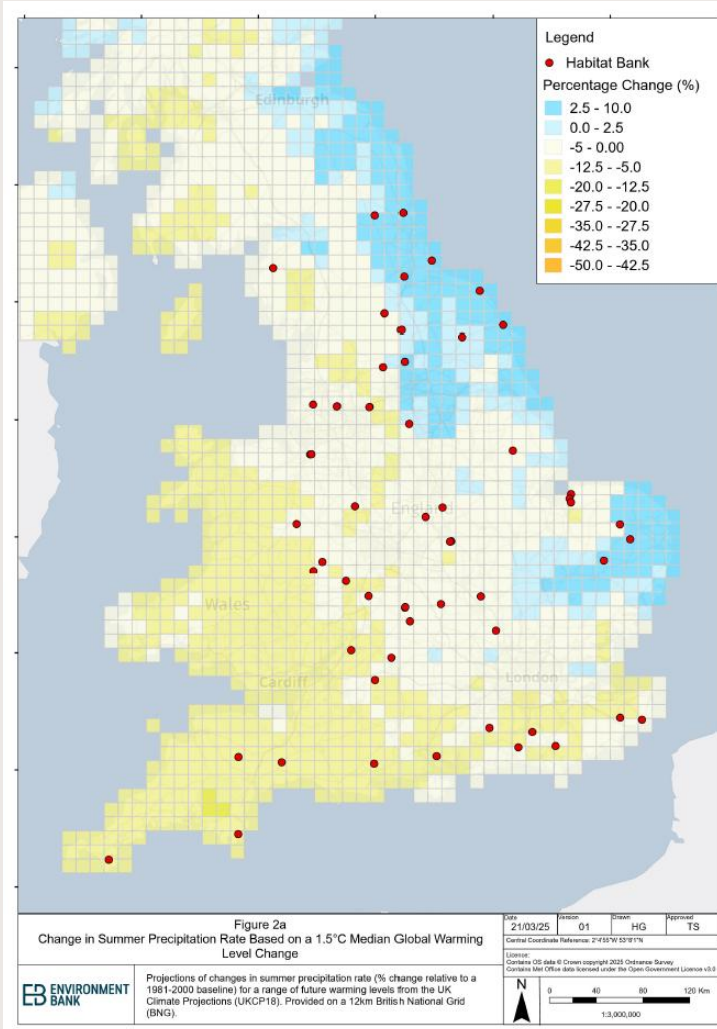
Acknowledging the temperature data, our sites located in the southeast will face the most significant climate-related risks due to the projected increases in temperature, particularly under a 4-degree warming scenario, necessitating tailored adaptation strategies to protect and enhance their resilience.



# Strategy – risks and opportunities CONTINUED

## Our Habitat Bank climate data – summer rainfall

Our climate data reveals that our sites will face varying rainfall-related risks. Specifically, our sites in the northeast are expected to experience an increase in summer rainfall, potentially leading to flooding risks at the 1.5-degree scenario but a decrease in rainfall above 2.5-degree. Our sites in the southwest are projected to see a significant decrease in rainfall in all scenarios—but up to 50% under the 4-degree scenario—posing a serious threat to their ecological health and requiring proactive mitigation strategies to ensure their long-term viability.

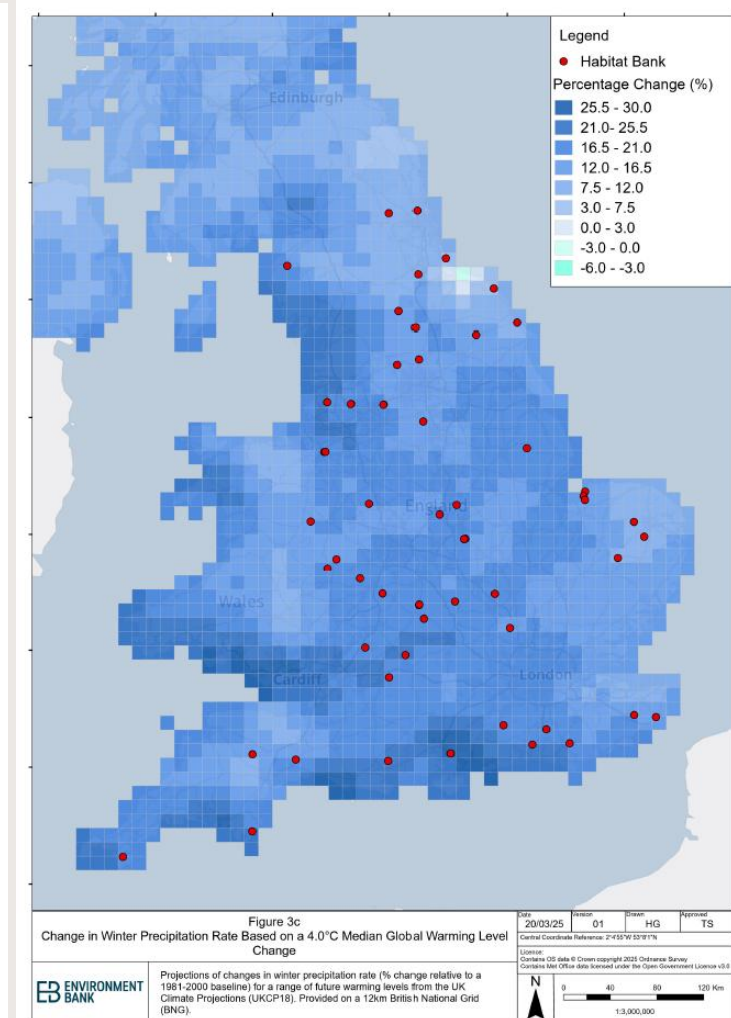
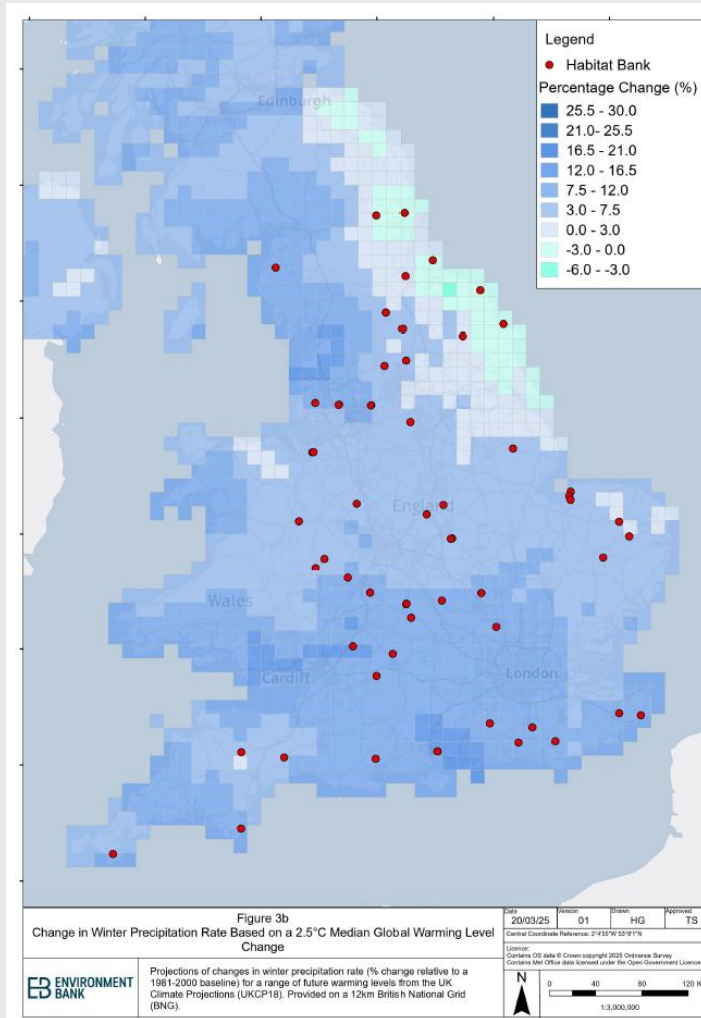
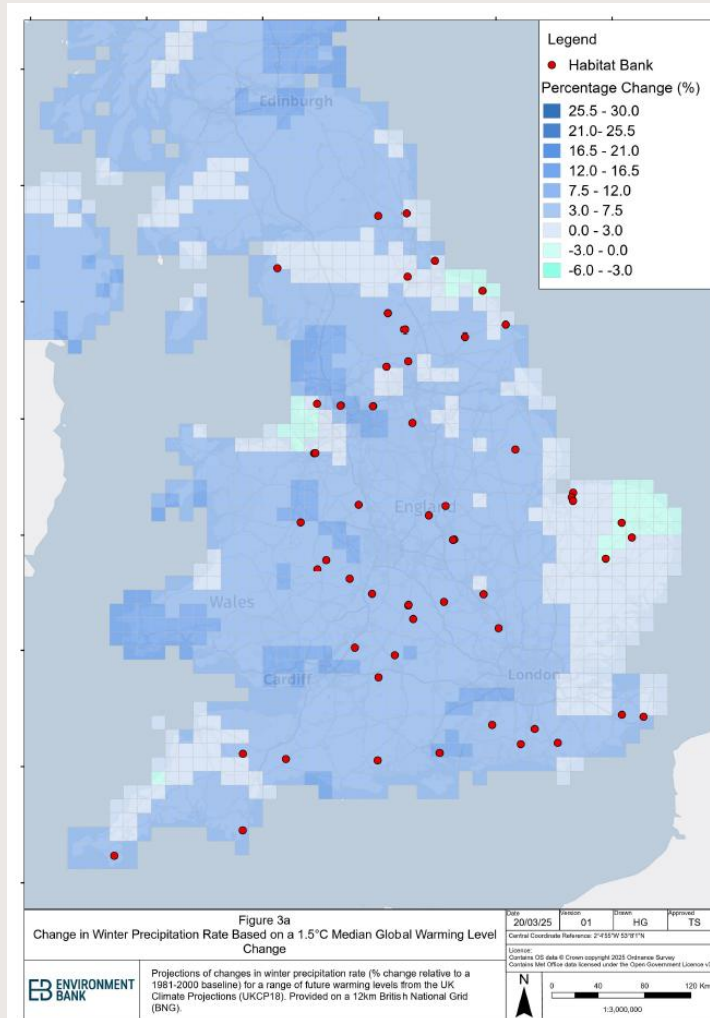




# Strategy – risks and opportunities CONTINUED

## Our Habitat Bank climate data – winter rainfall

Our climate data shows that our sites will face varying rainfall-related risks but a general pattern is an increase in rainfall across England. Specifically, our sites in the northeast are expected to experience a decrease in winter rainfall, potentially leading to drought risks at the 1.5 and 2.5-degree scenario but an increase in rainfall above 2.5 degrees. Our sites in the south are projected to see a significant increase in rainfall in all scenarios—but up to 25-30% under the 4-degree scenario—posing a serious threat to our sites and putting them at increased flood risk. This is something that should be considered when looking at site viability.



# Risk management

## Resilience across our Habitat Banks

### 1. Climate-informed habitat design

Using climate projection data, such as those available from the Met Office Climate Data Portal our internal systems, and WWF's Biodiversity Risk Filter we can design habitats that are better suited to future conditions. For example, areas projected to experience higher temperatures or reduced rainfall can be planted with drought-tolerant species, while flood-prone regions can incorporate wetland habitats or flood-resistant vegetation. Integrating these projections into our Habitat Bank planning ensures that ecosystems are built to withstand changing climatic conditions.

### 2. Enhancing biodiversity & ecological complexity

Increasing biodiversity within our Habitat Banks strengthens ecosystem resilience by creating more adaptable systems. Introducing a diverse range of native species ensures that ecosystems can maintain their functions even as environmental conditions change. In specific cases, non-invasive, non-native species may be introduced to fill ecological gaps and support climate adaptation without displacing native biodiversity. This approach fosters robust ecosystems capable of providing essential services under varying climatic scenarios.

### 3. Adaptive management & monitoring

Continuous monitoring of climate impacts on restored habitats is essential for resilience. Tools like HeatView and BiodiversityView (see references for details) provide spatial data to assess heat stress, drought risk, and biodiversity changes across our site network. These insights allow us to develop adaptive management plans, such as adjusting water management practices or modifying planting schemes based on observed trends. By integrating these datasets into a Habitat Management & Monitoring Plan (HMMP), we ensure that interventions are timely and targeted.

### 4. Promoting natural regeneration

Where appropriate, allowing natural regeneration of ecosystems can enhance resilience by enabling habitats to adapt organically to changing conditions. Natural processes often create more stable and self-sustaining ecosystems over time, particularly when combined with strategic interventions like moisture retention through wetland creation or beaver reintroductions.





# Risk management CONTINUED

## Resilience across our Habitat Banks

### 5. Provenance

Provenance is the geographical origin of tree and shrub seeds and is a critical factor in ensuring the long-term resilience and success of habitat restoration projects. Using stock with local provenance enhances the adaptability of habitats to environmental stressors and supports biodiversity conservation.

Sourcing plant material from local provenance regions ensures that vegetation is well-suited to the specific climatic, soil, and ecological conditions of the project site. This alignment increases survival rates, promotes healthy growth, and reduces the likelihood of plant failure. Additionally, local provenance stock supports the establishment of interconnected and resilient ecosystems by maintaining genetic diversity.

Key benefits include:

**Climate adaptation:** trees adapted to local conditions exhibit greater tolerance to temperature fluctuations, drought, and disease.

**Ecosystem integration:** locally adapted species synchronise their phenology (flowering and fruiting) with native pollinators and wildlife, supporting food webs and ecological functions.

**Reduced pest & disease risk:** avoiding non-native stock minimises the introduction of foreign pests and diseases that could threaten native ecosystems.

**Cost efficiency:** increased establishment success reduces the need for replanting, lowering long-term project costs.

### Applying provenance on our Habitat Banks

To maximise resilience, we should follow these best practices for selecting provenance stock:

**Prioritise local provenance:** select trees and shrubs from the native seed zone of the project site. Native seed zones are classified using three-digit codes representing the seed's origin and the wider provenance region.

**Consider elevation:** provenance is further divided into two altitude bands: below and above 300 metres. Sourcing from the appropriate altitude band ensures optimal adaptation to local environmental conditions.

**Use adjacent seed zones if necessary:** if local provenance stock is unavailable, source from neighbouring seed zones within the same region of provenance. This approach maintains ecological compatibility.

**Promote natural regeneration:** in areas with limited seed availability, natural regeneration methods, including seed spreading and brash piles, can supplement planting efforts. This encourages the establishment of native species over time.

**Plan for climate resilience:** while local provenance remains the preferred choice, future-focused projects may consider incorporating a mix of local and climate-adapted seed sources. This adaptive approach enhances genetic diversity and ensures resilience under changing climate conditions.

### 6. Monitoring & managing invasive species

Climate change can increase the risk of invasive species establishment and spread, as shifting temperatures and precipitation patterns create new suitable habitats. We can start to mitigate these risks on Habitat Banks by incorporating proactive monitoring and management strategies.

Key actions include early detection and monitoring programs to identify and respond to invasive species threats, conducting risk assessments using climate projections to pinpoint areas of higher susceptibility, and developing adaptive management plans that allow flexibility in responding to emerging challenges.

For example, as climate change impacts temperature patterns, species like the oak processionary moth (*Thaumetopoea processionea*) are migrating further north into the UK. While this species is not yet well-established in the UK, an increase has been observed in southern areas, with warmer temperatures potentially facilitating its spread. We can monitor and control such invasions on our site to prevent long-term ecological damage, especially to native species.

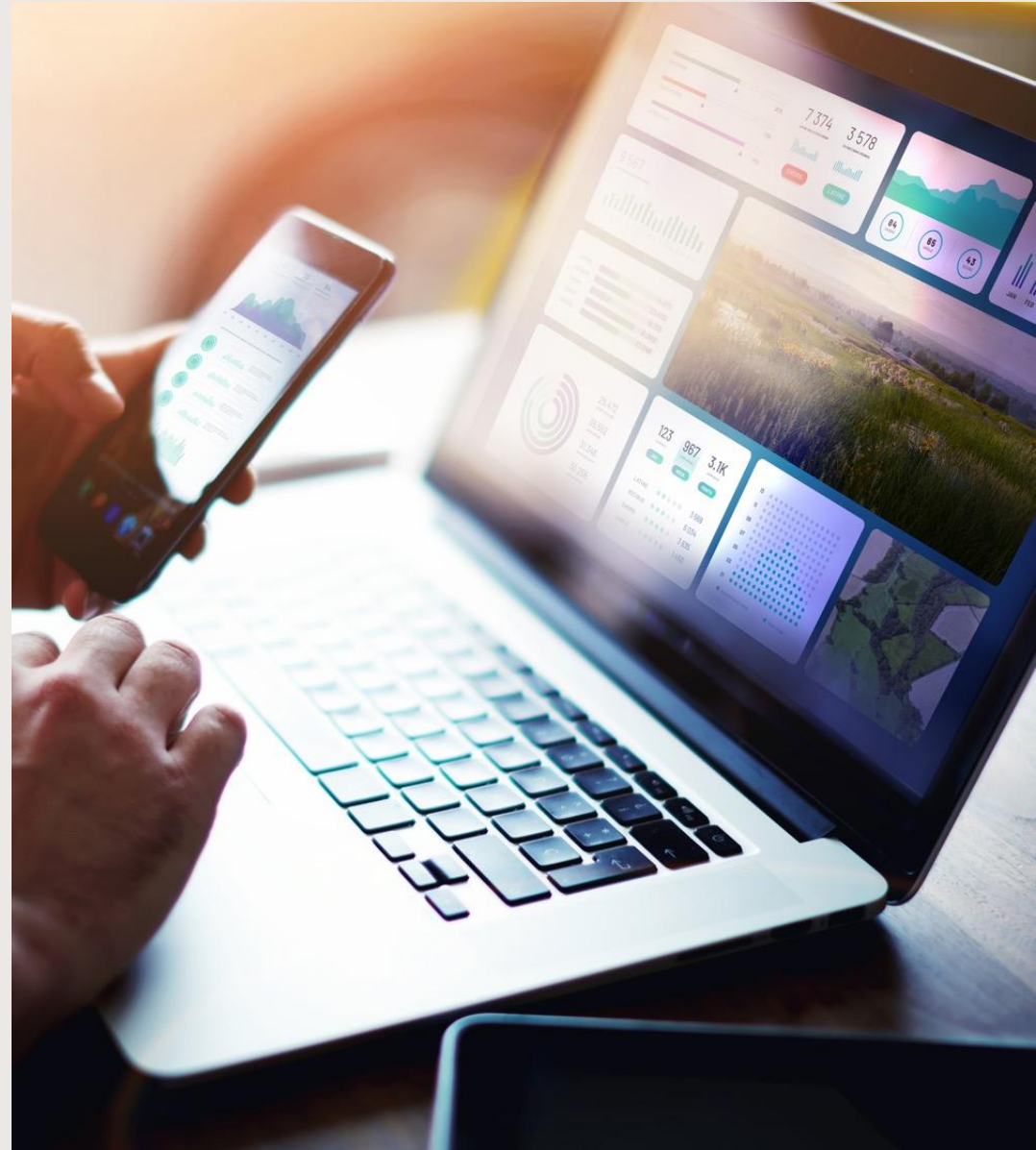
# Risk management CONTINUED

## Biodiversity and Ecosystem Materiality Assessment

Environment Bank actively manages the nature-related risks identified through the LEAP framework and the ENCORE tool, focusing on climate change impacts, soil degradation, habitat destruction, and inefficient resource use.

As mentioned previously in the report; to further enhance our risk management capabilities, we have recently developed the Biodiversity and Ecosystem Materiality Assessment spreadsheet to identify nature-related risks and dependencies across our operations.

This tool helps us assess and prioritise risks related to biodiversity, land use, and ecosystem services, allowing us to pinpoint where action is needed. Continued use of this spreadsheet will be implemented by integrating it into our current risk register, helping us to ensure that our approach to managing nature-related risks is both proactive and aligned with our strategic objectives. Long-term funding models are in place to ensure the sustainability of Environment Bank's projects and to mitigate financial risks. This proactive approach ensures that Environment Bank is well-prepared to manage potential challenges and protect its investments in biodiversity.





# Metrics & targets CONTINUED

## Current indicators & measurement frameworks

The key metrics we measure as a business are outlined below:

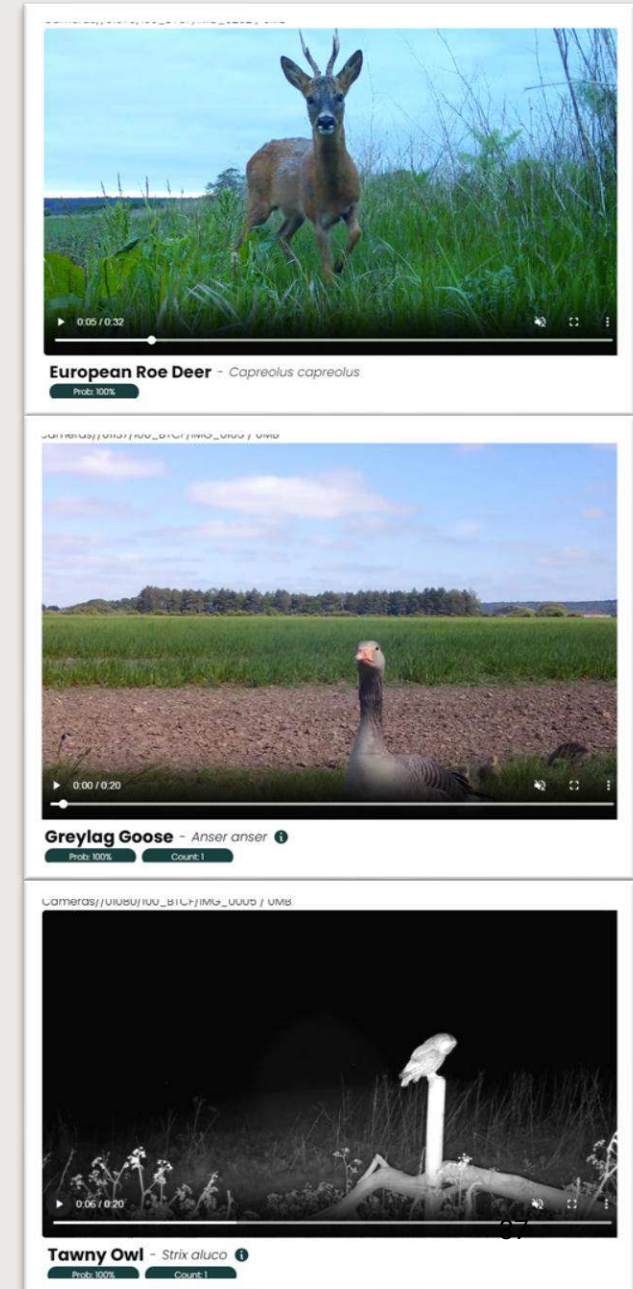


Currently, we measure our progress through several key metrics that reflect our core operations and strategic goals. We track the number of Habitat Banks, including totals of each habitat type, and the total hectares restored, providing a quantitative measure of our restoration efforts. We also monitor housing development trends across the country, leveraging this data to strategically locate our Habitat Banks for maximum biodiversity impact and mitigation of environmental harm from our downstream operations such as house building and infrastructure development. These measurements allow us to assess our progress in delivering biodiversity net gain and restoring degraded ecosystems, ensuring we contribute meaningfully to national conservation objectives.

Furthermore, we have begun to implement biodiversity monitoring programs using wildlife cameras, bioacoustics, and soil sampling across select sites with our partners at Okala. These initiatives allow us to directly assess biodiversity uplift and ecosystem health improvements resulting from our restoration efforts. The data is shown for each specific site on a dashboard accessible to the company and those involved.

These measurements allow us to assess our progress in delivering biodiversity net gain and restoring degraded ecosystems, ensuring we contribute meaningfully to national conservation objectives.

Building upon our existing monitoring efforts, we have developed a natural capital monitoring tool in collaboration with Cumulus that allows us to comprehensively assess the ecological health and value of our Habitat Banks. We aim to apply this tool to more sites over the coming years, which will provide deeper insights into the ecosystem services provided by our restoration work and help us optimise management practices for enhanced biodiversity and resilience. This will further enhance our capacity to track our progress and report our impact transparently.



Metrics & targets

CONTINUED

Tracking impacts & dependencies of our core operations

Impact category	Metric
Emissions of GHG	Tonnes of CO <sub>2</sub> e (carbon dioxide equivalent) net sequestered per hectare of Habitat Bank annually.
Generation of solid waste	We will aim to have this goal established for the next nature disclosure.
Advancement in ecological research	Number of publications or presentations resulting from research conducted at Habitat Banks, number of collaborations on projects based on the advancement of ecological research.
Enhanced biodiversity	To establish a goal of a certain number of hectares of restored land by 2030. We will aim to have this goal established for the next nature disclosure.
Improved ecosystem services	Economic value of ecosystem services provided for each Habitat Bank (e.g. carbon sequestration, water purification, pollination). This could be modelled or measured and form part of the work done by a nature-related risk team.
Dependency category	Metric
Education, scientific & research	Investment in research and development related to habitat restoration implemented by our innovation team and measuring the number of collaborations on projects based on the advancement of ecological research.
Biomass provisioning	Percentage of native plant and tree supply sourced sustainably and locally (e.g. from certified nurseries).
Local climate regulation	We will aim to have this goal established for the next nature disclosure.
Soil & sediment retention	We will aim to have this goal established for the next nature disclosure.
Water purification	Water quality parameters (e.g. nutrient levels, sediment load) in water bodies on Habitat Banks.

Summary table of how we plan to measure our largest impacts and dependencies within our core operations, i.e. that we have control over at this time

# Conclusion

## Next steps on advancing our current practices

**Enhance scenario analysis:** Continuously refine our scenario analysis with emerging data and a deeper understanding of climate impacts on biodiversity for proactive strategy adaptation.

**Expand analytical scope:** Extend the timeframe of our analysis beyond 2030 and broaden our assessment to include moderate impacts and dependencies, alongside critical and high-risk areas.

**Establish baseline measurements:** Implement robust measurement systems for our identified impacts and dependencies to create baselines for setting science-based targets and transparent progress reporting.

**Deepen CRM integration:** Enhance our current monitoring of Habitat Banks by expanding the detail captured in our CRM system, enabling more comprehensive tracking of site characteristics, ecological data, and management activities for improved decision-making and reporting.

**Establish a dedicated nature-related risk team:** Form a specialised team to proactively address nature-related risks and opportunities, encompassing climate change adaptation, biodiversity conservation, and sustainable resource management, ensuring these considerations are integrated across all our operations and strategic decisions. This team could focus on monitoring, reporting, and implementing resilience strategies on our Habitat Banks.





# Conclusion CONTINUED



This nature report marks a significant step in Environment Bank's journey towards integrating nature-related considerations into our business strategy and operations. We have identified our key dependencies on nature, particularly in areas like education, scientific research, biomass provisioning, and climate regulation, recognising their critical role in the success of our Habitat Bank creation and management. Through a thorough assessment, we have also pinpointed our most significant impacts, including emissions, waste generation, and water usage, particularly across our core activities of converting farmland to nature recovery sites, native plant and tree supply, and engagement with the construction and infrastructure sectors.

Our scenario analysis has highlighted the regional nuances of climate change, with sites in the southeast facing heightened temperature risks, the northeast facing increased flood risk, and the southwest facing severe drought conditions. This understanding underscores the urgent need for tailored adaptation strategies to ensure the long-term resilience of our Habitat Banks.

While we have already begun to measure our progress through metrics such as the number of Habitat Banks established, hectares restored, and biodiversity uplift, we recognise the need to expand our monitoring efforts. Our collaboration with Cumulus to develop a natural capital monitoring tool represents a significant advancement in our ability to assess the ecological health and value of our sites.

Looking ahead, Environment Bank is committed to several key improvements. We will refine our scenario analysis with emerging data, expand our analytical scope to include moderate impacts and dependencies, establish baseline measurements for our identified impacts and dependencies, and deepen CRM integration for more comprehensive site tracking. We will also incorporate climate resilience metrics into our habitat design and monitoring, explore "restoring forwards" thinking, and invest in MRV for monitoring biodiversity across England. Furthermore, we aim to develop and establish a dedicated nature-related risk team to proactively address nature-related risks and opportunities.

By taking these steps, Environment Bank aims to enhance the resilience of our Habitat Banks, contribute to biodiversity restoration, and ensure long-lasting nature-positive outcomes. We are committed to transparently reporting our progress and adapting our strategies as we learn more about the complex interactions between our business and the natural world. We believe that by integrating nature into our decision-making, we can create a more sustainable and resilient future for both our business and the environment.



Appendix A

Activities related to biodiversity enhancement, their industry classification (ISIC), value chain position, and geographic location

REF	Activity	Detail	ISIC section	ISIC division	Value chain position	Location
1	Habitat design, management, and implementation	Identifying the most effective restoration strategy for a given site, designing, organising, and managing large-scale habitat restoration projects.	Professional, scientific and technical activities	Other professional, scientific and technical activities	Core	Two hub offices across England in York and Bristol.
2	Converting farmland and degraded ecosystems into nature recovery sites (e.g. wildflower meadows, wetlands, woodlands)	Transforming farmland and degraded landscapes into biodiversity-rich habitats such as wildflower meadows, wetlands, and woodlands.	Agriculture, forestry and fishing	Crop and animal production, hunting and related service activities	Core	England
3	Providing financial incentives to farmers for habitat creation and maintenance	Leasing or contracting farmland for long-term habitat restoration (30+ years), ensuring sustainable land management and biodiversity improvements.	Professional, scientific and technical activities	Other professional, scientific and technical activities	Core	England
4	Biodiversity offsetting and compliance	Selling Biodiversity Units to developers to meet BNG legal requirements, facilitating compliance with The Environment Act 2021, and engaging businesses in nature-positive investments to offset biodiversity impacts.	Professional, scientific and technical activities	Other professional, scientific and technical activities	Core	England
5	Biodiversity assessment and monitoring	Conducting ecological assessments, establishing biodiversity baselines, implementing long-term monitoring of habitat quality and ecosystem service improvements, and reporting biodiversity gains using scientific methodologies (e.g. DEFRA metric).	Professional, scientific and technical activities	Other professional, scientific and technical activities	Core	England
6	Testing MRV to develop these activities in habitat restoration	Developing and piloting MRV methodologies to ensure accurate biodiversity tracking in habitat restoration projects.	Professional, scientific and technical activities	Scientific research and development	Upstream	England
7	Nature-based finance and investment	Securing private capital and corporate investment in nature-based solutions, developing revenue streams from Biodiversity Units and ecosystem services, and structuring finance mechanisms for long-term habitat sustainability.	Financial and insurance activities	Financial service activities, except insurance and pension funding	Core	England
8	Marketing our BNG and Nature Shares product	Promoting Biodiversity Units and Nature Shares through targeted articles, social media campaigns, conference presentations, industry talks, and networking events to engage investors, developers, and businesses.	Professional, scientific and technical activities	Advertising and market research	Core	York
9	Policy advocacy and stakeholder collaboration	Engaging with policymakers, regulators, and environmental groups to advocate for policy frameworks that enhance nature-based solutions and biodiversity conservation.	Other service activities	Activities of membership organisations	Core	England
10	Educating landowners, businesses, and communities on biodiversity benefits	Delivering workshops, information sessions, and advisory services to stakeholders on the benefits of biodiversity conservation and investment.	Education	Education	Core	England
11	Attending conferences and events	Representing the organisation at industry conferences, environmental summits, and stakeholder meetings to promote biodiversity initiatives and partnerships.	Administrative and support service activities	Office administrative, office support and other business support activities	Core	Worlwide
12	Farmers & estate managers – provide land under long-term lease or partnership agreements for habitat restoration	Providing land under long-term lease or partnership agreements for habitat restoration, ensuring sustainable land stewardship.	Agriculture, forestry and fishing	Crop and animal production, hunting and related service activities	Upstream	England
13	Local authorities & conservation trusts – collaborate on land access and conservation projects.	Collaborating on land access and conservation projects to support regional biodiversity and nature recovery efforts.	Administrative and support service activities	Office administrative, office support and other business support activities	Upstream	England
14	Land aggregators & brokers – facilitate large-scale land acquisition or lease agreements for restoration projects.	Facilitating large-scale land acquisition or lease agreements to enable large-scale biodiversity restoration projects.	Administrative and support service activities	Office administrative, office support and other business support activities	Upstream	England
15	Baseline and ongoing biodiversity assessments	Conducting initial biodiversity surveys to assess ecological value and implementing ongoing assessments to track conservation progress.	Professional, scientific and technical activities	Other professional, scientific and technical activities	Upstream	England
16	Native plant and tree supply for habitat creation	Providing native plant species, seeds, and young trees for habitat restoration, reforestation, and afforestation projects.	Agriculture, forestry and fishing	Crop and animal production, hunting and related service activities	Upstream	England
17	Housebuilders & real estate developers – required to purchase Biodiversity Units to offset biodiversity loss from construction.	Purchasing Biodiversity to offset biodiversity loss from construction projects, ensuring compliance with biodiversity regulations.	Construction	Construction of buildings	Downstream	England
18	Infrastructure & energy companies – road, rail, and renewable energy projects required to purchase Biodiversity Units to offset biodiversity loss.	Purchasing Biodiversity to offset biodiversity loss from road, rail, and renewable energy projects to mitigate environmental impacts.	Construction	Civil engineering	Downstream	England
19	ESG-focused businesses – large corporations (e.g. retail, finance, agriculture) purchasing Nature Shares to meet sustainability commitments or investing in nature-based solutions.	Large corporations (e.g. retail, finance, agriculture) purchasing Nature Shares to meet sustainability commitments and invest in nature-based solutions.	Financial and insurance activities	Financial service activities, except insurance and pension funding	Downstream	41 England

# Appendix B

This table presents the negative impacts of Environment Bank's activities on nature, based on data from ENCORE. Each impact is assigned a materiality score determined by two factors: Impact severity (0 = insignificant, not reported; 1 = significant; 2 = major; 3 = critical) and probability of occurrence (0 = unlikely, not reported; 1 = remote, occurring no more than once every five years; 2 = probable, occurring within five years or more than once every five years; 3 = frequent, occurring more than once per year). These scores are influenced by ENCORE's impact materiality ratings, as shown in the table.

REF	Activity	Impacts	g	Probability 1-3	Risk rating (impact x probability)	Initial materiality rating
1	Habitat design, management, and implementation	Disturbances (e.g. Noise, light)	0	3	0	Low materiality
		Emissions of GHG	0	3	0	Low materiality
		Emissions of non-GHG air pollutants	0	0	0	Low materiality
		Generation and release of solid waste	0	2	0	Low materiality
		Area of land use	1	3	3	Moderate materiality
		Emissions of toxic pollutants to water and soil	0	2	0	Low materiality
		Volume of water use	0	3	0	Low materiality
2	Converting farmland and degraded ecosystems into nature recovery sites (e.g. Wildflower meadows, wetlands, woodlands).	Disturbances (e.g. Noise, light)	1	1	1	Low materiality
		Emissions of GHG	2	3	6	High materiality
		Emissions of non-GHG air pollutants	2	3	6	High materiality
		Generation and release of solid waste	2	3	6	High materiality
		Area of land use	2	0	0	Low materiality
		Volume of water use	2	0	0	Low materiality
		Introduction of invasive species	1	1	1	Low materiality
3	Providing financial incentives to farmers for habitat creation and maintenance	Disturbances (e.g. Noise, light)	0	0	0	Low materiality
		Emissions of GHG	0	3	0	Low materiality
		Emissions of non-GHG air pollutants	0	0	0	Low materiality
		Generation and release of solid waste	0	3	0	Low materiality
		Area of land use	1	3	3	Moderate materiality
		Emissions of toxic pollutants to water and soil	0	0	0	Low materiality
		Volume of water use	0	3	0	Low materiality
4	Biodiversity offsetting and compliance	Disturbances (e.g. Noise, light)	0	0	0	Low materiality
		Emissions of GHG	0	3	0	Low materiality
		Emissions of non-GHG air pollutants	0	0	0	Low materiality
		Generation and release of solid waste	0	3	0	Low materiality
		Area of land use	1	3	3	Moderate materiality
		Emissions of toxic pollutants to water and soil	0	0	0	Low materiality
		Volume of water use	0	3	0	Low materiality

# Appendix B

Table continued on next page

Ref	Activity	Impacts	Materiality score	Impact 1-3	Probability 1-3	Risk rating (impact x probability)	Initial materiality rating
5	Biodiversity assessment and monitoring	Disturbances (e.g. Noise, light)	Very low	0	0	0	Low materiality
		Emissions of GHG	Very low	0	3	0	Low materiality
		Emissions of non-GHG air pollutants	Very low	0	0	0	Low materiality
		Generation and release of solid waste	Very low	0	3	0	Low materiality
		Area of land use	Medium	1	3	3	Moderate materiality
		Emissions of toxic pollutants to water and soil	Very low	0	0	0	Low materiality
		Volume of water use	Low	0	3	0	Low materiality
6	Testing MRV to develop these activities in habitat restoration	Disturbances (e.g. Noise, light)	Low	0	0	0	Low materiality
		Emissions of GHG	Low	0	3	0	Low materiality
		Emissions of non-GHG air pollutants	Low	0	0	0	Low materiality
		Other biotic resource extraction (e.g. Fish, timber)	Very low	0	1	0	Low materiality
		Generation and release of solid waste	Medium	1	1	1	Low materiality
		Area of land use	Low	0	3	0	Low materiality
		Emissions of toxic pollutants to water and soil	Low	0	0	0	Low materiality
		Volume of water use	Medium	1	3	3	Moderate materiality
		Introduction of invasive species	Low	0	0	0	Low materiality
7	Nature-based finance and investment	Disturbances (e.g. Noise, light)	Low	0	0	0	Low materiality
		Emissions of GHG	Low	0	3	0	Low materiality
		Emissions of non-GHG air pollutants	Very low	0	0	0	Low materiality
		Generation and release of solid waste	Very low	0	1	0	Low materiality
		Area of land use	Low	0	3	0	Low materiality
		Emissions of toxic pollutants to water and soil	Low	0	0	0	Low materiality
		Volume of water use	Very low	0	3	0	Low materiality
8	Marketing our BNG and nature shares product	Disturbances (e.g. Noise, light)	Very low	0	0	0	Low materiality
		Emissions of GHG	Very low	0	3	0	Low materiality
		Emissions of non-GHG air pollutants	Very low	0	0	0	Low materiality
		Generation and release of solid waste	Very low	0	1	0	Low materiality
		Area of land use	Medium	1	3	3	Moderate materiality
		Emissions of toxic pollutants to water and soil	Very low	0	0	0	Low materiality
		Volume of water use	Low	0	3	0	Low materiality

# Appendix B

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Ref	Activity	Impacts	Materiality score	Impact 1-3	Probability 1-3	Risk rating (impact x probability)	Initial materiality rating
9	Policy advocacy and stakeholder collaboration	Disturbances (e.g. Noise, light)	Very low	0	0	0	Low materiality
		Emissions of GHG	Low	0	3	0	Low materiality
		Emissions of non-GHG air pollutants	Low	0	0	0	Low materiality
		Generation and release of solid waste	Low	0	1	0	Low materiality
		Area of land use	Medium	1	3	3	Moderate materiality
		Volume of water use	Medium	1	3	3	Moderate materiality
		Introduction of invasive species	Very low	0	0	0	Low materiality
10	Educating landowners, businesses, and communities on biodiversity benefits.	Disturbances (e.g. Noise, light)	Low	0	0	0	Low materiality
		Emissions of GHG	Low	0	3	0	Low materiality
		Emissions of non-GHG air pollutants	Very low	0	0	0	Low materiality
		Generation and release of solid waste	Medium	1	1	1	Low materiality
		Area of land use	Low	0	3	0	Low materiality
		Emissions of toxic pollutants to water and soil	Low	0	0	0	Low materiality
		Volume of water use	Low	0	3	0	Low materiality
11	Attending conferences and events	Disturbances (e.g. Noise, light)	Very low	0	0	0	Low materiality
		Emissions of GHG	Very low	0	3	0	Low materiality
		Emissions of non-GHG air pollutants	Very low	0	0	0	Low materiality
		Generation and release of solid waste	Very low	0	1	0	Low materiality
		Area of land use	Medium	1	3	3	Moderate materiality
		Emissions of toxic pollutants to water and soil	Very low	0	0	0	Low materiality
		Volume of water use	Low	0	3	0	Low materiality
12	Farmers & estate managers – provide land under long-term lease or partnership agreements for habitat restoration.	Disturbances (e.g. Noise, light)	Medium	1	2	2	Low materiality
		Emissions of GHG	High	2	2	4	Moderate materiality
		Emissions of non-GHG air pollutants	High	2	1	2	Low materiality
		Generation and release of solid waste	High	2	1	2	Low materiality
		Area of land use	High	2	0	0	Low materiality
		Volume of water use	High	2	1	2	Low materiality
		Introduction of invasive species	Medium	1	1	1	Low materiality



# Appendix B

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Ref	Activity	Impacts	Materiality score	Impact 1-3	Probability 1-3	Risk rating (impact x probability)	Initial materiality rating
13	Local authorities & conservation trusts – collaborate on land access and conservation projects.	Disturbances (e.g. Noise, light)	Very low	0	0	0	Low materiality
		Emissions of GHG	Very low	0	3	0	Low materiality
		Emissions of non-GHG air pollutants	Very low	0	0	0	Low materiality
		Generation and release of solid waste	Very low	0	1	0	Low materiality
		Area of land use	Medium	1	3	3	Moderate materiality
		Emissions of toxic pollutants to water and soil	Very low	0	0	0	Low materiality
		Volume of water use	Low	0	3	0	Low materiality
14	Land aggregators & brokers – facilitate large-scale land acquisition or lease agreements for restoration projects.	Disturbances (e.g. Noise, light)	Very low	0	0	0	Low materiality
		Emissions of GHG	Very low	0	3	0	Low materiality
		Emissions of non-GHG air pollutants	Very low	0	0	0	Low materiality
		Generation and release of solid waste	Very low	0	1	0	Low materiality
		Area of land use	Medium	1	3	3	Moderate materiality
		Emissions of toxic pollutants to water and soil	Very low	0	0	0	Low materiality
		Volume of water use	Low	0	3	0	Low materiality
15	Baseline and ongoing biodiversity assessments	Disturbances (e.g. Noise, light)	Very low	0	0	0	Low materiality
		Emissions of GHG	Very low	0	3	0	Low materiality
		Emissions of non- air pollutants	Very low	0	0	0	Low materiality
		Generation and release of solid waste	Very low	0	1	0	Low materiality
		Area of land use	Medium	1	3	3	Moderate materiality
		Emissions of toxic pollutants to water and soil	Very low	0	0	0	Low materiality
		Volume of water use	Low	0	3	0	Low materiality
16	Native plant and tree supply for habitat creation	Disturbances (e.g. Noise, light)	Medium	1	3	3	Moderate materiality
		Area of freshwater use	High	2	3	6	High materiality
		Emissions of GHG	High	2	3	6	High materiality
		Emissions of non-GHG air pollutants	High	2	1	2	Low materiality
		Generation and release of solid waste	High	2	3	6	High materiality
		Area of land use	High	2	3	6	High materiality
		Emissions of toxic pollutants to water and soil	High	2	1	2	Low materiality
		Volume of water use	Very high	3	3	9	Critical materiality
		Introduction of invasive species	Very high	3	1	3	Moderate materiality

# Appendix B

Ref	Activity	Impacts	Materiality score	Impact 1-3	Probability 1-3	Risk rating (impact x probability)	Initial materiality rating
17	Housebuilders & real estate developers – required to purchase BNG units to offset biodiversity loss from construction.	Disturbances (e.g. Noise, light)	Very high	3	3	9	Critical materiality
		Area of freshwater use	Medium	1	1	1	Low materiality
		Emissions of GHG	High	2	3	6	High materiality
		Area of seabed use	Medium	1	0	0	Low materiality
		Emissions of non-GHG air pollutants	Low	0	0	0	Low materiality
		Generation and release of solid waste	Medium	1	3	3	Moderate materiality
		Area of land use	Low	0	3	0	Low materiality
		Emissions of toxic pollutants to water and soil	High	2	1	2	Low materiality
		Volume of water use	Low	0	3	0	Low materiality
		Introduction of invasive species	Low	0	1	0	Low materiality
18	Infrastructure & energy companies – road, rail, and renewable energy projects need biodiversity offsets.	Disturbances (e.g. Noise, light)	Very high	3	3	9	Critical materiality
		Area of freshwater use	Very high	3	2	6	High materiality
		Emissions of GHG	Medium	1	3	3	Moderate materiality
		Area of seabed use	Medium	1	1	1	Low materiality
		Emissions of non-GHG air pollutants	Low	0	0	0	Low materiality
		Generation and release of solid waste	Medium	1	3	3	Moderate materiality
		Area of land use	Low	0	3	0	Low materiality
		Emissions of toxic pollutants to water and soil	High	2	2	4	Moderate materiality
		Volume of water use	Low	0	3	0	Low materiality
		Introduction of invasive species	Low	0	1	0	Low materiality
19	ESG-focused businesses – large corporations (e.g. Retail, finance, agriculture) purchasing biodiversity units to meet sustainability commitments or investing in nature-based solutions.	Disturbances (e.g. Noise, light)	Low	0	1	0	Low materiality
		Emissions of GHG	Low	0	3	0	Low materiality
		Emissions of non-GHG air pollutants	Very low	0	0	0	Low materiality
		Generation and release of solid waste	Very low	0	1	0	Low materiality
		Area of land use	Low	0	3	0	Low materiality
		Emissions of toxic pollutants to water and soil	Low	0	0	0	Low materiality
		Volume of water use	Low	0	3	0	Low materiality

# Appendix C

This table presents the dependencies of Environment Bank’s activities on nature, based on data from ENCORE. Each dependency is assigned a materiality score determined by two factors: Impact Severity (0 = Insignificant, not reported; 1 = Significant; 2 = Major; 3 = Critical) and Probability of Occurrence (0 = Unlikely, not reported; 1 = Remote, occurring no more than once every five years; 2 = Probable, occurring within five years or more than once every five years; 3 = Frequent, occurring more than once per year). These scores are influenced by ENCORE’s impact materiality ratings, as shown in the table.

Ref	Activity	Dependencies (taken from ENCORE if applicable to activity)	Materiality score from ENCORE	Impact 1-3	Probability 1-3	Risk rating (impact x probability)	Initial materiality rating
1	Habitat design, management, and implementation	Education, scientific & research services	Very high	3	3	9	Critical materiality
		Biomass provisioning services	Low	0	3	0	Low materiality
		Genetic material services	Very high	3	1	3	Moderate materiality
		Water supply services	Very low	0	3	0	Low materiality
		Local climate regulation services	Low	0	1	0	Low materiality
		Soil and sediment retention services	Very low	0	1	0	Low materiality
		Water flow regulation services	Very low	0	1	0	Low materiality
		Flood mitigation services	Very low	0	1	0	Low materiality
		Storm mitigation services	Low	0	1	0	Low materiality
		Noise attenuation services	Very low	0	0	0	Low materiality
2	Converting farmland and degraded ecosystems into nature recovery sites (e.g. Wildflower meadows, wetlands, woodlands)	Other regulating and maintenance service - mediation of sensory impacts (other than noise)	Very low	0	0	0	Low materiality
		Education, scientific & research services	Very high	3	2	6	High materiality
		Spiritual, artistic and symbolic services	Very high	3	2	6	High materiality
		Biomass provisioning services	Very high	3	3	9	Critical materiality
		Genetic material services	Very high	3	1	3	Moderate materiality
		Water supply services	High	2	1	2	Low materiality
		Global climate regulation services	Very high	3	3	9	Critical materiality
		Rainfall pattern regulation services	Very high	3	3	9	Critical materiality
		Local climate regulation services	Very high	3	3	9	Critical materiality
		Air filtration services	Medium	1	2	2	Low materiality
		Soil quality regulation services	Very high	3	3	9	Critical materiality
		Soil and sediment retention services	Very high	3	3	9	Critical materiality
		Solid waste remediation	Medium	1	3	3	Moderate materiality
		Water purification services	Very high	3	3	9	Critical materiality
		Water flow regulation services	High	2	2	4	Moderate materiality
		Flood mitigation services	High	2	2	4	Moderate materiality
		Storm mitigation services	Medium	1	2	2	Low materiality
		Pollination services	Medium	1	3	3	Moderate materiality
		Biological control services	High	2	3	6	High materiality
		Nursery population & habitat maintenance	Very low	0	1	0	Low materiality
3	Providing financial incentives to farmers for habitat creation and maintenance	Other regulating and maintenance service - dilution by atmosphere and ecosystems	Medium	1	1	1	Low materiality
		Education, scientific & research services	Very high	3	3	9	Critical materiality
		Biomass provisioning services	Low	0	3	0	Low materiality
		Genetic material services	Very high	3	1	3	Moderate materiality
		Water supply services	Very low	0	3	0	Low materiality
		Local climate regulation services	Low	0	1	0	Low materiality
		Soil and sediment retention services	Very low	0	1	0	Low materiality
		Water flow regulation services	Very low	0	1	0	Low materiality
		Flood mitigation services	Very low	0	1	0	Low materiality
		Storm mitigation services	Low	0	1	0	Low materiality
		Noise attenuation services	Very low	0	0	0	Low materiality
		Other regulating and maintenance service - mediation of sensory impacts (other than noise)	Very low	0	0	0	Low materiality



# Appendix C

Table continued on next page

Ref	Activity	Dependencies (taken from ENCORE if applicable to activity)	Materiality score from ENCORE	Impact 1-3	Probability 1-3	Risk rating (impact x probability)	Initial materiality rating
4	Biodiversity offsetting and compliance	Education, scientific & research services	Very high	3	3	9	Critical materiality
		Biomass provisioning services	Low	0	3	0	Low materiality
		Genetic material services	Very high	3	1	3	Moderate materiality
		Water supply services	Very low	0	3	0	Low materiality
		Local climate regulation services	Low	0	1	0	Low materiality
		Soil and sediment retention services	Very low	0	1	0	Low materiality
		Water flow regulation services	Very low	0	1	0	Low materiality
		Flood mitigation services	Very low	0	1	0	Low materiality
		Storm mitigation services	Low	0	1	0	Low materiality
		Noise attenuation services	Very low	0	0	0	Low materiality
		Other regulating and maintenance service - mediation of sensory impacts (other than noise)	Very low	0	0	0	Low materiality
5	Biodiversity assessment and monitoring	Education, scientific & research services	Very high	3	3	9	Critical materiality
		Biomass provisioning services	Low	0	3	0	Low materiality
		Genetic material services	Very high	3	1	3	Moderate materiality
		Water supply services	Very low	0	3	0	Low materiality
		Local climate regulation services	Low	0	1	0	Low materiality
		Soil and sediment retention services	Very low	0	1	0	Low materiality
		Water flow regulation services	Very low	0	1	0	Low materiality
		Flood mitigation services	Very low	0	1	0	Low materiality
		Storm mitigation services	Low	0	1	0	Low materiality
		Noise attenuation services	Very low	0	0	0	Low materiality
		Other regulating and maintenance service - mediation of sensory impacts (other than noise)	Very low	0	0	0	Low materiality
6	Testing MRV to develop these activities in habitat restoration	Education, scientific & research services	Very high	3	3	9	Critical materiality
		Biomass provisioning services	Low	0	3	0	Low materiality
		Genetic material services	Medium	1	1	1	Low materiality
		Water supply services	Low	0	1	0	Low materiality
		Global climate regulation services	Low	0	1	0	Low materiality
		Local climate regulation services	Low	0	1	0	Low materiality
		Air filtration services	Very low	0	1	0	Low materiality
		Soil and sediment retention services	Very low	0	1	0	Low materiality
		Solid waste remediation	Low	0	1	0	Low materiality
		Water purification services	Medium	1	1	1	Low materiality
		Water flow regulation services	Low	0	1	0	Low materiality
		Flood mitigation services	Very low	0	1	0	Low materiality
		Storm mitigation services	Low	0	1	0	Low materiality
		Noise attenuation services	Very low	0	0	0	Low materiality
		Pollination services	Low	0	3	0	Low materiality
		Biological control services	Very low	0	1	0	Low materiality
		Other regulating and maintenance service - dilution by atmosphere and ecosystems	Very low	0	0	0	Low materiality
		Other regulating and maintenance service - mediation of sensory impacts (other than noise)	Very low	0	0	0	Low materiality

# Appendix C

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Ref	Activity	Dependencies (taken from ENCORE if applicable to activity)	Materiality score from ENCORE	Impact 1-3	Probability 1-3	Risk rating (impact x probability)	Initial materiality rating
7	Nature-based finance and investment	Water supply services	Very low	0	3	0	Low materiality
		Global climate regulation services	Very low	0	1	0	Low materiality
		Local climate regulation services	Low	0	1	0	Low materiality
		Soil and sediment retention services	Very low	0	1	0	Low materiality
		Water flow regulation services	Very low	0	1	0	Low materiality
		Flood mitigation services	Very low	0	1	0	Low materiality
		Storm mitigation services	Very low	0	1	0	Low materiality
8	Marketing our BNG and nature shares product	Water supply services	Very low	0	3	0	Low materiality
		Global climate regulation services	Very low	0	1	0	Low materiality
		Local climate regulation services	Very low	0	1	0	Low materiality
		Soil and sediment retention services	Very low	0	1	0	Low materiality
		Water flow regulation services	Very low	0	1	0	Low materiality
		Flood mitigation services	Very low	0	1	0	Low materiality
		Storm mitigation services	Low	0	1	0	Low materiality
		Noise attenuation services	Very low	0	0	0	Low materiality
		Mediation of sensory impacts	Very low	0	0	0	Low materiality
9	Policy advocacy and stakeholder collaboration	Water supply services	Very low	0	3	0	Low materiality
		Global climate regulation services	Very low	0	1	0	Low materiality
		Rainfall pattern regulation services	Very low	0	1	0	Low materiality
		Local climate regulation services	Low	0	1	0	Low materiality
		Soil and sediment retention services	Very low	0	1	0	Low materiality
		Water flow regulation services	Very low	0	1	0	Low materiality
		Flood mitigation services	Very low	0	1	0	Low materiality
		Storm mitigation services	Very low	0	1	0	Low materiality
		Biological control services	Very low	0	1	0	Low materiality

# Appendix C

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Ref	Activity	Dependencies (taken from ENCORE if applicable to activity)	Materiality score from ENCORE	Impact 1-3	Probability 1-3	Risk rating (impact x probability)	Initial materiality rating
10	Educating landowners, businesses, and communities on biodiversity benefits.	Recreation-related services	Very high	3	2	6	High materiality
		Visual amenity services	Very high	3	2	6	High materiality
		Education, scientific & research services	Very high	3	2	6	High materiality
		Spiritual, artistic and symbolic services	Very high	3	1	3	Moderate materiality
		Genetic material services	Very low	0	1	0	Low materiality
		Water supply services	Very low	0	1	0	Low materiality
		Global climate regulation services	Very low	0	1	0	Low materiality
		Rainfall pattern regulation services	Very low	0	1	0	Low materiality
		Local climate regulation services	Low	0	1	0	Low materiality
		Air filtration services	Very low	0	1	0	Low materiality
		Soil and sediment retention services	Low	0	1	0	Low materiality
		Solid waste remediation	Very low	0	1	0	Low materiality
		Water flow regulation services	Low	0	1	0	Low materiality
		Flood mitigation services	Medium	1	1	1	Low materiality
		Storm mitigation services	Medium	1	1	1	Low materiality
		Noise attenuation services	Very low	0	0	0	Low materiality
		Biological control services	Very low	0	1	0	Low materiality
11	Attending conferences and events	Water supply services	Very low	0	3	0	Low materiality
		Global climate regulation services	Very low	0	1	0	Low materiality
		Rainfall pattern regulation services	Very low	0	1	0	Low materiality
		Local climate regulation services	Low	0	1	0	Low materiality
		Soil and sediment retention services	Very low	0	1	0	Low materiality
		Water flow regulation services	Very low	0	1	0	Low materiality
		Flood mitigation services	Very low	0	1	0	Low materiality
		Storm mitigation services	Very low	0	1	0	Low materiality
12	Farmers & estate managers – provide land under long-term lease or partnership agreements for habitat restoration.	Education, scientific & research services	Very high	3	2	6	High materiality
		Spiritual, artistic and symbolic services	Very high	3	2	6	High materiality
		Biomass provisioning services	Very high	3	3	9	Critical materiality
		Genetic material services	Very high	3	1	3	Moderate materiality
		Water supply services	High	2	1	2	Low materiality
		Global climate regulation services	Very high	3	3	9	Critical materiality
		Rainfall pattern regulation services	Very high	3	3	9	Critical materiality
		Local climate regulation services	Very high	3	3	9	Critical materiality
		Air filtration services	Medium	1	2	2	Low materiality
		Soil quality regulation services	Very high	3	3	9	Critical materiality
		Soil and sediment retention services	Very high	3	3	9	Critical materiality
		Solid waste remediation	Medium	1	3	3	Moderate materiality
		Water purification services	Very high	3	3	9	Critical materiality
		Water flow regulation services	High	2	2	4	Moderate materiality
		Flood mitigation services	High	2	2	4	Moderate materiality
		Storm mitigation services	Medium	1	2	2	Low materiality
		Pollination services	Medium	1	3	3	Moderate materiality
		Biological control services	High	2	3	6	High materiality
		Nursery population & habitat maintenance	Very low	0	1	0	Low materiality
		Other regulating and maintenance service - dilution by atmosphere and ecosystems	Medium	1	1	1	Low materiality



# Appendix C

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Ref	Activity	Dependencies (taken from ENCORE if applicable to activity)	Materiality score from ENCORE	Impact 1-3	Probability 1-3	Risk rating (impact x probability)	Initial materiality rating
13	Local authorities & conservation trusts – collaborate on land access and conservation projects.	Water supply services	Very low	0	3	0	Low materiality
		Global climate regulation services	Very low	0	1	0	Low materiality
		Rainfall pattern regulation services	Very low	0	1	0	Low materiality
		Local climate regulation services	Low	0	1	0	Low materiality
		Soil and sediment retention services	Very low	0	1	0	Low materiality
		Water flow regulation services	Very low	0	1	0	Low materiality
		Flood mitigation services	Very low	0	1	0	Low materiality
		Storm mitigation services	Very low	0	1	0	Low materiality
14	Land aggregators & brokers – facilitate large-scale land acquisition or lease agreements for restoration projects.	Water supply services	Very low	0	3	0	Low materiality
		Global climate regulation services	Very low	0	1	0	Low materiality
		Rainfall pattern regulation services	Very low	0	1	0	Low materiality
		Local climate regulation services	Low	0	1	0	Low materiality
		Soil and sediment retention services	Very low	0	1	0	Low materiality
		Water flow regulation services	Very low	0	1	0	Low materiality
		Flood mitigation services	Very low	0	1	0	Low materiality
		Storm mitigation services	Very low	0	1	0	Low materiality
15	Baseline and ongoing biodiversity assessments	Education, scientific & research services	Very high	3	3	9	Critical materiality
		Biomass provisioning services	Low	0	3	0	Low materiality
		Genetic material services	Very high	3	1	3	Moderate materiality
		Water supply services	Very low	0	3	0	Low materiality
		Local climate regulation services	Low	0	1	0	Low materiality
		Soil and sediment retention services	Very low	0	1	0	Low materiality
		Water flow regulation services	Very low	0	1	0	Low materiality
		Flood mitigation services	Very low	0	1	0	Low materiality
		Storm mitigation services	Low	0	1	0	Low materiality
		Noise attenuation services	Very low	0	0	0	Low materiality
		Other regulating and maintenance service - mediation of sensory impacts (other than noise)	Very low	0	0	0	Low materiality

# Appendix C

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Ref	Activity	Dependencies (taken from ENCORE if applicable to activity)	Materiality score from ENCORE	Impact 1-3	Probability 1-3	Risk rating (impact x probability)	Initial materiality rating
16	Native plant and tree supply for habitat creation	Education, scientific & research services	Very high	3	3	9	Critical materiality
		Spiritual, artistic and symbolic services	Very high	3	2	6	High materiality
		Biomass provisioning services	Very high	3	3	9	Critical materiality
		Genetic material services	Very high	3	2	6	High materiality
		Water supply services	Very high	3	3	9	Critical materiality
		Global climate regulation services	High	2	3	6	High materiality
		Rainfall pattern regulation services	Medium	1	3	3	Moderate materiality
		Local climate regulation services	Very high	3	3	9	Critical materiality
		Air filtration services	Medium	1	2	2	Low materiality
		Soil quality regulation services	High	2	3	6	High materiality
		Soil and sediment retention services	Very high	3	3	9	Critical materiality
		Solid waste remediation	Medium	1	3	3	Moderate materiality
		Water purification services	Very high	3	3	9	Critical materiality
		Water flow regulation services	Very high	3	2	6	High materiality
		Flood mitigation services	High	2	2	4	Moderate materiality
		Storm mitigation services	High	2	2	4	Moderate materiality
		Pollination services	High	2	3	6	High materiality
		Biological control services	High	2	3	6	High materiality
		Nursery population & habitat maintenance	High	2	1	2	Low materiality
		Other regulating and maintenance service - dilution by atmosphere and ecosystems	Medium	1	1	1	Low materiality
17	Housebuilders & real estate developers – required to purchase BNG units to offset biodiversity loss from construction.	Water supply services	Medium	1	3	3	Moderate materiality
		Global climate regulation services	Medium	1	1	1	Low materiality
		Rainfall pattern regulation services	Very high	3	1	3	Moderate materiality
		Local climate regulation services	Low	0	1	0	Low materiality
		Air filtration services	Very low	0	1	0	Low materiality
		Soil and sediment retention services	High	2	1	2	Low materiality
		Solid waste remediation	Very low	0	1	0	Low materiality
		Water purification services	Medium	1	1	1	Low materiality
		Water flow regulation services	Medium	1	1	1	Low materiality
		Flood mitigation services	Medium	1	1	1	Low materiality
		Storm mitigation services	Medium	1	1	1	Low materiality
		Noise attenuation services	Very low	0	1	0	Low materiality
		Other regulating and maintenance service - dilution by atmosphere and ecosystems	Low	0	1	0	Low materiality
		Other regulating and maintenance service - mediation of sensory impacts (other than noise)	Very low	0	1	0	Low materiality

# Appendix C

Ref	Activity	Dependencies (taken from ENCORE if applicable to activity)	Materiality score from ENCORE	Impact 1-3	Probability 1-3	Risk rating (impact x probability)	Initial materiality rating
18	Infrastructure & energy companies – road, rail, and renewable energy projects need biodiversity offsets.	Water supply services	Medium	1	3	3	Moderate materiality
		Global climate regulation services	Medium	1	1	1	Low materiality
		Rainfall pattern regulation services	Very high	3	1	3	Moderate materiality
		Local climate regulation services	Low	0	1	0	Low materiality
		Air filtration services	Very low	0	1	0	Low materiality
		Soil and sediment retention services	High	2	1	2	Low materiality
		Water purification services	Medium	1	1	1	Low materiality
		Water flow regulation services	Medium	1	1	1	Low materiality
		Flood mitigation services	High	2	1	2	Low materiality
		Storm mitigation services	High	2	1	2	Low materiality
		Noise attenuation services	Very high	3	1	3	Moderate materiality
		Other regulating and maintenance service - dilution by atmosphere and ecosystems	Low	0	1	0	Low materiality
		Other regulating and maintenance service - mediation of sensory impacts (other than noise)	Very low	0	1	0	Low materiality
19	ESG-focused businesses – large corporations (e.g. Retail, finance, agriculture) purchasing biodiversity units to meet sustainability commitments or investing in nature-based solutions.	Water supply services	Very low	0	3	0	Low materiality
		Global climate regulation services	Very low	0	1	0	Low materiality
		Local climate regulation services	Low	0	1	0	Low materiality
		Soil and sediment retention services	Very low	0	1	0	Low materiality
		Water flow regulation services	Very low	0	1	0	Low materiality
		Flood mitigation services	Very low	0	1	0	Low materiality
		Storm mitigation services	Very low	0	1	0	Low materiality



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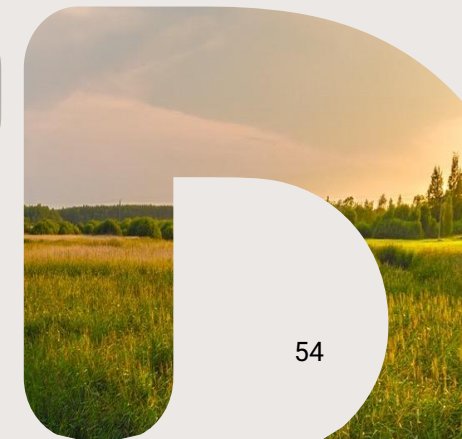
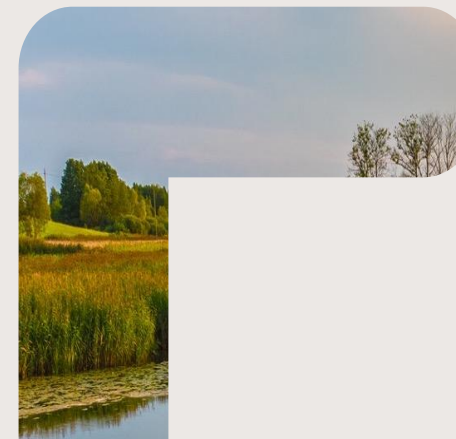
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End of Document.

This concludes our Nature Disclosure Statement for 2025. For a comprehensive view of our impacts and dependencies please request access to the complete Metrics and Targets table by emailing [nworthington@environmentbank.com](mailto:nworthington@environmentbank.com).

We value your interest in Environment Bank's commitment to nature-positive solutions. Please do not hesitate to contact us with any questions, feedback, or partnership opportunities.