



Rebalance
E A R T H

*Investing in Nature
as business-critical
infrastructure*

The world's most valuable asset class

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Investing in Nature as business-critical infrastructure

Why Nature-positive finance is a megatrend with momentum

“Look after the land and the land will look after you; destroy the land and it will destroy you.”

Aboriginal Proverb

“The greatest threat to our planet is the belief that someone else will save it.”

Robert Swan



The world's most valuable asset class

Why Nature is our most valuable and investable asset class

For most of us, our home is the most important, and most valuable, asset we will ever own. We know that if we maintain, improve, and look after it, then it will be a comfortable and nurturing place that grows in value. It will be a home worth living in and something we can pass on to future generations of the family. This is the regenerative model of investment and economics, and we understand it at a personal level.

Planet Earth is our collective home. Its rich Nature and biodiversity – our ecosystem – comprise the most valuable and vital asset that we have as humanity. Yet, since the dawn of industrialisation, we have been treating it deplorably; ransacking, destroying, and asset stripping it. Until recently, Nature has come a distant second place to economic gain. It has been exploited and destroyed, a trajectory which, if continued, ensures that future generations will inherit a wasteland.

This is the extractive model of economics and finance. It focuses on short-term gains and disregards the long-term impacts on our environment and natural resources. Using the family home analogy, it's as if we're stripping the roof slates, ripping up the floorboards and dismantling the plumbing to sell or burn for short term gain, unaware of the uninhabitable barren shell we'll soon be left with.



Investing in Nature as business-critical infrastructure

Humanity and our entire economic system depends on Nature, yet we tend to see it as a separate entity from industry, finance, and capitalism. However, nothing could be further from the truth.

Nature is, quite simply, our most valuable asset: it is the home; it is the plumbing; it is the heating; it is the electricity. It just so happens that it's currently treated as off-balance sheet, and its degradation doesn't feature on anyone's profit and loss account. If Nature were priced like other commodities, it would be seen as our most valuable asset by a colossal margin. Much more than the sum of all global equities. Much more than the total value of all global

real estate. Biodiversity is worth an estimated \$140 trillion annually¹. That compares to the \$20 trillion GDP of the United States², the world's most powerful economy.

At a corporate level, 85% of the world's largest companies depend significantly on Nature across their direct operations³ while PwC reported that 55% of the world's GDP is exposed to material Nature risks⁴. When you think of Nature in that way, you start to consider it differently.



The world's most valuable asset class

Biodiversity is worth an estimated

\$140tn¹
per annum

85%

of the world's largest companies depend significantly on Nature

The case for investing in Nature as an asset

The case for investing in Nature and biodiversity is simple, clear, and compelling: there isn't much point having a large pension pot at retirement if you can't drink the water and you can't breathe the air.

Given our inarguable dependency on an asset that we are currently squandering, the solution is clear: let's drive the transition to a Nature-based economy, where we integrate the benefits of ecological health into decision making and use private capital to protect and restore Nature. This way we will make attractive financial returns and create a world worth living in. There can be no more compelling return on investment than that.

Homo sapiens has been exploiting Nature since we first walked the Earth, and especially since the first Industrial Revolution. It has become painfully obvious that the free trial period is over, it's now time to establish the principle that it's worth investing in Nature-based Solutions (NbS) because of the foundational services Nature provides, which we all benefit from.

This enlightened approach is behind the emerging Financing Green model. It delivers both positive impact and attractive financial returns.

Until recently, most investors and fund managers thought of a Nature-based economy in the same category as tree-hugging: harmless with a bit of feel-good factor but completely divorced from the hard-headed, real world of increasing profits and maximising shareholder value.

That attitude is changing rapidly. Investing in Nature and biodiversity protection and restoration is emerging as the best way to achieve sustainable value for both shareholders and stakeholders alike. Part of this change stems from a growing appreciation of the concept of double materiality: that companies affect the world, and that the world affects companies.



Investing in Nature as business-critical infrastructure

Investment risk analysts have woken up to the fact that climate and Nature risks are the biggest risks we face over the next decade, with huge social consequences – and that we have been the main protagonists in creating those risks.

A series of recent global initiatives and regulatory standards are already driving substantial financial investment towards Nature-positive outcomes. Not least of these is the Finance for Biodiversity Pledge which has secured commitments from global asset managers managing nearly €20 trillion to protect and restore biodiversity across the world⁵.

Put simply, the case for investing in Nature and biodiversity is simple, clear, and compelling: there isn't much point having a large pension pot at retirement

if you can't drink the water and you can't breathe the air. Our savings and pensions are supposed to provide us with quality of life for our future retirement; not put it at risk.

Those who feel they have enough on their plates with handling climate change considerations should be reassured that investment in Nature can help with this too. Climate change is a driver of biodiversity loss, but healthier biodiversity is a major part of the solution to climate change. For example, restoring rivers can help address flood risk. The two are symbiotically linked; tackling one tackles the other. We, and the planet, win.



Glasgow's new urban forests

18million
trees to avert £100 million
of flooding damage





Glasgow's new urban forests

Glasgow, Scotland's largest city, is best known today as the host of the historic COP 26 Climate Conference. A global industrial powerhouse in the Victorian era, the city once led the world in shipbuilding, locomotive engineering and the cotton and tobacco trades.

In the post-industrial age, Glasgow is dealing with the impact of that legacy on its Nature-based assets: contaminated land, high pollution, and a creaking 19th century sewage and road infrastructure that can no longer cope with the city's notoriously heavy rainfall. Increasingly catastrophic flooding, massive sewage overflows, and public health problems are the results.

It has left 170,000 Glaswegians at serious risk of flooding that could cost the metropolitan area £100 million by 2050. Meanwhile, the city's poor health is seen in a mortality rate 15% higher than the UK average, aggravated by polluted air and land.

But today, the city is investing in Nature to solve its problems. At its heart is the ambitious TreesAI urban forest project, an initiative Glasgow is piloting with the consultancies Dark Matter Labs and Lucidminds. This pilot project will see the city fund the planting of 18 million trees by 2030. The benefits of this Nature infrastructure investment are enormous: reducing environmental risk, carbon capture, absorbing stormwater, improving biodiversity, boosting health, and creating green jobs.

By investing in urban forests – planting trees on derelict brownfield sites – The city is investing in Natural infrastructure to solve its climate and Nature-related risks. The trees are not just pretty to look at: they are an integral part of the city's sewage system, flood defence and air quality regulation. They contribute to improved mental and physical health through creation of green spaces and Nature reserves.





Glasgow's new urban forests

TreesAI is a cloud-based platform that promotes trees as critical infrastructure. Trees benefit many stakeholders: utility companies, insurance groups, healthcare providers, and corporations seeking to reduce carbon emissions.

The project reframes trees as an investable asset, rather than a liability or cost as many local authorities currently account for them. It monitors and optimises tree cultivation and maintenance using techniques such as LiDAR and satellite imaging, offering individual investors the chance to invest in areas that are most relevant to them, instead of having to buy into an entire 'silo-funding' massive infrastructure project that may not meet their investment criteria.

Water companies can invest in reducing the risks of sewage overflow events. Insurers are focused on reducing flood damage. Mortgage lenders can concentrate on flood risk that leads to property devaluation.

It allows public and private players to co-invest in Nature-based assets. This comes into sharp focus with Moody's confirmation that a city's credit rating will be directly tied to its flood prevention policies.

New York City calculated that trees generate five dollars of benefits for every dollar spent on them⁶. Glasgow is aiming to capitalise on that return on investment.

Glasgow's very name derives from the Gaelic, meaning 'the dear green place'.

The city's coat of arms features a tree at its centre. Now with TreesAI, this great city, with its proud entrepreneurial history, is realising the value of investment in Nature as infrastructure. It is providing better outcomes for the citizens economically, financially, culturally, sustainably, and health-wise. It is also generating returns for investors. That investment is making the city more resilient, more sustainable, more liveable, and more enjoyable.



The upside of investing in Nature as an asset

Biodiversity could create

\$10tn
in new business

400mn
new jobs by 2030⁷

Given the urgency of the issue, narratives on Nature risk have understandably tended to concentrate on the downside.

It is true that since 1970 the world's wildlife population has fallen by nearly 70%. It's also true that, right now, three-quarters of global land surface and two-third of the oceans are adversely affected by loss of biodiversity.

When we consider that 70% of cancer drugs, for example, are either based on, or inspired by, Nature,⁸ it's clear that this is a self-harming doom loop and that we'd be better protecting and promoting biodiversity, even if we're motivated only by our own self-interest.

But accepting we have a problem is the first step towards addressing it and overcoming it, something that humankind has proved adept at since we emerged as a species in East Africa's Rift Valley some 200,000 years ago.

On the upside, investing in Nature has huge attractions. The World Economic Forum recently calculated that fully embracing Nature-positive investable solutions to protect biodiversity could create \$10 trillion in new business and approximately 400 million new jobs by 2030,⁹ not to mention the co-benefits to local communities and indigenous groups.



How to invest in Nature

Investable solutions in areas such as water stewardship and natural resources management are growing in popularity since they protect biodiversity while offering the potential for attractive long-term returns (see the accompanying case studies on Glasgow's new urban forests and the transformation of Hope Farm).

Leading asset managers have already launched several successful biodiversity equity funds. These invest in companies that are leaders in reversing biodiversity loss through their own initiatives or which are developing innovative solutions to protect and restore Nature.

Instead of the familiar asset allocation by sector or geography, biodiversity funds concentrate on themes such as land pollution and deforestation. The companies in which they invest could be involved in areas such as soil remediation, circular economy materials recovery, or smart renewable energy-powered irrigation systems.

Similarly, the metrics for Nature and biodiversity investment go beyond financial returns. They are measured by their beneficial impact on people, place and planet using the relevant United Nations Sustainable Development Goals (such as SDG 6: Clean water and sanitation, SDG 11: Sustainable cities and communities, SDG 13: Climate action, SDG 14: Life below water, and SDG 15: Life on land).



The transformation of Hope Farm

How a wildlife boom
and profitable food production
can co-exist harmoniously



The RSPB took over Hope Farm's 181 hectares in 2000, invested in it, and transformed it into a testbed for new wildlife-friendly farming techniques that work with, not against, Nature.

Since then, it has shown beyond doubt that the twin goals of running a profitable, food-producing farm and sustaining Nature are totally compatible.

Through simple but effective changes that put Nature at the heart of farming, the RSPB has created a wildlife boom while enhancing crop yields.

Careful and sensitive management of crops, habitats and watercourses has created healthy hedgerows, safe nesting and increased insect populations. This is far better than the intensive production methods developed since the Second World War which killed wildlife, depleted soils, poisoned rivers, and polluted the air.

The numbers of birds using the farm in winter have increased by over 1300% since the RSPB took over.

Breeding farmland birds like the linnet, yellowhammer, reed bunting, and skylark have all at least tripled in number.

Hope Farm also has 19 times more bumblebees than a

local control farm. This is an incredible and important achievement, as the food industry's supply chain is highly dependent on bees, with 80% of the UK's crops and wild plants relying on them for pollination¹⁰.

On that basis, these pollinating bees are worth nearly £700m to the UK economy, supporting a £120 billion farming industry. When we consider that hand-pollinating our crops would cost an estimated £1.8bn a year with 20 farmers needed to replace the work of one bumblebee nest – the surge in bumble bee numbers alone is a huge return on investment in Nature as an asset¹¹.

At the same time, Hope Farm's wheat yields have increased substantially, and it now has seven crops in rotation, rather than the two crops cultivated 20 years ago.

Crucially, Hope Farm's model is regenerative farming, rather than organic farming, which makes its example relevant and accessible to most farmers. It's a way of farming based on boosting natural processes to work in favour of the farming system. For example, better soil management and wildflower planting has almost completely removed the need for expensive and damaging fungicides, insecticides, or pesticides.



The transformation of Hope Farm





The transformation of Hope Farm

Hope Farm shows that Nature and sustainable food production can coexist harmoniously and that Nature-friendly farming is commercially viable.

Private finance investment in such ambitious and effective land management schemes, that reward farmers for Nature-friendly food production, can conserve and restore Nature.

It's vital that governments across the UK develop ambitious, effective and well-funded environmental land management schemes, rewarding farmers for the actions they take, such as regenerating species populations, improving water quality, protecting carbon stocks and reducing greenhouse gas emissions.

To achieve wider conservation impact and multiple biodiversity benefits, the RSPB secured funding from the Natural Environment Investment Readiness Fund (NEIRF) to develop a detailed proposal for a privately financed aggregation vehicle to deliver multiple habitat restoration and creation projects across England to be repaid from income from the sale of BNG (biodiversity net gain) units.

The biodiversity net gain (BNG) framework was introduced by the Environment Act 2021. It is an approach to planning

and development that aims to ensure development leaves the natural environment in a measurably better state than it was before. Since the 12th February 2024, it is mandatory for all developments granted planning permission to provide a minimum 10 per cent net gain in biodiversity measured against pre-development figures. It may not be ecologically perfect, but it is a significant step in the right direction.

Developers can produce their own biodiversity units onsite or purchase from local authorities, landowners, or other developers. Habitats on which BNG units are secured must be protected for a minimum of 30 years.

Agriculture is the biggest culprit for biodiversity loss. The world currently spends \$470 billion a year on agricultural subsidies that are harmful to biodiversity¹². This is far in excess of the cost of paying farmers to use Nature-friendly practices. Hope Farm shows that paying farmers to protect biodiversity can lead to greater productivity, huge capital savings and the restoration of Nature.

Note: For simplification and ease of reading, figures and calculations have been rounded to whole numbers. So, for example, €19.7 trillion has been rounded to €20 trillion or 69% to 70%.



Investing in Nature as business-critical infrastructure

Unlocking the power of private finance

“Come forth into the light of things, let Nature be your teacher.”

William Wordsworth



The world's most valuable asset class

Biodiversity funds are welcome but the real gamechanger will be the deployment of private capital's vast war chests. DEFRA, the UK Government's Department for Environment, Food and Rural Affairs, calculates that private financial investment of more than £6 billion per year is needed by 2030 to support Nature's recovery in England alone.

Philanthropy has made a noble start, but it can only do so much: at a global level there is still a \$700 billion biodiversity finance gap between what we actually spent on conservation in 2019 and what we need to spend globally by 2030¹⁵. The UK, with over £5 trillion in assets under management in pension and wealth management funds, could significantly address this issue. A “2% allocation” of these funds to Nature could provide the private capital needed to bridge the finance gap necessary for restoring the UK's natural assets.

Luckily, capitalism is on our side. Capital has always flowed towards assets of value. With Nature positioned as the number one asset class on the planet, we can harness the power of private investment to restore landscapes and seascapes across the UK. Nature-based Solutions (NbS) offer a cost effective way to mitigate real world risk for cities, communities and companies. As the severity and frequency of climate and Nature-related risks such as flooding and drought increases we must use Nature to build climate adaptation and resilience. Financing NbS allows investors to increase the impact of their investments. In this way our investment ecosystem evolves to align economic growth and environmental vitality.

Unlocking the economic value of Nature

In 2024, the UK's Biodiversity Net Gain (BNG) market is valued between £135 million and £274 million¹⁴. In contrast, the voluntary carbon market remains relatively small. For instance, in 2022, the Woodland Carbon Code credits generated an estimated revenue of £4 million¹⁵, while the Peatland Code contributed less than £300,000¹⁶. According to the Green Finance Institute (GFI), achieving the UK's Nature-related goals over the next decade will require an investment ranging from £44 billion to £97 billion¹⁷.

This substantial shortfall highlights that while our current markets are valuable, they must be significantly expanded to meet the scale of restoration required. Allocating just 2% of the £5 trillion in UK pension and wealth assets to Nature could generate the necessary £50-£100 billion for Nature restoration¹⁸. To facilitate this substantial flow of capital, we need to finance Nature as business-critical infrastructure, providing climate adaptation and resilience for cities, communities and companies across the UK. And we need to create a mechanism by which the cities, communities and companies that benefit from Nature's business-critical infrastructure pay for it.

“The truth is: the natural world is changing. And we are totally dependent on that world. It provides our food, water, and air. It is the most precious thing we have and we need to defend it.”

David Attenborough



“When one tugs at a single thing in nature, he finds it attached to the rest of the world.”

John Muir

Nature-as-a-Service (NaaS)

Imagine a world where Nature is not merely an aesthetic backdrop but an essential component of our critical infrastructure, as vital to the UK as transport systems and electricity grids. Across the UK, 185,000 companies in flood-prone areas have material risk to flood events¹⁹. With floods come droughts, each posing significant threats to business continuity and economic stability. The recent London Climate Resilience Review revealed that flooding costs UK businesses an average of £82,000 each, while an insufficient water supply could cost London's economy £500 million per day²⁰. Companies face potential costs from relocation or supply chain disruption. At the same time local authorities, constrained by tight budgets, struggle to build and maintain flood defences that barely endure. Water companies battle an escalating water crisis, and insurance premiums soar as climate events become more frequent and severe.

We believe there is an opportunity for long-term asset owners such as pension funds to invest in landscape-level Nature-based solutions, focusing on river catchments, to address significant real-world risks, in high-value urban areas such as Glasgow or Manchester. Returns on investment are generated by engaging companies facing climate and Nature-related risks, offering them the opportunity to pay for Nature through Nature-as-a-Service (NaaS) contracts. These contracts act as long term offtake agreements. This commitment ensures sustained benefits, such as year-round flood risk reduction and improved water quality through natural filtration processes. Additionally, further returns

are realised through Biodiversity Net Gain (BNG) units and voluntary carbon credits.

Imagine transforming cities into thriving ecosystems where people live, work, and prosper in resilient environments. These Nature-based solutions are more than cost-saving measures; they represent a comprehensive approach to simultaneously addressing multiple climate-related threats. Investing in Nature can mitigate flooding, drought, water quality risk, biodiversity loss, and increase carbon sequestration. This approach creates resilient rural and urban environments that protect companies and communities.

Water management is at the core of our strategy, leveraging Nature as critical infrastructure to effectively manage water resources. Using natural landscapes to retain and release water to ensure steady supplies during dry spells and reduce flooding during heavy rains. Nature also filters pollutants and sediments, providing cleaner water for ecosystems and humans. Beyond these climate and Nature-related benefits, landscape-level restoration initiatives create a ripple effect, enhancing the local environment, boosting biodiversity and ecosystem health, and helping organisations meet their net-zero targets. These efforts generate green jobs, improve citizen well-being, and support the development of resilient economies and communities.

By investing in Nature as business-critical infrastructure, we can build a resilient and sustainable future in which people and the planet thrive.

Note: For simplification and ease of reading, figures and calculations have been rounded to whole numbers.



What action can you take?

The time to act is now. You can make an immediate and positive contribution to redirecting the flow of private capital to protect and restore Nature. Just take these simple steps.

- 1 - Revisit and update your investment beliefs to understand the sheer scale of biodiversity and Nature-based risks and opportunities.
- 2 - Speak to your consultants and asset managers to understand how biodiversity issues and Nature loss will affect your investment portfolio. Ask them how they are engaging to manage these impacts.
- 3 - View all investment projects from the perspective of future generations, rather than just the next quarter's results, or even a single lifetime.
- 4 - Consider investing in Nature as an asset class. Be part of the solution, not the problem.





Our manifesto: Nature means business

Nature and the services it provides are central to our way of life. However we don't value Nature in the way we value and invest in our transport links and electricity grids.

We take Nature for granted, treat it as a resource to be exploited, and don't pay for its losses.

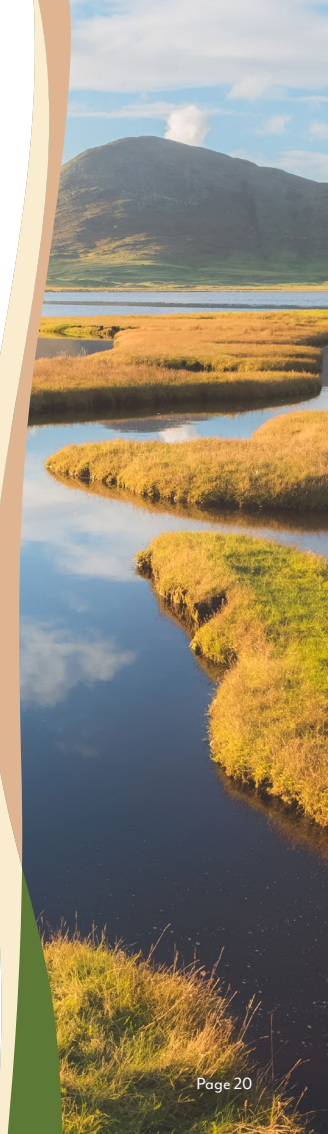
Climate and Nature-related risks are growing in frequency and severity, threatening cities, communities, and companies.

To change this downward trajectory, we need a large-scale, transformative solution built around the restoration of natural infrastructure.

For this to happen, Nature must be valued on par with traditional asset classes, where investment in Nature generates attractive financial returns and safeguards all our assets and infrastructure.

Nature is a key part of the solution. It offers real-world risk mitigation, reducing disruptions for cities, communities, and companies while addressing the UK's climate and Nature crises.

By financing Nature as business-critical infrastructure, we can align investment strategies with resilient systems and environmental prosperity to build a world worth living in.



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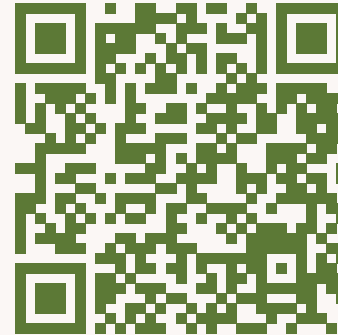


What is your view?

Thanks for reading our white paper! Please take our anonymous question survey by scanning the QR code below.

Your insights will help shape our collective approach to investing in Nature. Results will be shared on our website.

Scan. Share. Shape the future.



Lets connect

We're always eager to engage with those who share our passion for the earth. Whether you're looking for more information, have feedback to share, or see an opportunity to collaborate, we'd love to hear from you.

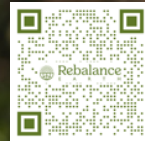


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