ENVIRONMENT BANK

Nature Disclosure Statement 2026

August 2026



The biodiversity experts

Certified B Corporation

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. This is our second statement, intending to build on what was learned from our 2025 report. This document 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.

Disclaimer

This is Environment Bank's second Nature Disclosure Statement, prepared to outline our current approach to nature-related risks and opportunities, building on what was learned in our 2025 report, and identifying further gaps in our capabilities. We recognise that this is an evolving process and hope to continue building on this foundation in future years as more resources become available.

At this stage, the Statement is aligned 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 August 2026 and may change. We are not obligated to update this Statement unless required by law.



Executive summary

The Nature Disclosure Statement 2026 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 Units, created in alignment with Biodiversity Net Gain (BNG) policy, and voluntary 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, established in 2025 using the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) tool. This assessment defined our activities, identified potential negative environmental impacts, and evaluated the significance of each through a risk assessment process, alongside our dependencies on various ecosystem services, and a high-level scenario analysis of potential impacts on Habitat Banks and biodiversity restoration efforts. As our operations and monitoring capabilities have not changed materially since this assessment, we have not repeated it in full this year; instead, this Statement reviews progress against the dependencies, impacts, risks, and opportunities it identified.

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 was informed by the ENCORE tool for our 2025 materiality assessment and incorporates climate change projections into our understanding of how varying scenarios might affect the resilience of Environment Bank's nature restoration sites. This analysis continues to prioritise high-risk 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 and habitat destruction. Long-term plans are in place to ensure the continued 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.

Our targets

Environment Bank tracks progress using science-based metrics, with several currently in development as monitoring capability matures. The company focuses on measurable biodiversity improvements and ecosystem recovery to demonstrate the effectiveness of its initiatives and continues working towards independent verification of these outcomes as data collection expands.



Harvest Mouse

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Introduction

At Environment Bank, our core mission is to restore ecologically degraded land and bring life back to England's landscapes.

Biodiversity loss in the UK is a critical, ongoing environmental and business challenge. The most recent State of Nature assessment found that UK species have declined by an average of 19% since 1970 and that one in six of the more than 10,000 species assessed are now at risk of being lost from the UK altogether.

More recent sector-specific evidence tells the same story: the Woodland Trust's 2025 assessment of UK woods and trees found that, despite a marginal rise in overall tree cover, the abundance and variety of woodland wildlife continues to fall sharply. For example, woodland-associated butterflies have declined 47% between 1990 and 2022 – a problem of poor ecological condition rather than a lack of woodland extent.

Agriculture, alongside urbanisation and infrastructure development, remains a primary driver of this decline, degrading and fragmenting habitats and undermining the ecosystem services both people and nature depend on. More than three-quarters of the world's food crops depend largely on pollination (IPBES, 2016) and roughly one-third of the world's soils are already degraded, threatening the long-term productivity on which agriculture relies (FAO, 2023).

In England, legislation now requires developments to comply with Biodiversity Net Gain (BNG) policy and deliver measurable habitat restoration, rather than simply avoiding further environmental harm. As the leading provider of off-site BNG, Environment Bank has created England's largest and fastest-growing network of Habitat Banks, providing developers with high-quality Biodiversity Units, and 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. Our projects secure biodiversity gains for a minimum of thirty years and, where possible, maintain sustainable agricultural practices like conservation grazing and upland hay meadow restoration, alongside our habitat recovery. The management costs for each Habitat Bank are fully funded for thirty years in advance once creation works are complete, ensuring the long-term protection and enhancement of biodiversity.

As well as delivering BNG, Environment Bank provides voluntary Nature Shares, offering businesses and individuals a more direct route into biodiversity restoration. Each Nature Share represents one square metre of land actively being restored and/or rewilded and, through our upcoming interactive platform, Nature Shareholders can track the impact of their investment on wildlife and overall biodiversity recovery in the UK.

This gives us a second channel for funding habitat creation and widening participation in nature recovery in the UK.

For this TNFD assessment, we have mapped our activities across multiple International Standard Industrial Classification (ISIC) divisions, reflecting the different parts of our business' upstream, downstream, and core operations. This gives us a comprehensive view of our nature-related risks, dependencies, impacts, and opportunities across the whole of our work. This is a structure we intend to build on rather than rebuild each year as we continue expanding our Habitat Banks and restoration efforts.

This **is Environment Bank's second Nature Disclosure Statement**. Rather than repeating the materiality assessment we carried out in 2025, this Statement reviews our progress against the dependencies, impacts, risks, and opportunities identified last year – building a consistent, comparable evidence base over time.



Introduction CONTINUED

The state of nature financing

Nature is underfunded. In 2023, only US$220 billion went into nature-based solutions worldwide, while US$7.3 trillion went into finance that actively harms nature – more than 30 times as much (UNEP, 2026). In the UK, healthy ecosystems are worth an estimated £41 billion a year to the economy through natural benefits like flood protection, clean water, and food production (ONS, 2025).

However, the UK still has a predicted funding gap of £44-97 billion over the next decade, with a central estimate of £56 billion (GFI, eftec & Rayment Consulting 2021). The problem isn't a lack of willing investors – it's that most nature projects don't yet offer investors a clear way to earn a return (GFI, 2026).

BNG is the exception. Because it's a legal requirement, BNG has created a real, working market for nature restoration in England – something most countries don't have.

Markets like ours, where offsetting is required by law, moved an estimated US$7.1 billion globally in 2023, driven overwhelmingly by the US and India, with smaller compliance markets in the EU and elsewhere – including the UK's newly-mandatory BNG scheme.

How the Voluntary Biodiversity Credit Market Is Progressing

Voluntary biodiversity credits are bought by businesses with no legal requirement to do so – and this market is still very small. The World Economic Forum estimated it at around US$8 million in late 2023 but expects it to grow to US$2 billion by 2030 and US$69 billion by 2050, if governance and integrity standards improve (WEF, 2023). This huge, expected progression in the voluntary biodiversity credit market will directly complement compliance markets' habitat restoration in the years to come.

Why This Matters for Our Emerging Nature Markets Work

BNG only reaches developers who are legally required to offset habitat losses. It doesn't help the much bigger group of UK businesses – retailers, food and drink companies, insurers – who want to invest in nature but require trusted frameworks to do so. This is the gap in the market that our Emerging Nature Markets team are targeting, mainly through our Nature Shares.

It's a gap we need to approach carefully. The voluntary market has stayed small partly because of real integrity concerns: measurement and verification standards are still weak and voluntary offsets are increasingly being left out of strict definitions of "nature finance" altogether (UNEP, 2026). There is also a perception that the poor strategic use of biodiversity credits can expose buyers to reputational risk.

Separately, the Green Finance Institute found that businesses want to buy nature outcomes but don't trust themselves to coordinate directly with land managers – they want a neutral, credible organisation to handle that for them (GFI, 2026). That's a role Environment Bank has already built for BNG and is steadily establishing for the voluntary biodiversity credit market.

The TNFD Connection

Over 730 organisations, in total managing US$22.4 trillion in assets, have now adopted the TNFD framework (UNEP, 2026). Many are working through the LEAP process to understand their impact on nature and are increasingly showing their subsequent nature-positive action as a result. A verified nature investment – such as a Biodiversity Unit or a Nature Share – is exactly the kind of evidence that can support this. It's a real, verifiable way for a business to evidence its commitment to nature investment.



Marsh Harrier

About us

We are setting the standard for high-integrity nature recovery that businesses can rely on.

- Projects fully funded throughout their entire lifecycle by sustainable private investment
- Co-created with the land custodians on unproductive agricultural land
- Reportable outcomes verified by independent third parties
- Solutions rooted in key ecological principles and frameworks
- Outcomes measured by the latest monitoring and management technology
- Aligned to industry standards and UK Government biodiversity metrics

Environment Bank is a trusted biodiversity partner and collaborator to leading brands.

About us CONTINUED

Environment Bank is a leader in strategic biodiversity solutions for businesses

200%
projected rise in biodiversity

£240m
investment, with projects funded for their entire lifecycle

1,770
hectares of restored land to date

51
large-scale nature recovery projects to date

We're actively helping shape emerging standards in the sector, from pilot testing through to direct consultation feedback, and we were early adopters of TNFD, among the first organisations to report against the framework.

TNFD

This Nature Disclosure Statement is itself prepared in line with the TNFD's recommended structure (Governance, Strategy, Risk Management, Metrics & Targets), so the framework shapes our own disclosure directly.

BSI Flex 701

Environment Bank took part in the pilot for BSI Flex 701 (*Nature Markets – Overarching Principles and Framework*), giving us credible input into the regulation of the biodiversity sector.

IAPB Framework for High-Integrity Biodiversity Credit Markets

We are submitting a consultation response to IAPB on three draft standards: lifecycle, additionality, and social inclusion and equity. This engagement is helping shape our own thinking on where our practice may need to develop, rather than reflecting a completed alignment.

About us CONTINUED



We are a certified B Corp!

The Environment Bank achieved B Corp certification! View our results here.

B Corp certification, issued by non-profit B Lab, is a globally recognised standard that signifies high environmental, social, and governance standards. There is now a global community of B Corps that share the common aim of creating more inclusive, equitable, and fair economic systems worldwide.

Environment Bank was certified in May 2026, with a score of 102. This score is built up of five categories: Community, Environment, Workers, Customers, and Governance – each with its own rigorous set of assessments and parameters. The average score of all businesses that apply is 50.9 – and a minimum score of 80 is required to achieve B Corp status – placing Environment Bank well above average.

This score is not static, we are working to continually improve our business model through various social value, sustainability, employee experience, and other initiatives. Being B Corp certified enables us not only to demonstrate the work we've already done to give back, but also our commitment to keep doing more and holding ourselves accountable.

This certification sits alongside our alignment with TNFD, BSI Flex 701, and IAPB – providing independently verified confirmation of our broader ESG performance.

Bog Hall Habitat Bank

Methodology

TNFD , the LEAP approach, and ENCORE

Environment Bank remains committed to systematically addressing nature-related risks and opportunities through the recommendations of the TNFD. The framework provides a process 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.

As set out in our 2025 report, we adopted the LEAP framework as the cornerstone of our approach to nature-related risk management. This structured our initial process of identifying and evaluating the environmental impacts and dependencies associated with our activities, ranging from habitat restoration to policy advocacy, and gave us a comprehensive baseline understanding of our current interactions with nature. In 2026, we have continued to apply this framework, using it to identify and manage risks effectively as part of a more sustainable and resilient business model.

To support this process, we used the ENCORE tool to conduct our initial materiality assessment in 2025.

ENCORE sets out how the economy, sectors, subsectors, and activities depend on and impact nature. Financial institutions in particular can use its data to identify nature-related risks they are exposed to through lending, underwriting, and investment in high-risk industries and sub-industries. Maintained and continuously improved by Global Canopy, UNEP FI, and UNEP-WCMC (the ENCORE Partnership), the tool provided a useful entry point into our nature-positive journey and gave us a structured starting point regardless of our prior experience managing nature-related risks.

Having established this baseline in 2025, we have not repeated a full ENCORE-based materiality assessment this year. Instead, our 2026 Dependency and Impact Review tracks progress against the dependencies and impacts identified in 2025, alongside continued use of ENCORE-informed climate change projections to understand the possible effects on the sustainability of our Habitat Banks.

Our 2025 assessment identified education, scientific and research services, biomass provisioning, local climate regulation, soil and sediment retention, and water purification as our most common critical dependencies, and emissions of GHG, generation of solid waste, advancement in ecological research, enhanced biodiversity, and improved ecosystem services as our most common impact areas. This year's Dependency and Impact Review tracks progress against these.



Exmoor ponies, Horwich Habitat Bank

Methodology CONTINUED

2025 Ecosystem Materiality Assessment

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“ and a concise "impact description" was provided to elaborate on the nature of each impact. Where applicable, each identified impact was assigned a materiality score that reflects the significance of its environmental impact, using 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 was our first TNFD report, we only considered activities and impacts that were rated as high (scoring 6-8) or critical (scoring 9) for our initial materiality rating. More detailed consideration of low and moderate materiality ratings may also be undertaken in due course.

In essence, our methodology combined a structured approach to defining 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 our activities and their reliance on essential ecosystem services in a format that can be updated as our data collection improves.

Heath Fragrant Orchid



Methodology CONTINUED

Horwich Habitat Bank



Climate scenario analysis: assessing local climate regulation risk on our Habitat Banks

As part of our ongoing commitment to understanding and managing nature-related risks, we have conducted a high-level analysis to assess climate change scenario (1.5°C, 2.5°C, and 4.0°C) impacts 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).

Projections are based on UKCP18 (UK Climate Projections 2018), the Met Office's national climate modelling dataset, expressed as warming levels (1.5°C, 2.5°C, 4.0°C) relative to a 1981-2000 baseline rather than fixed calendar years, since the timing of each warming level depends on future global emissions.

These projections were integrated into our own Site Boundaries map – which locates our Habitat Banks nationwide – allowing us to assess how different areas within our network may be affected by shifts in climate.

Governance

At Environment Bank, our approach to managing nature-related risks is grounded in a governance structure that has continued to develop since our first Nature Disclosure Statement. Our Biodiversity and Ecosystem Materiality Assessment Spreadsheet remains central to identifying and assessing nature-related risks and dependencies across the business.

Since 2025, we have taken further steps to formalise our wider ESG governance. We achieved B Corp certification – providing independent verification of our social and environmental performance, accountability, and transparency. We have also established an ESG Steering Committee which reports into our Executive Committee and Board, providing a clearer route for nature-related and sustainability considerations to reach senior decision-making. We have signed a Sustainability Commitment with Gresham House (July, 2025), covering carbon, environmental management, and related obligations. Finally, we completed a double materiality assessment in July 2025, which identified the state of species and the condition of ecosystems as our highest-scoring material topics.

We're continuing to work towards having formal, dedicated nature and climate policies in place company-wide, as well as integrating our TNFD Risk Register into our main business Risk Register. This will ensure that nature-related risks are considered alongside other key business risks in future.

Board and executive leadership

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

Our Chief Nature Officer (CNO), Emma Toovey, plays a key role in overseeing the management of nature-related risks across the business, reporting directly to the CEO and ensuring that nature-related risks and dependencies are regularly updated and incorporated into our broader risk management processes.



Catherine Spitzer
Chief Executive Officer

Emma Toovey
Chief Nature Officer



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 preventing exploitation within our operations and supply chains. This commitment is further formalised through our Sustainability Commitment with Gresham House which covers modern slavery alongside carbon, environmental management, and other related obligations. Our B Corp certification provides additional independent verification of our standards of ethical practice, assessed in part against how we treat our workers, engage our communities, and support our customers.

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.

We continue to prioritise transparency in how we manage nature-related risks and dependencies, aligning our approach with best practice in biodiversity and ecosystem management.

Continuous improvement

We remain committed to the continuous improvement of our governance processes. As our understanding of nature-related impacts and dependencies deepens, we will continue to refine our TNFD Risk Register, work towards integrating it into our main business Risk Register, and strengthen how nature-related impacts and dependencies are managed across the business.

Strategy

Our business model, value chain, and supply chain

In 2025, our LEAP scoping focused on identifying key nature-related dependencies, impacts, risks, and opportunities across our operations and partnerships, particularly in relation to BNG and Nature Shares. In 2026, we have begun to refine our data collection processes to strengthen how we track and respond to the dependencies and impacts identified – moving from initial identification towards active management. To provide context for how these dependencies and impacts were defined, the following sets out our core operations as a business.

Our approach begins by identifying landowners who have degraded or unproductive agricultural land, typically where biodiversity is low. We then lease this land for a minimum of thirty years and begin to create and manage a wide range of habitats – such as meadows, woodlands, wetlands, and scrublands – that is tailored to the local landscape.

Alongside lease payments, we pay landowners to help manage sites through sustainable farming activities such as livestock grazing and hay cutting, allowing land to remain in agricultural use while its biodiversity improves. By covering the full cost of creating and managing each Habitat Bank for its lifetime, we provide landowners with a secure income for more than thirty years, while ensuring the restoration itself remains fully funded and supported throughout the entire process.

We then sell our generated Biodiversity Units to developers, and our Nature Shares to businesses and individuals committed to voluntary biodiversity restoration.



Common Snipe

Mapping our supply chain against the ISIC divisions referenced in our introduction: our upstream activities centre on land acquisition and leasing from landowners, as well as the sourcing of native plants and trees for habitat creation.

Direct operations cover habitat creation, ecological management, and long-term monitoring across our Habitat Bank network.

Downstream, our activities involve the sale of Biodiversity Units and Nature Shares to developers, housebuilders, and infrastructure and energy companies meeting their BNG or voluntary commitments. This structure lets us assess where our nature-related impacts and dependencies are concentrated across the full value chain, rather than only within our direct operations.



Strategy CONTINUED

Where our dependencies and impacts sit across our supply chain

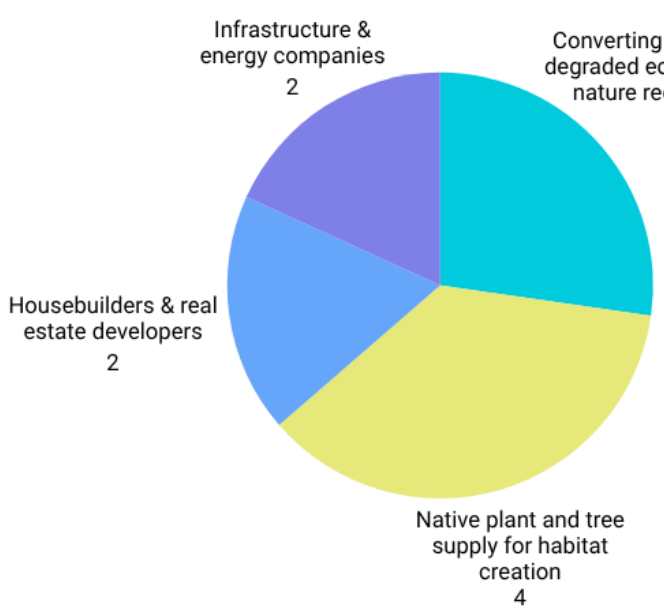
As part of our 2025 materiality assessment, we identified where our highest-priority dependencies and impacts are across our value chain, as well as the specific activities carrying the greatest number of high or critical ratings. We summarise these findings here, mapped against our upstream, direct operations and downstream activities.

Our **upstream** dependencies and impacts concentrate in native plant and tree supply for habitat creation. This is identified as having the most critical impacts of any activity, with four in total – relating to freshwater use, GHG emissions, solid waste generation, and water use. In our relationships with farmers and estate managers, we have identified seven critical dependencies. These include 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 policy could pose a significant risk to project delivery.

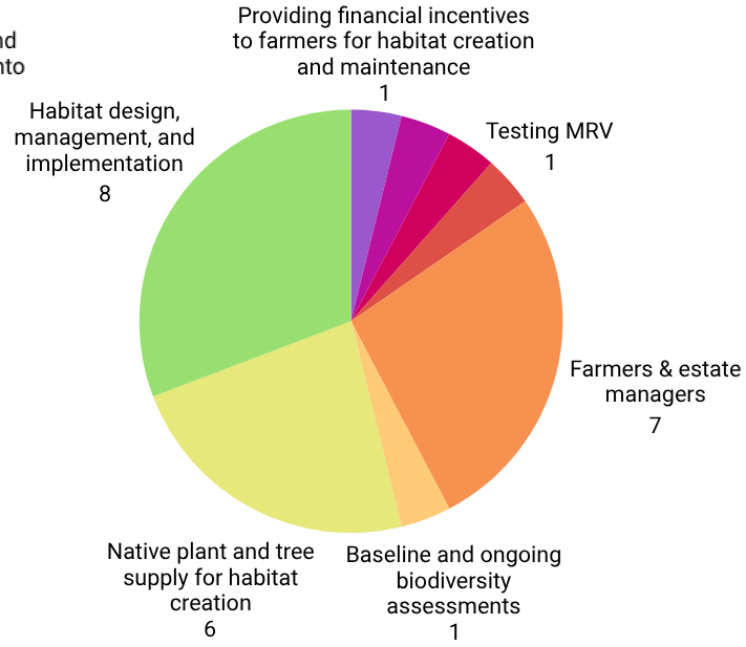
In our **direct operations,** dependencies and impacts concentrate in habitat design, management, and implementation, including converting farmland and degraded ecosystems into nature recovery sites. This is identified as our largest source of dependency risk, with eight critical dependencies including biomass provisioning, local climate regulation, soil quality regulation, soil and sediment retention, and water purification services. Converting farmland and degraded ecosystems into nature recovery sites carries three high or critical impacts reflecting short-term disturbances during conversion, such as GHG emissions, non-GHG air pollutants, and solid waste generation.

Downstream, our impacts are concentrated in the activities of the housebuilders, real estate developers, and infrastructure and energy companies who purchase our Biodiversity Units and Nature Shares. Each of these carry two high or critical impacts, primarily relating to land-use changes and resource extraction. However, these activities sit outside Environment Bank's core operations and direct control. Our Biodiversity Units and Nature Shares are the mechanism through which these companies can address and offset those impacts where appropriate, directing funding into habitat restoration that would not otherwise take place.

Activities with highest impacts



Activities with highest dependencies



Graph showing number of ***critical*** *impacts / dependencies relevant to the activity*

Strategy CONTINUED

Our biggest dependencies and impacts on nature

Our approach to strategy begins with identifying where our operations most rely on and affect the natural environment. Building on the materiality assessment carried out in 2025, we continue to focus our strategic attention on the dependencies and impacts rated highest for risk and materiality across our activities.

Dependencies

Education, scientific and research services – our reliance on sound ecological knowledge, research, and scientific methodology to design, implement, and monitor habitat restoration effectively. This dependency reflects how much our work depends on good data and evidence, rather than on a traditional, physical ecosystem service.

Biomass provisioning services – our reliance on the availability of plant and tree material, particularly native species, to carry out habitat creation and restoration. This covers everything from seed and sapling sourcing to the broader ecological productivity that supports plant growth.

Local climate regulation services – our reliance on stable local climate conditions (temperature, humidity, microclimate effects created by vegetation and land cover) to support successful habitat establishment and long-term site resilience.

Soil and sediment retention services – our reliance on healthy soil structure and the natural processes that hold soil and sediment in place. This underpins successful habitat creation and prevents erosion and degradation at our restoration sites.

Water purification services – our reliance on natural processes that maintain water quality (e.g. filtration through soil and vegetation, nutrient cycling) both for the health of restored habitats and for the wider water bodies our Habitat Banks interact with.

These dependencies are concentrated most heavily in habitat design, management, and implementation; in our relationships with farmers and estate managers who provide land under long-term lease or partnership agreements; and in native plant and tree supply for habitat creation.

Impacts

Emissions of GHG – greenhouse gases released through activities such as machinery and vehicle use, soil disturbance during land conversion, and, in some cases, residual agricultural processes that occur while sites are transitioning to nature restoration.

Emissions of non-GHG air pollutants – pollutants such as ammonia and particulate matter. These typically arise from any residual agricultural activity (such as the presence of livestock) on land prior to, or during, its conversion to nature recovery use.

Generation and release of solid waste – organic and inorganic waste produced during site conversion and ongoing management. If not properly handled, this can contribute to land contamination or habitat degradation.

Area and volume of freshwater use – the extent of freshwater resources used or affected by our activities, including water drawn on for plant propagation and nursery operations.

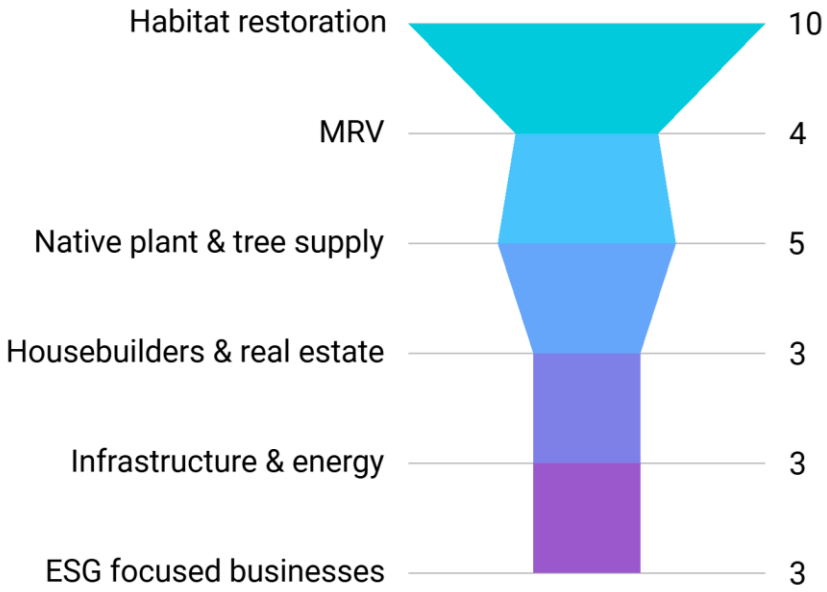
Disturbances (e.g. noise, light) – physical disruption to surrounding ecosystems and species caused by construction, land management operations, or other on-site activity during habitat creation and restoration work.

These impacts are concentrated in the conversion of farmland and degraded ecosystems into nature recovery sites, in native plant and tree supply for habitat creation, and in the downstream activities of housebuilders, real estate developers, and infrastructure and energy companies purchasing biodiversity offsets.

Strategy CONTINUED

Our positive impacts on nature

Key activities driving positive impacts



Graph showing number of positive impacts per relevant activity

Alongside identifying our dependencies and negative impacts, our 2025 assessment also looked at where our activities generate positive impacts on nature. Unlike negative impacts, no equivalent ENCORE materiality rating exists for positive impacts, so rather than scoring them for risk, we listed them in full across our core activities, upstream partnerships, and downstream customer relationships.

The most abundant positive impacts identified were improved ecosystem services, enhanced biodiversity, and advancement in ecological research and understanding. Converting farmland and degraded ecosystems into nature recovery sites was the single largest driver of positive impact, contributing to outcomes including carbon sequestration, improved water quality, pollinator support, and increased resilience to climate change – alongside enhanced biodiversity itself.

Our upstream and partnership activities including native plant and tree supply, and our collaboration with local authorities and conservation trusts, contributed further gains in ecosystem resilience and ecological research. Our downstream relationships with developers and ESG-focused businesses purchasing Biodiversity Units and Nature Shares helped fund habitat conservation and restoration at scale.

Having identified these positive impacts in full in 2025, we did not repeat this exercise in 2026. Instead, our focus is shifting towards measurement, tracking several of these positive impacts – such as biodiversity uplift, carbon sequestration, and water quality improvements – quantitatively through our Metrics & Targets. This represents our shift from a qualitative list to measurable, reportable outcomes over time.

Adder



Strategy CONTINUED

Managing nature-related risks through a dedicated TNFD Risk Register

Since completing our TNFD scoping and identifying our nature-related risks, we have recorded them in a dedicated TNFD Risk Register. Our next step is to integrate this into our main business Risk Register, so that nature-related risks can be evaluated and prioritised consistently alongside financial, operational, and legal risks, ensuring a unified approach to monitoring and mitigating threats across the business.



Harrogate Habitat Bank

Harrogate Habitat Bank



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

Building on the dependencies, impacts, and climate scenario methodology set out earlier in this Statement, we use GIS to overlay our Habitat Bank site data with climate projections and other environmental data layers. This helps us to identify areas that are most resilient to projected climate change, as well as those requiring specific intervention. This ensures that our restoration efforts remain consistently strategic and responsive to a changing climate.

Having identified where our dependencies, impacts, and risks are concentrated across our operations and value chain, the following section sets out what our climate scenario analysis found when applied to our current site network – and how these risks are managed in practice.

Risk Management

Climate Scenario Analysis

Since our 2025 analysis, we have updated our scenario review to reflect our growing portfolio of Habitat Banks and have moved from plotting individual sites to a heat map presentation. This better illustrates the density and concentration of climate exposure across our network throughout expansion, rather than treating each site as an isolated point.

Our Habitat Bank climate data: temperature

Our updated site network confirms the pattern identified in 2025: Habitat Banks concentrated in the southeast face the most significant temperature-related risk, with this exposure intensifying sharply under the 4°C warming scenario (Met Office, 2018).

This concentration of risk is more visible in our revised heat map – reinforcing the need for tailored adaptation strategies such as shade provision, drought-tolerant planting mixes, and soil moisture management for our Habitat Banks in this region.

This also points to the need for a more strategic approach to habitat selection and design at future sites – using UKCP18 warming-level projections to inform which habitats we prioritise and how we manage them, so that restoration outcomes remain ecologically viable and deliver their intended biodiversity and ecosystem service benefits over the long term, wherever those sites are located.

Our Habitat Bank climate data: summer rainfall

Our climate data continues to show that our Habitat Banks face varying rainfall-related risks depending on region (Met Office, 2018).

Sites in the northeast are projected to see increased summer rainfall and associated flood risks in the 1.5°C scenario, but a shift towards decreased rainfall if above 2.5°C. Sites in the southwest face a significant decrease in summer rainfall across all scenarios, reaching up to 50% in the 4°C scenario. This is a serious threat to the region's ecological health and requires proactive mitigation, such as water storage and retention features built into habitat design.

With updated site locations now included, this southwest drought risk pattern remains one of the more pronounced concentrations visible on the heat map.

Our Habitat Bank climate data: winter rainfall

The general pattern across England remains one of increasing winter rainfall, though this masks regional variation (Met Office, 2018).

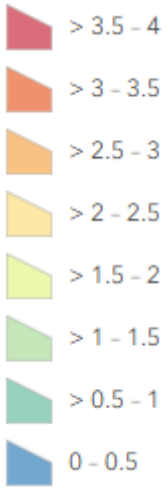
Sites in the northeast are projected to see decreased winter rainfall, and increased drought risk, at the 1.5°C and 2.5°C scenarios, before rainfall increases above 2.5°C.

Water Shrew



Sites in the south face a significant increase in winter rainfall across all scenarios, rising to 25-30% under the 4°C scenario. This poses a flood risk that should be factored into all ongoing assessments of site viability.

Our Habitat Bank climate data – temperature



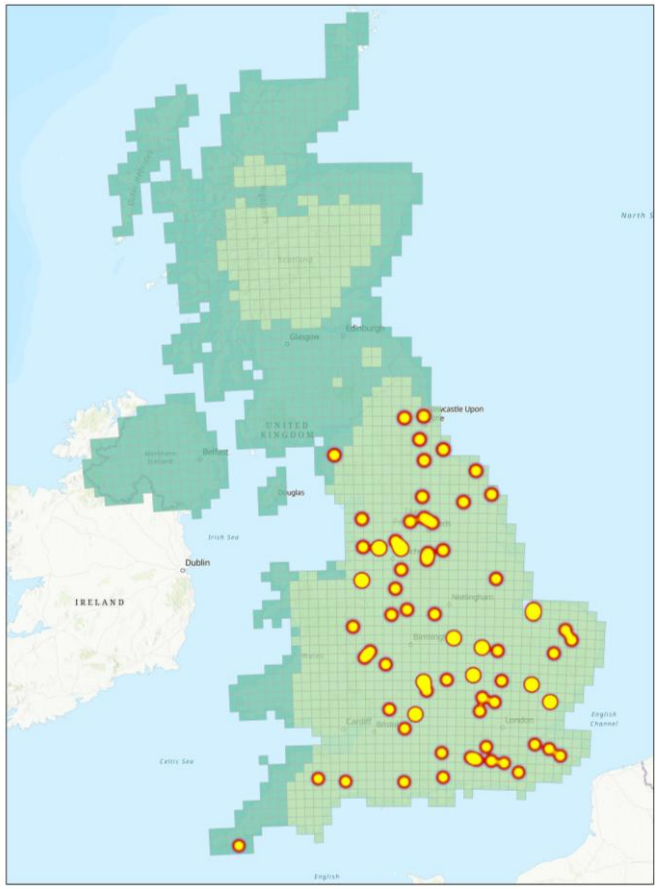


Figure 1a: Annual average temperature change based on a 1.5 ˚C median global warming level change

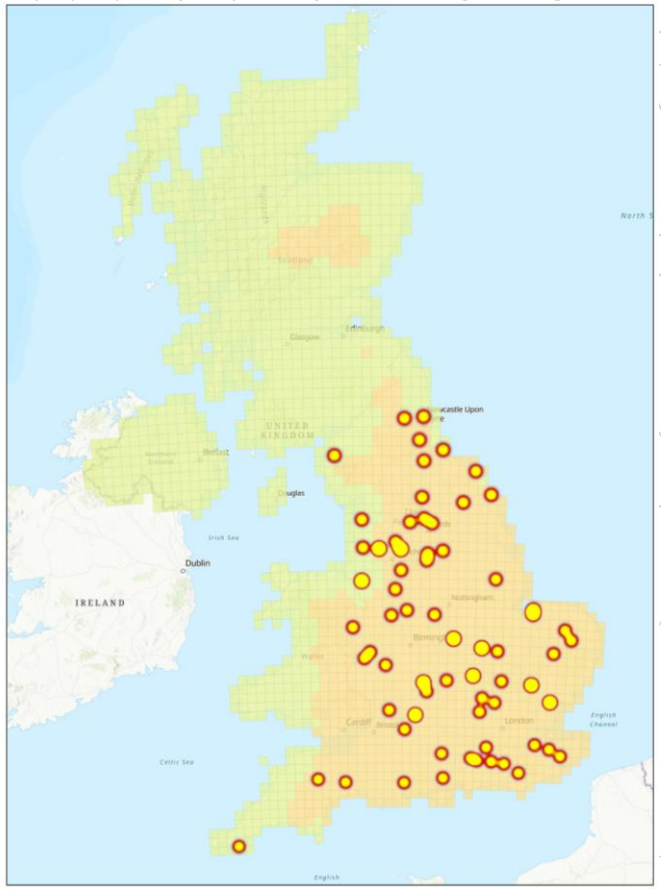


Figure 1b: Annual average temperature change based on a 2.5 ˚C median global warming level change

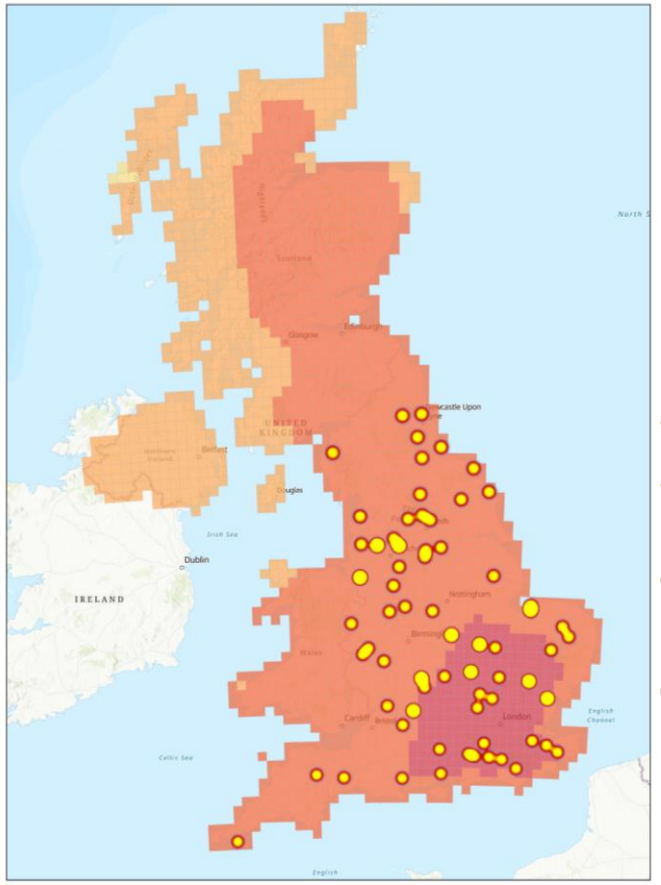


Figure 1c: Annual average temperature change based on a 4 ˚C median global warming level change

Projections of changes in annual average air temperature (degrees ˚C change relative to a 1981–2000 baseline) for a range of future warming levels from the UK Climate Projections (UKCP18). Provided on a 12 km British National Grid (BNG).

Our Habitat Bank climate data – summer rainfall

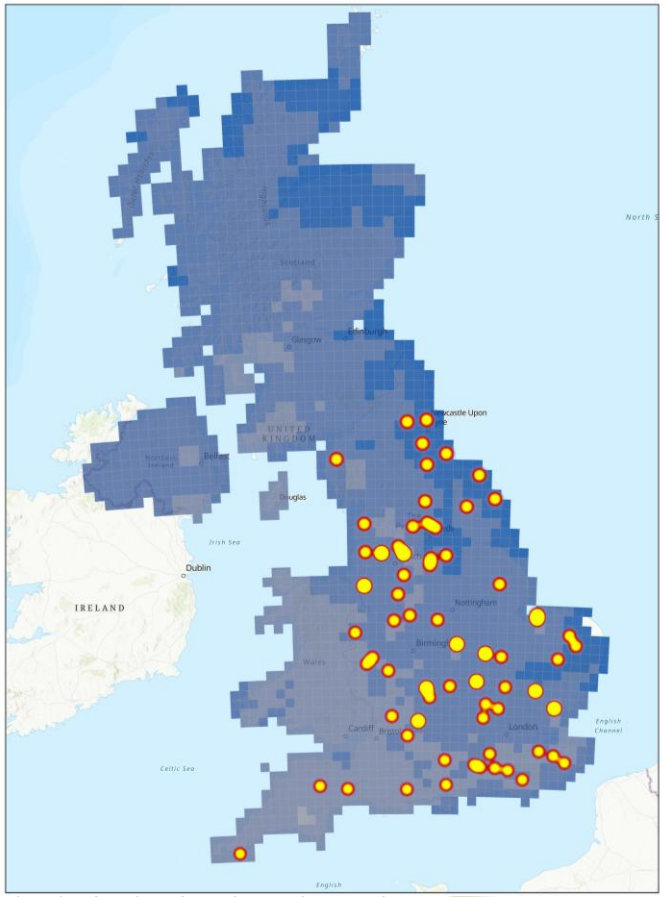


Figure 2a: Change in summer precipitation rate based on a 1.5 ˚C median global warming level change

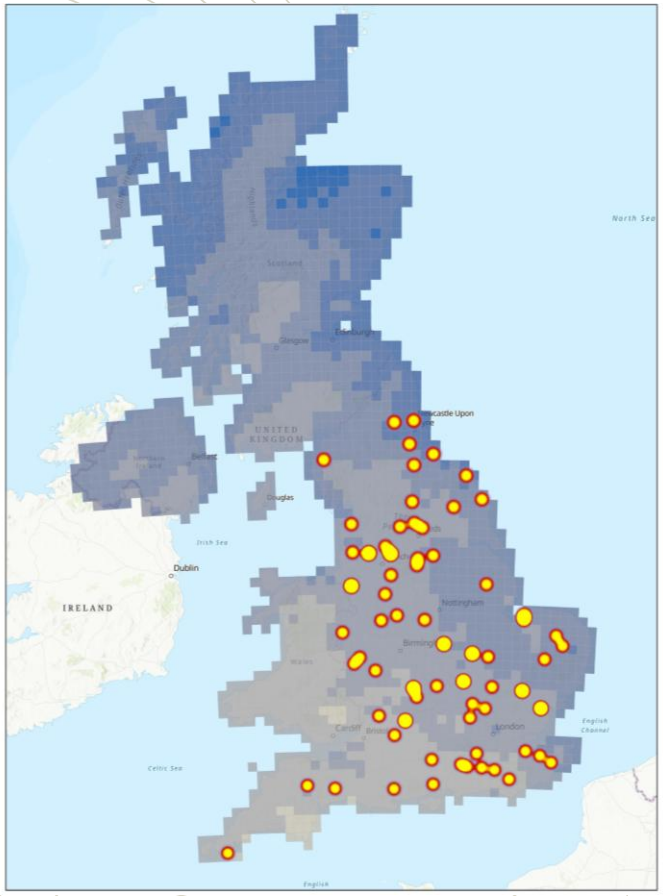


Figure 2b: Change in summer precipitation rate based on a 2.5 ˚C median global warming level change

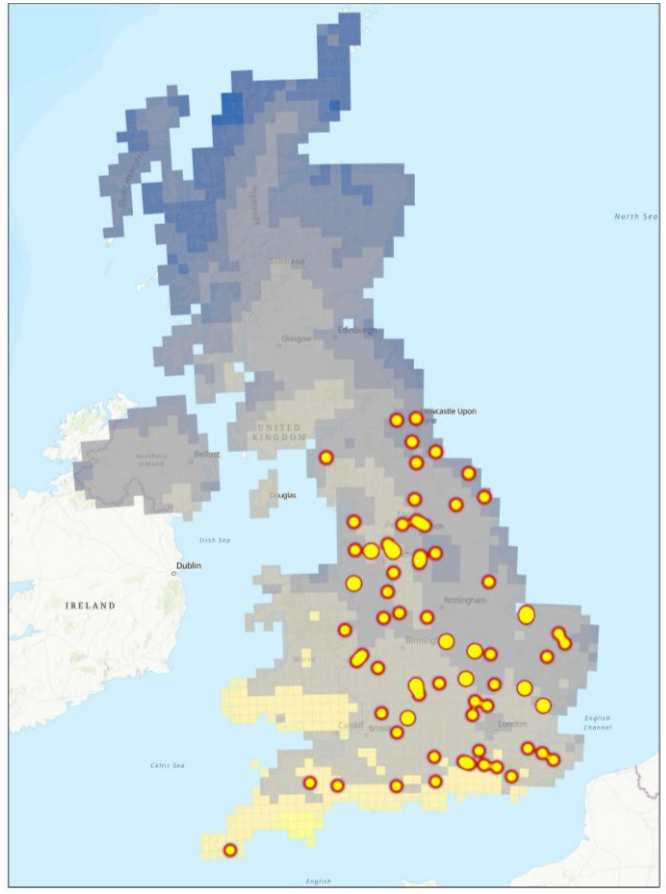
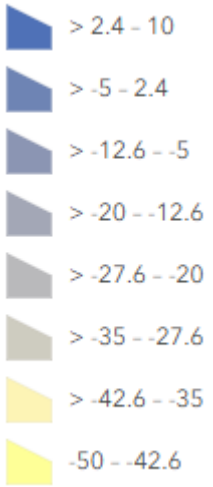
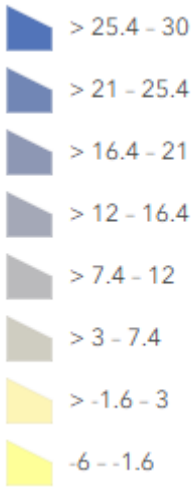


Figure 2c: Change in summer precipitation rate based on a 4 ˚C median global warming level change



Projection of changes in summer precipitation rate (% change relative to a 1981–2000 baseline) for a range of future warming levels from the UK climate change projections (UKCP18). Provided on a 12km British National Grid (BNG).

Our Habitat Bank climate data – winter rainfall



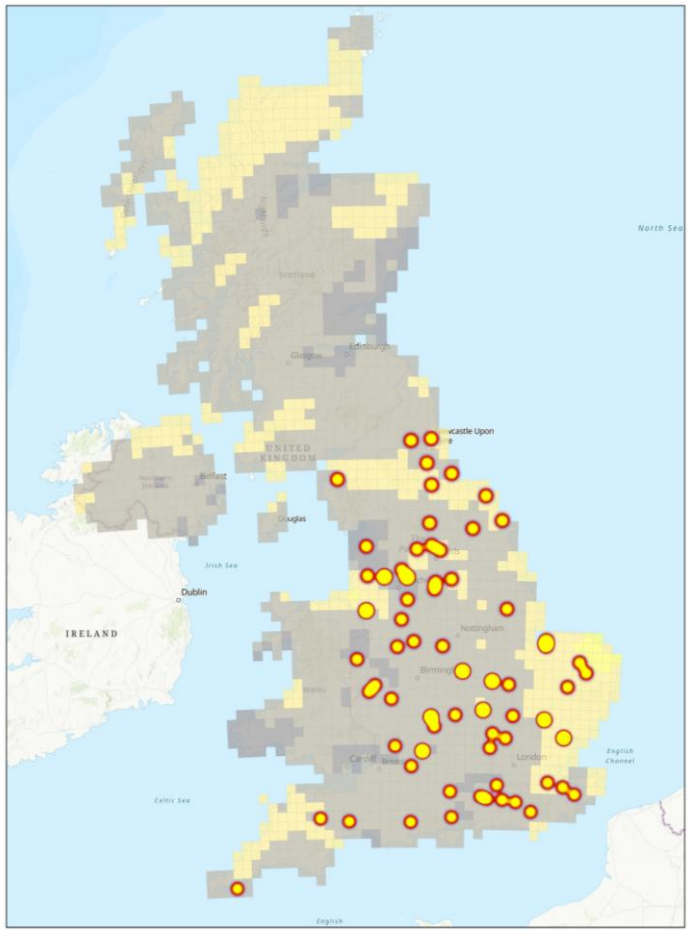


Figure 3a: Change in winter precipitation rate based on a 1.5 ˚C median global warming level change

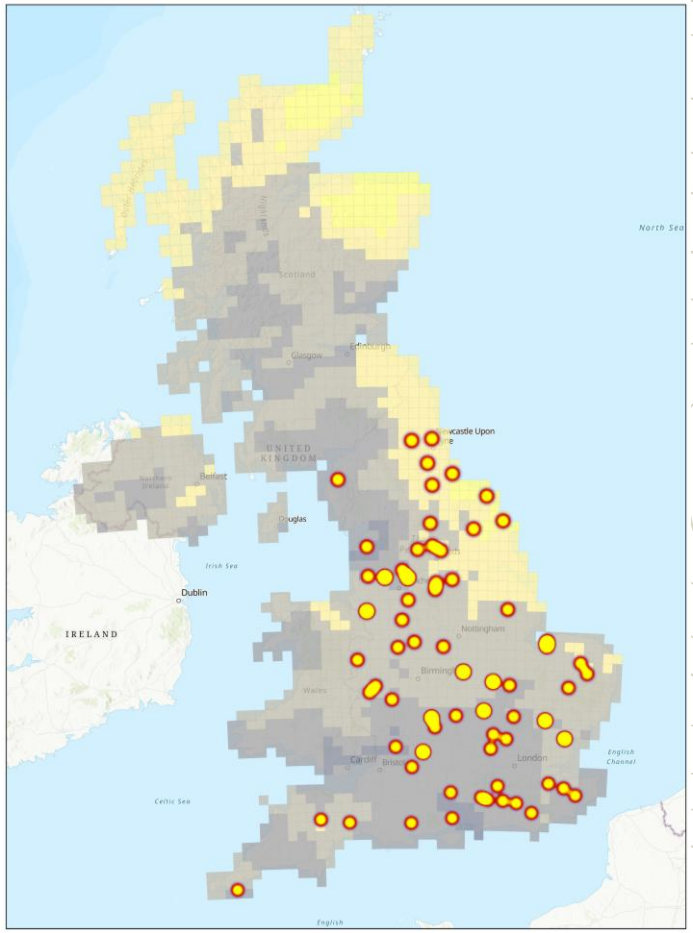


Figure 3b: Change in winter precipitation rate based on a 2.5 ˚C median global warming level change

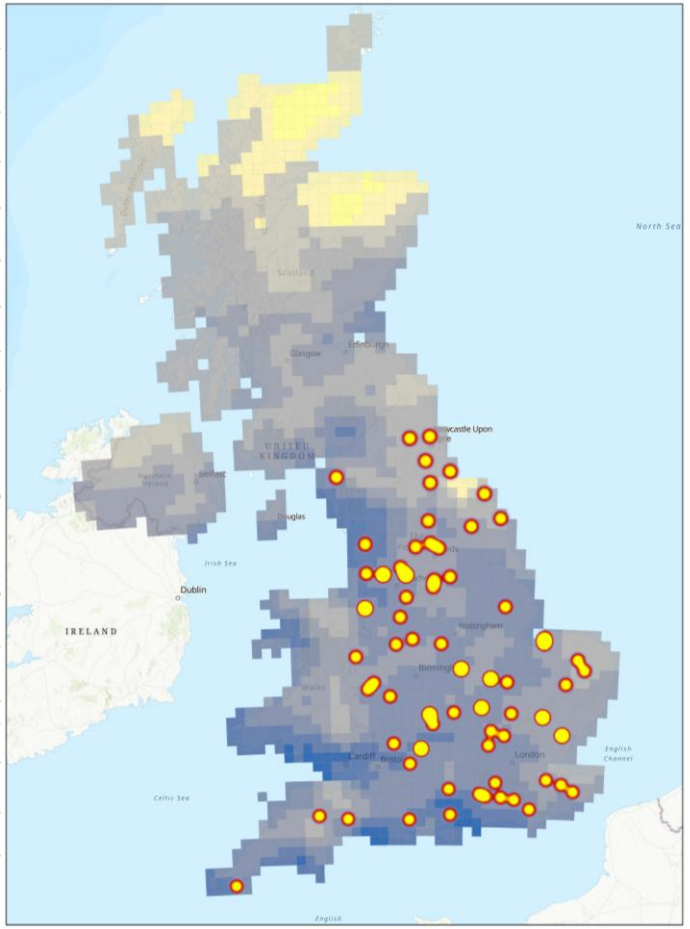


Figure 3c: Change in winter precipitation rate based on a 4 ˚C median global warming level change

Projection of changes in winter precipitation rate (% change relative to a 1981–2000 baseline) for a range of future warming levels from the UK climate change projections (UKCP18). Provided on a 12km British National Grid (BNG).

Risk Management CONTINUED

The 2026 story

This year's weather has given these scenario projections an unusually direct real-world test. England and Wales both recorded their driest July since Met Office records began in 1836, with England receiving just 6.5mm of rainfall, around 10% of the long-term average, and southern England experiencing its driest month on record (Met Office, 2026a).

This followed the second-warmest June and second-warmest July on record and, as of 10th August, the UK was on course for its warmest summer on record for mean temperature, having already exceeded 35°C on multiple occasions and 38°C in June (Met Office, 2026b).

By early August, over half of England and the whole of Wales had been formally declared in drought (the third such drought in five years) and Natural England reported 245 wildfires on Sites of Special Scientific Interest since the start of the year, with sensitive wetland and peatland habitats drying out as a direct consequence (Environment Agency, 2026).

While a single season can't be attributed to any one warming scenario, it illustrates the kind of compound heat and drought stress our 4°C scenario modelling anticipates and reinforces why mitigation measures are essential to our sites.

UK Wildfires

2026 has seen sustained wildfire activity across the UK's upland peat and moorland habitats, occurring against the backdrop of the record heat and drought condition. This follows 2025, which was confirmed as the UK's worst year for wildfires since satellite monitoring began, with 47,879 hectares burnt in fires of thirty hectares or larger (Joint Research Centre, 2025).

The Peak District and South Pennines have been repeatedly affected this year, particularly their blanket bog and upland heath habitats. In April, wildfires broke out at two locations on Marsden Moor in West Yorkshire. These affected a combined three hundred hectares of land, with further fires breaking out on the moor within the next few days (BBC News, 2026a). A separate fire on moorland at Tintwistle in Derbyshire, part of the wider Peak District landscape, was reported by Derbyshire Fire and Rescue Service as covering approximately 150,000 square metres – around the size of twenty-one football pitches (BBC News, 2026b).

Peat fires are particularly harmful due to the release of carbon which has typically taken centuries to accumulate. For example, in 2018, a fire at the Roaches in Staffordshire released an estimated eleven thousand tonnes of CO_2 despite only affecting sixty-one hectares of land. This release of carbon is equivalent to a year's domestic energy use for over 1,400 homes (Moors for the Future Partnership, 2020).

Even with active restoration intervention, the recovery of ground vegetation and the specialist species inhabiting intact blanket bog can take years. Burned peat also becomes significantly more vulnerable to further erosion in the interim.

It is clear that – for our Habitat Bank model that is built on delivering measurable, durable biodiversity uplift over a thirty-year period – climate risks, particularly surrounding wildfires, need to be urgently addressed.

A 2026 Guardian article showed aerial footage from the National Trust's Holnicote estate in Somerset and revealed that areas where rivers and wetlands had been restored actually stayed green throughout the summer's heatwaves and droughts – while surrounding farmland dried out. This acts as evidence against widespread claims that rewilding worsens wildfire risk, contrasting Holnicote's resilience to the wildfire that devastated heathland at the National Trust site in Dunwich earlier in the year.

This piece noted the decline of UK wetlands by 90% over the past century and closed with Harry Bowell, the National Trust's Director of Land and Nature, calling on the Government to increase investment in nature-based solutions in the face of increased adverse weather events.

Risk Management CONTINUED

What can we do to improve resilience?

1. Climate-informed habitat design

Using climate projection data – such as that which is available from the Met Office Climate Data Portal and our own internal systems – and WWF's Biodiversity Risk Filter, we can design habitats that are better suited to projected 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 wider ecosystem resilience by enhancing systems' adaptability. Introducing a diverse range of native species ensures that our ecosystems can maintain function throughout changing environmental conditions.

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 that are capable of providing essential services under varying climatic scenarios.

3. Adaptive management & monitoring

To keep strengthening the resilience of restored habitats, it is essential to maintain continuous monitoring. 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.

Badger



Risk management CONTINUED

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 therefore greatly supports biodiversity.

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 wider food webs and ecological functions.

Wider social benefits: sourcing seed and plant stock from local farmers rather than commercial nurseries keeps the value of that purchase within the rural economy of the areas surrounding our Habitat Banks.

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 across our Habitat Banks:

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

Prioritise local provenance: ensure, where possible, that trees and shrub seeds are purchased from the project site's native seed zone.

Consider elevation: provenance is further divided into two altitude bands: below and above three hundred 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 to maintain 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 mitigate these risks across our 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. Through these active management methods, we can monitor and control such invasions on our site to prevent long-term ecological damage, especially to native species.

Headline Figures

29

Sites in habitat delivery

22

Sites in long term management

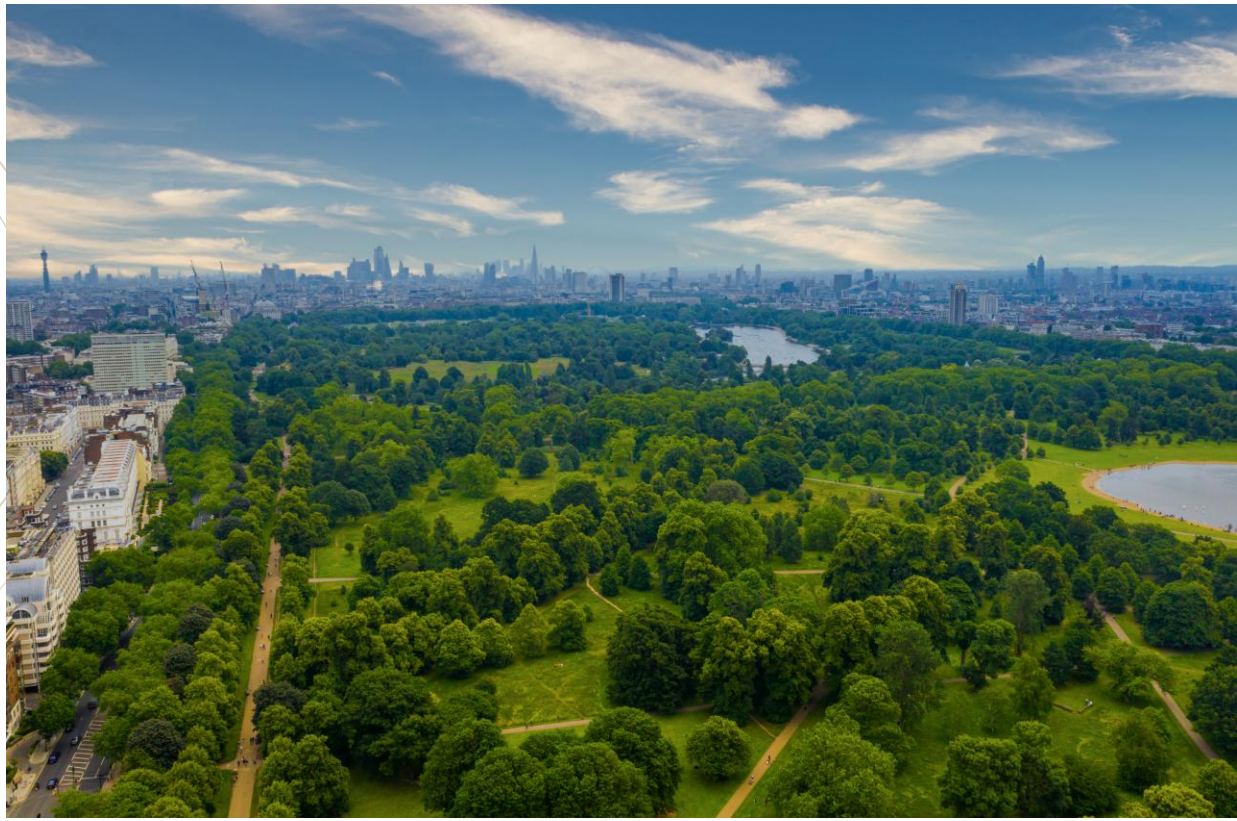
51

Total sites

1,770

ha of restored land

Across our fifty one sites – twenty nine currently in Habitat Delivery and twenty two in Long Term Management – we have restored 1,770 hectares of land, an area equivalent to more than twelve Hyde Parks. This land is made up by a wide variety of created and enhanced habitats, from species-rich grassland and ancient woodland to wetland and hedgerow, and has been delivered through our rapidly expanding portfolio of Habitat Banks across England.



Hyde Park, London

Headline Figures CONTINUED

Top 15 habitat type totals*

707 ha of other neutral grassland	**353** ha of lowland meadow	**209** ha of mixed scrub	**178** ha of rural trees	**81** ha of mixed deciduous woodland
72 ha of other woodland; broadleaved	**47** ha of upland acid grassland	**29** ha of floodplain wetland (CFGM)	**18** ha of open mosaic habitats	**17** ha of lowland acid grassland
15 ha of other woodland; mixed	**11** ha of traditional orchards	**7** ha of ponds types	**6** ha of lowland calcareous grassland	**6** ha of fens

* Sites in habitat delivery and long-term management as of August 2026

Headline Figures CONTINUED

Linear features

Alongside the 1,770 hectares of area-based habitat, we have also delivered thirty-three kilometres of native hedgerow, six kilometres of rivers and streams, and five kilometres of ditches across our portfolio.

These linear features hold just as much weight as our area habitat figures and play a vital role in connecting wider landscapes. Under the BNG metric, hedgerows and watercourses are assessed as their own distinct Biodiversity Unit type precisely because they function differently to area habitats. Rather than existing as isolated patches, they act similar to connective tissue – linking otherwise fragmented blocks of grassland, woodland, and wetland into a functioning ecological network.

This matters for species that depend on continuous cover to move safely through the landscape. Hedgerows in particular are critical commuting and foraging routes for bats and dormice, as well as supporting farmland birds like yellowhammer and linnet that are otherwise squeezed out of intensively managed arable land.

Watercourses and ditches bring a parallel set of benefits: riparian corridors support water vole and otter, buffer water quality from adjacent land use, and contribute to natural flood management by slowing and storing water through the catchment. Reporting these figures alongside our area totals reflects the Lawton principles of "bigger, better, more, and joined" that underpin good ecological network design. It also creates a more honest picture of what BNG actually looks like on the ground, as connectivity between habitats often determines whether our biodiversity gains translate into resilient, functioning ecosystems rather than isolated habitat parcels.

33

km of native hedgerows

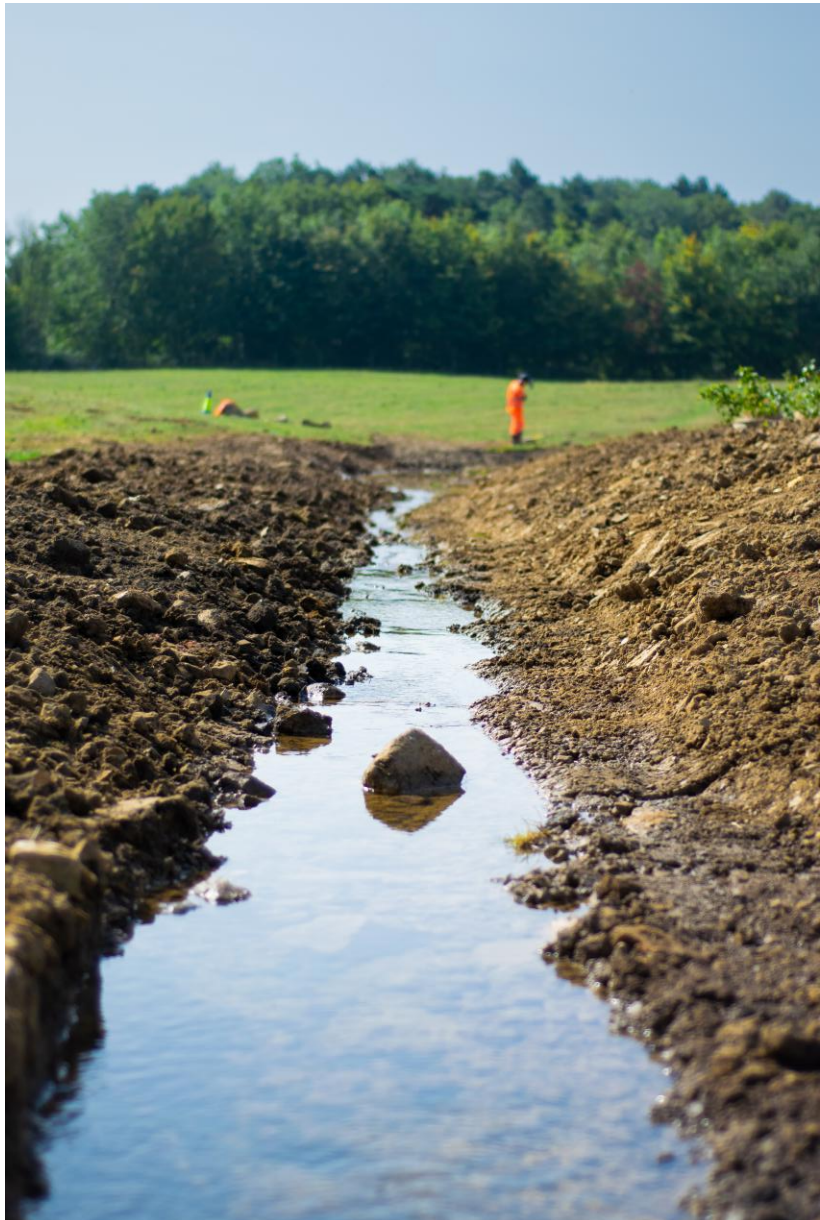
6

km of rivers and streams

5

km of ditches

Ripon Habitat Bank



Headline figures CONTINUED

April 2025 – March 2026 Events Summary

School and youth engagement
We have hosted six school visits over the year – held at Kilby, Slingsby, Langton, Terrington, and Foston primary schools, as well as Bedford Girls School – and have partnered with Bristol-based charity Black2Nature to bring twenty Visible Minority Ethnic young people to our Honiton Habitat Bank. See our case studies elsewhere in the report to learn more about these community outreach opportunities.

Internal Habitat Bank visits
During 2025, we undertook five internal site visits to our Keighley, Emberton, Ardingly, Bog Hall and Newton Harcourt Habitat Banks. Each visit entailed a guided walkover of the Habitat Bank from the relevant team member, where colleagues could experience the Habitat Bank firsthand and ask questions and learn from our in-house expertise. In the coming year, we have extended this company-wide initiative as a further means of connection for Environment Bank's employees.

Fundraising and team events
We had our 2025 all-company summer meet at Tortworth Court. Eighteen colleagues completed the High Fells Challenge in the Lake District in July, raising £2,600 for Black2Nature. In December 2025, the whole company gathered in London for our Winter Meet, a full day and night event with 120 attendees.

Research and conferences
We launched our support for a VINE PhD at Lancaster University in January. In March, we co-hosted the Nature Education Conference with Mount Kelly school (200+ delegates, 4,381 LinkedIn impressions, 1,237 video views) and ran our first Women for Biodiversity event in London (around thirty delegates, 4,646 LinkedIn impressions, 2,779 video views).

Our aim going forward
Community and engagement activity isn't currently tracked as consistently as our ecological metrics. As this becomes a more established part of our reporting, we aim to broaden both the reach of this work and the consistency with which we record it, so that future Nature Disclosures can show a fuller and more comparable picture year on year.

18
Tracked events across the year

7
School and youth engagement activities

5
Internal Habitat Bank visits

£2,600
Raised for Black2Nature



EB Summer meet, 2025, Tortworth Court

Our targets

Every impact and dependency we have chosen to track, traced from the 2025 ENCORE materiality assessment to what we report

Category (from 2025 assessment)	Evaluate: what was found	Prepare: action taken	Metrics & targets	Year on year change
GHG emissions *(Impact)*	Identified negative impact	Carbon model (Cumulus) + proposed operational emissions measurement	**Partial**	**Progress made on metric refinement**
Solid waste *(Impact)*	Identified negative impact	Not yet centralised	**Not yet**	**Unchanged**
Ecological research *(Impact)*	Identified positive impact	Proposed R&D investment, ecological investment (site visits, publications, research projects) tracked, and establishment of a social working group.	**Partial**	**Progress made on metric refinement and partially reported**
Enhanced biodiversity *(Impact)*	Identified positive impact	UK Habitat Condition Assessment (% biodiversity increases), number of hectares restored + Bog Hall pilots. Proposed portfolio-wide plan for strategic additional biodiversity monitoring	**Partial**	**Progress made on metric refinement and partially reported**
Ecosystem services *(Impact)*	Identified positive impact	Natural Capital Calculator	**Partial**	**Progress made on metric refinement and early internal rollout**
Education & research *(Dependency)*	Identified dependency	Proposed R&D investment, ecological investment (site visits, publications, research projects) tracked. Establishment of a social working group.	**Partial**	**Progress made on metric refinement and partially reported**
Biomass provisioning *(Dependency)*	Identified dependency	Proposed native supply sourcing tracked	**Not yet**	**Unchanged**
Local climate regulation *(Dependency)*	Identified dependency	UKCP18 scenario analysis + adaptive site design	**Partial**	**Progress made on metric refinement and adaptation design plan**
Soil & sediment retention *(Dependency)*	Identified dependency	Proposed pilot soil auditing	**Not yet**	**Progress made on metric refinement**
Water purification *(Dependency)*	Identified dependency	Water quality parameters, tested on 1 pilot site	**Partial**	**Unchanged**

Our targets CONTINUED

GHG Emissions

Status: Partially established

About this category (ENCORE): ENCORE classifies GHG emissions as an impact driver – a measurable output of an activity, such as the volume of gas released – that is distinct from a dependency, where an activity relies on a service the environment provides.

What we're aiming to do: Manage net greenhouse gas outcomes associated with Habitat Bank creation and management, covering both the emissions generated by our operations and the carbon sequestered through restoration.

Why it matters: GHG outcomes are one of our highest-priority identified impacts and, through sequestration, one of our most significant positive impacts. The outcomes arise from machinery and vehicle use, soil disturbance during land conversion, and residual agricultural activity on site, and offset over time by the carbon our restored habitats sequester.

How we could measure it: Status: Developing metric. Two components are being developed in parallel.

For land-use and farm-based carbon effects, we have built a Natural Capital Calculator with the help of Cumulus Consultants. This produces a net tCO2e/ha figure per site – combining habitat-based carbon flux, farm-based emissions from any remaining arable or livestock activity, and Woodland Carbon Code sequestration curves for woodland parcels. This has not yet been applied across our live Habitat Bank portfolio.

For operational emissions from machinery and vehicle use during site conversion and ongoing management – which the calculator above does not cover – our proposed approach is an activity-based calculation consistent with the GHG Protocol Corporate Standard, converting fuel and mileage data into tCO2e using DESNZ's annual UK Government GHG Conversion Factors.

The underlying data (mileage logs, contractor activity records) is already largely generated through normal site operations, meaning the main task is systematic collection rather than new infrastructure. This has not yet been implemented.



Puddington Habitat Bank

Our targets CONTINUED

Solid waste generation

Status: Not yet established

About this category (ENCORE): ENCORE defines this impact driver simply as an activity generating and releasing solid waste, sitting alongside other pollution-related impact drivers in its framework.

What we're aiming to do: Manage waste generated during site conversion and ongoing habitat management. This includes fencing and other agricultural infrastructure removed from former farmland, vegetation and scrub clearance material, invasive species removal (which may require handling as controlled waste depending on species), and plastic tree guards and packaging from native plant and tree supply.

Why it matters: Unmanaged waste can contribute to land contamination or habitat degradation, undermining the restoration outcomes we're working to deliver. Much of this material – cleared vegetation in particular – also represents an opportunity if diverted and reused on-site (e.g. as mulch or habitat piles) rather than removed as waste, it can directly support our nature restoration work.

How we can measure this: A specific metric has not yet been established. Some of this data already exists as part of our legal waste handling obligations – hazardous waste such as herbicide containers and general waste removed by contractors are both already documented when they leave site – and would simply need collecting centrally. Material reused or mulched on-site, likely the largest share of vegetation clearance, currently isn't logged and would need a new process to measure it.

Education, scientific & research (dependency) / Advancement in ecological research (positive impact)

Status: Partially established

About this category (ENCORE): Education, scientific, and research services are the ecosystem contributions that enable academic interactions with the environment – particularly focused on its biophysical characteristics and qualities.

What we're doing: Our work depends on sound ecological knowledge, research, and scientific methodology to design, implement, and monitor habitat restoration effectively. In turn, our Habitat Banks generate new research and understanding through work conducted on-site and collaborations with research partners. We invest in this process directly through our team's research and development and our apprenticeship programme with Harper Adams University.

Why it matters: This is a two-way relationship rather than a single dependency or impact: we rely on high-quality data to effectively restore nature, and the restoration work itself becomes a source of new ecological knowledge that feeds directly back into the future of the habitat recovery sector. The social dimension matters here too – ENCORE identifies closely related dependencies, recreation, visual amenity, and spiritual, artistic, and symbolic value, alongside education and research wherever we engage landowners, businesses and communities.

How we can measure this: The level of investment in restoration-related R&D; the number of publications or presentations resulting from Habitat Bank research; the number of research collaborations underway; and tracking site visits.

We have included some highlights in the following pages that outline our social activities, case studies, and investment in scientific research.

Our targets CONTINUED

Case study – Wymondham Habitat Bank, Norfolk

Wymondham Habitat Bank sits within a wider wildlife corridor formed by the Norfolk Valley Fens Special Area of Conservation, Wreningham Marshes, Flordon Common Site of Special Scientific Interest (SSSI), and Lower Wood, Ashwellthorpe SSSI – consistent with the Lawton principles of bigger, better, and more joined-up habitats.

Restoration of the site's fen habitats has drawn on collaborative research with the Environment Agency, the Internal Drainage Board, and Natural England. We have also conducted detailed hydrology and soil analysis – including substrate core sampling to accurately locate the underlying chalk aquifer and the depth of clay and peat layers, which is essential to preventing groundwater loss from the site. This work has supported the establishment of species such as locally scarce milk parsley – the sole larval foodplant of the swallowtail butterfly – and habitats for the fen raft spider, one of the UK's largest and rarest spiders.

The site's restoration also draws on the Norfolk Ponds Project's work restoring the county's historic "ghost ponds" which were filled in after the Second World War to expand agricultural land. Using a hand-drawn reference from an 1800s farm map as the only clue to a former pond's location, our hydrological investigation confirmed the site of a ghost pond, which has now been restored. Within three months, and despite a national drought, this pond has retained water and been naturally recolonised by pond skaters, dragonflies, and aquatic plants.

Social value

We're currently restoring broadleaved woodland at the site and enhancing this habitat with a wide range of native species – including the planting of over forty black poplars, a rare deciduous tree species. We're carrying out this restoration in partnership with Lindengate – a mental health charity dedicated to creating opportunities for people to get outdoors and engage with nature restoration.

We have also hosted Ben Goldsborough MP of South Norfolk at Wymondham Habitat Bank, which was a fantastic opportunity to discuss the realities of BNG policy and practice.

Wymondham Habitat Bank



Our targets CONTINUED

Case study – Honiton Habitat Bank

Black2Nature is a fantastic charity that gives Visible Minority Ethnic young people opportunities to access nature – and we recently had the pleasure of hosting a group at our Honiton Habitat Bank in Devon.

At Environment Bank, we aim to promote equal access to nature for all in recognition of the fantastic physical, emotional, and mental benefits that come with visiting the outdoors. We're particularly mindful of supporting access to nature for groups of people less likely to have these opportunities.

Our recent collaboration with Black2Nature was a fantastic opportunity for us to share our knowledge explore our on-the-ground work with a group of young people, inspiring and engaging them with the natural world.

The wider benefits of engaging with nature

Spending time in nature has been proven to have a vast range of health benefits – such as reducing stress, promoting mental and physical health, and even enhancing cognitive function. Every young person should have equal access to nature and be able to reap these benefits – which is why Black2Nature's mission is so important.

Black2Nature's visit to Honiton Habitat Bank

We have worked with Black2Nature to bring a group of twenty young people to our Honiton Habitat Bank in East Devon. This is a particularly exciting site, home to notable wildlife species such as beavers and otters – so it was a great opportunity for the group to see nature restoration at work.

The day was split up across different hands-on activities – including a plant identification trail, pond dipping, and nature photography exercise. We foraged nettles and wild garlic, caught sightings of fish in the river, and even found some evidence of the site's beavers!

At the end of the day, we held a discussion with the group and there was tangible excitement and curiosity in the room. We all shared our findings, asked questions, and learned more about the amazing wildlife at Honiton Habitat Bank.

At Environment Bank, we know how important it is to connect young people with nature and foster curiosity about the environment. Everyone should have equal access to nature and the opportunity to engage with the outdoors – and we're so grateful to have helped Black2Nature with their mission.

You can watch our video here.

Honiton Habitat Bank



Our targets CONTINUED

Case study – School visits at Kilby, Slingsby, Langton, Terrington, Bedford and Foston Schools



We've been delighted to visit a number of schools, including several that are local to Bog Hall Habitat Bank – our flagship Nature Shares project at the Castle Howard Estate in North Yorkshire. We've been sharing details of the project with the pupils and helping them understand habitat restoration, particularly the wider importance of our upcoming beaver release programme.

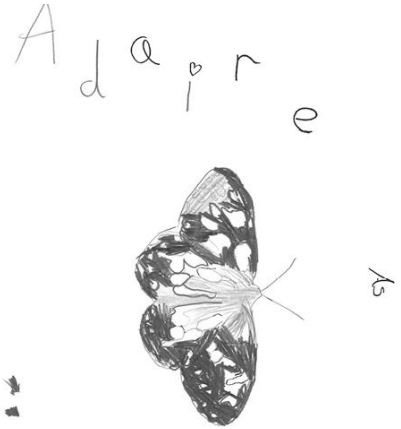
We've enlisted their help in illustrating our wildlife and some of this wonderful artwork has been selected to appear on our signage at Bog Hall Habitat Bank.



Our targets CONTINUED

Case study – School Visit Drawings from Kilby, Slingsby, Langton, Terrington, Bedford and Foston Schools

















Our targets CONTINUED

"Nature in Focus"

Our pilot site for this project, Cockermouth Habitat Bank in the beautiful Lake District, now has signage inviting members of the public to engage and share photos with us.

Nature in Focus has been in development for the past year, with the aim to connect the local communities around our Habitat Banks more directly with the nature recovery happening on their doorstep. Our Data and GIS team built a submission form using Survey123 – giving us a simple way to collect structured public input via a QR code.

The idea behind Nature in Focus is to capture how our Habitat Banks change and develop over time and to give visitors a way to record what they notice as they explore the site. The core of the form is fixed-point photography alongside space to log other findings: plants, animals, invertebrates, habitats, or any general observations people want to share. Over time, this will build a valuable picture of how our habitat parcels progress season-by-season and year-by-year, as well as creating a public-facing record of nature recovery in action.

The installation marks the beginning of an essential data gathering phase where we'll be able to hear feedback directly from the public – and we're very grateful to every team and individual across Environment Bank who has brought their unique skillset to this project. Once we have gathered meaningful data, the Nature in Focus project team will review the results and carry out a full evaluation of the pilot. If it is deemed a success, we will work towards making Nature in Focus a standard part of Habitat Bank design wherever public footpaths run through our sites.

Cockermouth Habitat Bank



Our targets CONTINUED



Blackboys Habitat Bank

Case Study: Piloting Remote Ecological Monitoring with Mozaic Earth

Environment Bank's monitoring obligations scale with every Habitat Bank we bring into delivery. Each requiring statutory ecological monitoring across a thirty-year management period, the ecology team's monitoring workload is set to grow substantially over the coming decade. Building on exploratory work carried out at Bog Hall Habitat Bank in 2025, we launched a structured trial in 2026 to evaluate whether remote, photo-based habitat assessment – using the Mozaic Earth digital platform – can be deployed alongside traditional in-field ecological surveys without compromising the accuracy or statutory rigour of our BNG condition assessments.

The trial was designed to test two things in parallel. First, whether habitat type and condition – as determined through the UK Habitat Classification and BNG statutory metric – can be reliably assessed remotely from geolocated field photographs rather than requiring an ecologist to complete the full assessment on site. Second, whether the accuracy of that remote assessment holds up when carried out by ecologists of differing experience, by having the same photographic dataset independently reviewed by ecologists at FISC Level 5, Level 4 and Level 3, each blind to the in-field results and to one another's conclusions.

Five Habitat Banks representing a geographical and habitat type spread – including lowland meadows, other neutral grassland, mixed scrub, hedgerows, ponds and broadleaved woodland – were selected for the trial: Blackboys (Uckfield), Martley (Worcester), Ripon, Whitby and Bolsterstone (Sheffield) Habitat Banks.

At each site, two ecologists worked concurrently: one completing our established in-field survey method, the other capturing structured photographic data through Mozaic Earth for later remote interpretation. This side-by-side design allows direct comparison of species identification, percentage cover estimates, and final condition scores between the two approaches, alongside a comparison of the time and resources each method requires.

We recognise, and have built into the trial design, that this first phase can only speak to habitats in the early stages of restoration, since all five sites are undergoing their first year of monitoring. It will not tell us whether remote assessment remains reliable as habitats mature and structural complexity increases. This is a question we anticipate addressing in a later phase of this work, potentially in partnership with organisations managing longer-established sites.

The outcome of this trial – once field data collection, independent FISC-level review, and statistical comparison are complete – will directly inform whether or not, as well as how, remote monitoring technology is integrated into our operational monitoring programme. This will include whether it can be used to prioritise scarce in-field ecologist time toward higher-risk sites, while lower-risk or early-stage sites are monitored more efficiently through digital capture.

Findings will be reported in full once the 2026 survey season, independent reviews, and data analysis are concluded. Advancing rigorous, evidence-based research into ecological monitoring methods remains a priority for Environment Bank, as it underpins the credibility and scalability of nature recovery at pace.

Our targets CONTINUED



On-the-Ground Biodiversity Monitoring

Status: Partially established

What we're doing: Our core monitoring across all Habitat Banks is the UK Habitat Condition Assessment – the vegetation-based survey required under the BNG metric. Beyond this baseline, we apply additional monitoring methods strategically across select sites – for example, breeding bird or invertebrate surveys where a site's habitat type or conservation value makes this particularly relevant.

Bog Hall Habitat Bank has served as a pilot site for testing a wider range of monitoring techniques, including biodiversity monitoring in partnership with Okala using wildlife cameras, bioacoustics, and eDNA sampling – with data shown on an interactive dashboard.

Why it matters: The UK Habitat Condition Assessment tells us whether a site is meeting its BNG obligations, but it doesn't directly measure biodiversity uplift or ecosystem health in the way species-level monitoring can.

Piloting additional methods at sites like Bog Hall Habitat Bank allows us to test what genuinely adds value before deciding where and how to apply them more widely.

How we measure it: Site-level habitat condition is assessed via the UK Habitat Condition Assessment across all sites.

We have set two goals going forward: to continue reporting on habitat types and hectares restored per site as part of our core biodiversity metric; and to establish a plan for where and how additional monitoring is applied across the portfolio – continuing to test new methods and technologies at pilot sites such as Bog Hall Habitat Bank where useful, before deciding how they scale more widely.

We have included further information on our biodiversity monitoring at Bog Hall Habitat Bank on the following page.

Common Cotton Grass

Our targets CONTINUED

Case Study: Bog Hall Habitat Bank

Bog Hall Habitat Bank, part of the wider Castle Howard Estate in North Yorkshire, is a 178-hectare Nature Shares site now underpinning one of Environment Bank's most comprehensive baseline monitoring programmes. A phased restoration is transforming low-yielding arable land into a mosaic of grassland, woodland, scrub, and wetland habitat, centred on a licensed reintroduction of the Eurasian beaver – a keystone species expected to reshape the sites hydrology and support a far wider range of flora and fauna as it establishes.

The Year 1 baseline programme combines an unusually broad set of methods: UK Habitat Condition Assessments following Natural England's Biodiversity Net Gain metric; breeding bird surveys; a terrestrial invertebrate survey covering beetles, flies, spiders, and butterflies; soil carbon stock and nutrient auditing to one metre depth; remote-sensing-based biomass and carbon stock mapping; and a continuous visitor footfall counter to help understand recreational pressure and welfare value alongside ecological change.

In partnership with Okala, the site also deploys bioacoustic recorders and wildlife cameras to monitor birds, bats, and mammals, alongside soil and aquatic eDNA sampling to detect invertebrates, fungi, and microbes – including water sampling specifically designed to track how beaver activity changes water quality as the reintroduction progresses. Water monitoring is further supported by Stantec, who carry out twice-monthly flow readings at four locations across the site, alongside continuous water quality monitoring via sondes installed at the site's inlet and outlet.

Baseline monitoring between April and July 2025 detected seven mammal species and seventy-two bird species (composition is still under expert review), including three species classified as Near Threatened – northern lapwing, Eurasian oystercatcher, and redwing. Soil eDNA sampling detected 578 unique genetic sequences and water eDNA sampling detected 276. This spanned fungi, plants, protozoa, and other kingdoms, as well as providing an indication of soil and water condition alongside the species-level data. Results are accessible via a live Okala biodiversity dashboard.

Beyond these Near Threatened records, the site's baseline bird data included several species listed under the British Trust for Ornithology's Birds of Conservation Concern, among them Eurasian skylark, yellowhammer, common starling, mistle thrush, grey partridge, and common barn-owl. This reflects the site's continued value for farmland and woodland birds under national conservation pressure, even where global extinction risk remains low. Common snipe, a species expected to benefit from the site's extensive pond and scrub creation, was also recorded – offering a marker to revisit as restoration matures.

Beyond its scientific value, Bog Hall Habitat Bank has become an important site for piloting new monitoring techniques within Environment Bank and has hosted site visits to train team members in the field methods used across the programme. The site has also welcomed visitors more broadly, offering a chance to see restoration and monitoring in practice on the ground.







Bog Hall Habitat Bank

Our targets CONTINUED

Enhanced biodiversity Case study – Keighley Habitat Bank, West Yorkshire

Keighley Habitat Bank sits within the Southern Pennines National Character Area. The site extends across more than 120 acres of land previously used by local landowners Ian and his daughter Laura for sheep and cattle pasture.

The naturally acidic soils of Ilkley Moor, formed through prolonged leaching of calcium and magnesium under sustained rainfall, make the land well-suited to restoration of acid grassland, upland fen, ponds, and woodland – habitats that support upland species currently in decline, including common snipe.

The design has been aligned with the West Yorkshire Local Nature Recovery Strategy, with a modelled biodiversity uplift of 121.9% over the thirty-year management period. Conservation grazing remains part of the management approach, allowing the grassland restoration to proceed alongside the landowners' continued farming enterprise.

A particular feature of the site is its waxcap grassland, which is a habitat associated with old, undisturbed grassland and has recognised value for fungal diversity – including orange, snowy, and parrot waxcap, as well as lilac and mealy pinkgill. Because waxcap fungi are difficult to survey using conventional methods, monitoring here uses eDNA soil sampling to map species distribution, complementing more established field survey techniques used elsewhere in the portfolio.

The site also lies within the Airedale valley – an area identified by the Aire Resilience Company as a natural flood management priority for reducing climate-related flood risk to Leeds and surrounding settlements. Restoring acid grassland, fen, and ponds is expected to contribute to natural flood management and water quality improvement by slowing and filtering water through the catchment – though this benefit has not yet been independently quantified at Keighley.

Social value

Keighley Habitat Bank contains eleven notable stones bearing Neolithic and Bronze Age rock carvings, together with a medieval bloomery and evidence of Victorian coal mining. Habitat design and management on site have been developed to conserve this heritage alongside the ecological restoration work. Public footpath improvements are underway to widen local access to the site and there is scope for future school visits and partnership work with the Aire Rivers Trust, which would extend the site's social value beyond its immediate ecological outcomes.

Keighley Habitat Bank



Our targets CONTINUED

Improved Ecosystem Services

Status: Partially established – measured on select sites.

What we're doing: Assessing the physical value of the ecosystem services delivered by our nature restoration.

Why it matters: This is where we translate restoration activity into a demonstrable, quantifiable benefit – moving beyond describing what we've restored to showing what that restoration is actually worth. It's also the foundation for the work our nature-related risk team is building out.

How we measure it: See the natural capital tool we are developing on next page.



Ripon Habitat Bank

Our targets CONTINUED

Natural Capital Modelling

What we're doing: We have built a Natural Capital Calculator in partnership with Cumulus Consultants. This estimates the change in four ecosystem services delivered by a habitat change on a parcel of land: water quality (nutrient export), flood regulation (water storage/attenuation), air quality (pollutant removal), and carbon (net GHG emissions and sequestration).

Why it matters: A single, transparent framework that lets us assess multiple ecosystem service outcomes per site consistently, rather than building a separate one-off method for each dependency and impact category. This framework gives us a credible, auditable route towards quantifying dependencies that currently have no metric.

How we measure it: Water quality is calculated through a nutrient export lookup based on farm type, soil, and drainage, using coefficients from Farmscoper (ADAS, for Defra and the Environment Agency). These are structured via Natural England's Nutrient Neutrality Generic Methodology (NECR459), with soil and drainage classification from Cranfield University's LandIS Soilscapes dataset.

Flood regulation is calculated using runoff and storage coefficients from Viridian's HydroloGIS geospatial model, informed by peer-reviewed natural flood management research and combined with Met Office HadUK-Grid rainfall data.

Carbon combines a habitat carbon flux calculation, using rates from Natural England's Carbon Storage and Sequestration by Habitat review (NERR094). Farm-based emissions are calculated to IPCC Tier 1 (arable) and Tier 2 (livestock) methodologies, as well as Woodland Carbon Code growth-curve data for woodland parcels.

Air quality is calculated through a pollutant removal lookup, using UK-wide removal rates from the Office for National Statistics' UK natural capital accounts (2025 edition, 2024 data), with habitats mapped via the UK Habitat Classification (UKHab) used in the Biodiversity Metric 3.1.

Ongoing development: The calculator's data sets and methods will be reviewed annually as national reference data, emissions factors, and sequestration curves are updated and as our own understanding of each service develops.

Any change to an underlying assumption or lookup value will be logged and dated, so that figures produced in different years remain traceable and comparable over time.



Bog Hall Habitat Bank

Our targets CONTINUED





Emberton Habitat Bank

Biomass provisioning

Status: Not yet established

What we're doing: Sourcing native plant and tree material for habitat creation and restoration.

Why it matters: Our restoration outcomes depend directly on reliable access to appropriate native species – and how sustainably that material is sourced affects our broader environmental footprint.

How we could measure it: The percentage of native plant and tree supply sourced sustainably and locally (e.g. from certified nurseries).

Measuring ecosystem services we depend on

Status: Not yet established / partially established

About these categories (ENCORE):

Water purification services are the ecosystem contributions to the restoration of watercourses. They occur through the revitalisation and maintenance of surface water and groundwater's chemical conditions, through the breakdown and removal of nutrients and other pollutants.

Local climate regulation services are the ecosystem contributions to the regulation of ambient atmospheric conditions – including micro and mesoscale climates. This occurs through vegetation's improvement of people's living conditions and economic production.

Soil and sediment retention are ecosystem contributions that reduce the loss of soil and sediment, mitigate landslide risk, and largely support use of the environment. This is seen particularly through vegetation's stabilising effects.

What we're doing: Using water quality parameters such as nutrient levels and sediment load, we have measured water purification across on-site water bodies at one pilot site so far.

Why it matters: This exposure isn't just theoretical. Our Climate scenario analysis (see Risk Management) has projected that summer rainfall will decline in the southwest and winter rainfall in the south will rise across all scenarios modelled, intensifying towards 4°C. These changes would directly affect vegetation's capacity to regulate climate and retain soil.

How we measure it: Water purification is measured using water quality parameters such as nutrient levels and sediment load, at one pilot site so far. Local climate regulation and soil and sediment retention services are not yet measured or modelled at any of our Habitat Banks. However, we have started to look at climate scenarios to assess how climate regulation services will impact our Habitat Banks.

Conclusion



Harrogate Habitat Bank

What next?

Looking forwards, we have two main routes of progression.

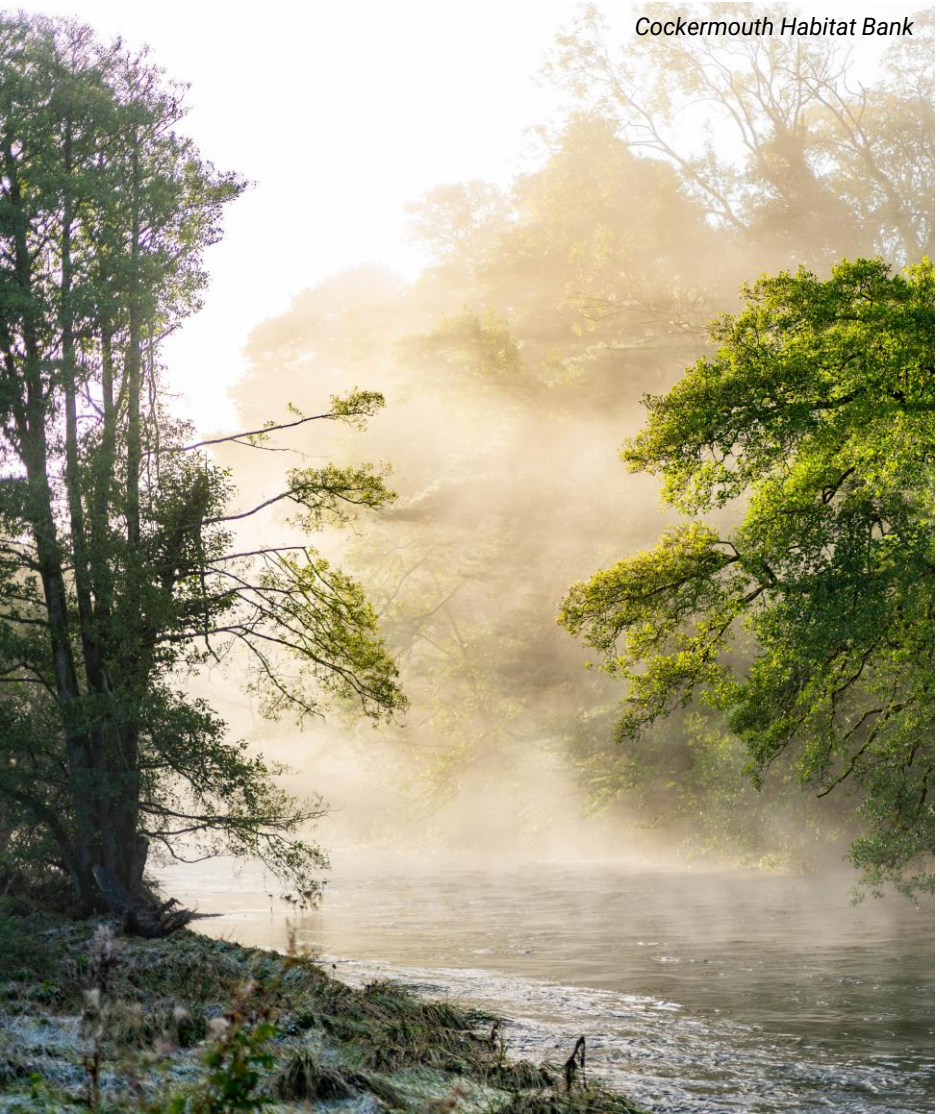
First is continuing to build resilience. This year's extreme weather was consistent with the risks our modelling identified, and we now need to act on it. This will involve establishing a nature-related risk team that is focused on initiatives like climate-adapted planting, water management, and using our modelling to build further resilience into our Habitat Bank designs from the outset.

We also plan to make further progress with our measurement techniques, and data collection methods as we're currently still developing some of our development metrics.

Next year, we're looking forward to reporting findings from our Mozaic Earth remote monitoring trial.

This year was about creating new initiatives and setting strategic goals and plans. Next year will be about building resilience into our wider operations and presenting the data collected.

Conclusion CONTINUED



Cockermouth Habitat Bank

Our first Nature Disclosure Statement covered the 2024/25 financial year and was mostly about working out where our biggest dependencies and impacts on nature actually sit. This Nature Disclosure Statement, one year on, is now about delivering measurable action. We've built real tools this year and started testing them properly.

Our portfolio keeps growing. We now have fifty one Habitat Banks, twenty nine in Habitat Delivery and twenty two in Long Term Management, covering 1,770 hectares. On top of that we've delivered thirty-three kilometres of hedgerow, six kilometres of rivers and streams, and five kilometres of ditches. Our governance has grown alongside this. We have made major strides in the past year – including gaining our B Corp certification, establishing an ESG Steering Committee, signing a Sustainability Commitment with Gresham House, and completing a double materiality assessment.

The measurement side is still developing. We have created lots of new initiatives this year – such as the Natural Capital Calculator, our Okala biodiversity monitoring partnership, our water quality sampling, and our remote monitoring trial with Mozaic Earth. The next step is, where possible, expanding these initiatives across our entire portfolio of Habitat Banks.

Another success is that, this year, we have been able to test out our risk management. We had previously flagged drought risk in the southwest and heat risk in the southeast in our climate modelling – and we saw this actualise this year with record droughts and the UK's warmest summer on record.

While a single season cannot confirm a scenario, this gives us greater confidence that our modelling is identifying the right risks in the right places.

Looking at our full set of metrics across both impacts and dependencies:

- **Not yet established:** three (generation of solid waste, dependency on biomass provisioning services, and a dependency on soil sediment retention services)
- **Partially established:** seven (GHG emission production, advancement in ecological research, enhanced biodiversity, enhanced ecosystem services, dependency on education/scientific research, dependency on local climate regulation, and a dependency on water purification services)

Although we have not yet established some of our metrics, we have already begun our initial pilot testing on initially selected sites.

Moving forwards, we now know what exactly we need to measure, we have the tools that we need, and we just need to further drive these initiatives across our wider portfolio of nature restoration sites.

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EB Christmas Meet, 2025

End of Document. We're grateful to everyone who contributed to this year's Statement, including our many internal teams as well as the Green Finance Institute for facilitating useful TNFD discussions within the nature field.

This concludes our Nature Disclosure Statement for 2026. For a comprehensive view of our impacts and dependencies from our 2025 report, please request access to the complete Metrics and Targets table by emailing 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.