

# ESG REPORT



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## Chief Executive Officer's Statement



CEO Ricardo Gutierrez-Inostroza

Legacy Habitat Banks Ltd, founded in June 2022 has rapidly grown to become a prominent force in the UK's biodiversity restoration landscape.

Established with a bold mission to address the growing demand for Biodiversity Net Gain (BNG), Legacy Habitat Banks has set the standard for balancing ecological integrity with commercial viability.

The foundation of Legacy Habitat Banks is deeply rooted in ethical land management and a commitment to high-quality service for developers, landowners, and investors alike.

Our approach enables developers to not only meet the BNG requirements outlined in the Environment Act 2021 but also to go beyond mere compliance, contributing to long-term nature restoration and the enhancement of biodiversity.

By facilitating biodiversity units through our habitat banking model, we offer a financially sustainable solution that incentivizes investment in environmental stewardship.

From its inception, Legacy Habitat Banks has stood out as a pioneer in the industry, actively contributing to the development of best practices in habitat banking.

We take immense pride in our role in shaping the Biodiversity Net Gain market, working alongside policymakers, environmental groups, and corporate partners to create a sector that benefits both nature and society.

Our expertise, combined with our unwavering dedication to sustainable development, has positioned us at the forefront of this transformative movement.

**Our values, vision, and deep appreciation for the natural world are reflected in everything we do.**

Collaboration and partnerships are core to our philosophy—whether working with landowners to restore habitats, partnering with developers to ensure they meet biodiversity goals, or engaging with regulatory bodies to navigate the evolving landscape of environmental legislation. At Legacy Habitat Banks, we believe that these collaborative efforts are essential to creating lasting, measurable impacts on biodiversity and ecosystems.

**Our ambition is clear: to establish a meaningful legacy that positively influences the way land is managed and developed for generations to come.**

We are committed to driving the BNG agenda, helping stakeholders recognize the value of natural capital, and ensuring that habitat restoration is integral to every development project.

By creating sustainable, scalable solutions for both the public and private sectors, we aim to leave a lasting impact on the environment and on the communities that depend on it.

This sustainability report is a testament to our achievements, but more importantly, it is a reflection of our ongoing commitment to continuous improvement.

Our goal is to make habitat banking a cornerstone of sustainable development and to inspire others in the industry to adopt similar practices.

We hope that this report not only highlights our efforts but also inspires you to join us in our mission.

**By working together, we can create a future where economic growth and environmental preservation go hand in hand—a true legacy for nature, for business, and for future generations.**



Biodiversity Net Gain: A crucial response to the UK's declining wildlife, with one in six species at risk of extinction and 54% of flowering plants in decline



**Legacy Habitat Banks**  
BANKING THE FUTURE OF BIODIVERSITY



**ABOUT US:** our mission is to generate value for landowners while supporting sustainable regenerative farming practices, ensuring that Britain's farmers remain viable and productive. We aim to create a legacy for future generations by protecting nature and its vital ecosystem services.

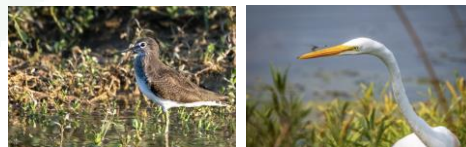
LHB operates habitat banks across the UK, providing the market with high-integrity Biodiversity Net Gain (BNG) units. Driven by a strong history in farm diversification, we work alongside farmers and land managers to transform underutilized and underperforming land into valuable natural capital assets.

## OUR STORY

Legacy Habitat Banks has a narrative as rich as the biodiversity it seeks to protect. Founded out of a family's profound love for nature and a commitment to making a meaningful impact, LHB has evolved from a humble family farm and farming diversification business into a respected leader in the industry.

Our journey began at **Helms Deep in Preston**, where the family took decisive action to remove their land from local shooting practices, creating a sanctuary for birds around the ponds. By ceasing the use of chemicals and fertilizers, they laid the groundwork for a flourishing ecosystem. Soon after, a woodland was established, featuring over **3,000 native trees**.

Surveys conducted on the site revealed a thriving community of wildlife, including over **32 species of birds** such as Lapwing, Curlew, and Oystercatchers, along with larger mammals like Muntjac and Roe deer. This land became a beacon of nature's resilience and diversity, inspiring neighboring landowners to seek our advice and support.



### A Commitment to Nature

In light of the **Environment Act 2021**, which mandates that the UK must halt the decline in species abundance and protect **30% of its land and sea for nature by 2030**, LHB is poised to make a significant impact.

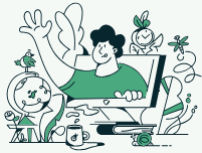
Currently, only **7% of land in England** is designated for nature conservation, with just over a third in good condition

Our work in habitat banking is crucial to addressing this shortfall and facilitating the restoration of natural habitats.

Through our initiatives, we are dedicated to helping landowners unlock the potential of their land for both ecological benefit and agricultural sustainability.

Together, we are building a future where farming and nature coexist harmoniously, ensuring that we leave a vibrant and thriving natural environment for generations to come.

**HOW WE OPERATE:** Driven by the company's history in farm diversification, LHB work side by side with farmers and land managers to bring forward underutilised and underperforming land as natural capital assets.



**ROBUST GOVERNANCE**  
We work with landowners via a partnership agreement and our habitat banks are governed under a S106 agreement or conservation covenant.



**THE BEST TALENT**  
We work with the very best ecologists to evaluate the ecological baselines and design habitat enhancements that are in line with the National Planning Policy Framework (NPPF) and the Local Nature Recovery Strategies.



**ALL THE LIABILITY**  
We manage the habitat bank for the lifetime of this agreement (30+ years). This includes all monitoring and reporting, ecological management and fund management.

## Following our values:



- ✓ There are always competing objectives for the use of land in the UK. As a small island **we must protect food security** whilst carefully managing our ecosystems services such as clean water and pollinator habitats.

It is for this reason that we very carefully evaluate the land that we bring into our management. Ensuring that it is low value agricultural land, unproductive and therefore not immediately of use to the food production system.

- ✓ LHB remains a privately owned company and not subject to outside influence on our equitable model or approach. We have always been, and will always remain, landowner-created, landowner-led.

**The landowner will always get the majority of project profits.**

**WHAT ESG MEANS TO US:** Environmental, Social, and Governance (ESG) principles are at the core of everything we do. ESG represents our commitment to creating a balance between sustainability, ethical practices, and long-term business success. ESG is not just a framework for us—it's a blueprint for building a sustainable future for both business and the environment.

## ENVIRONMENT

Environmentally, we strive to protect and restore natural ecosystems through our habitat banking initiatives, ensuring that biodiversity net gain (BNG) and natural capital preservation are integral to development projects.

In 2023, we will protect over 2000 acres of land for nature, forming impactful, industry-leading partnerships to support the development of best practices, all while committing to a pesticide, fertilizer, and peat-free approach.



## SOCIAL

Socially, we focus on creating positive impacts on local communities by supporting biodiversity projects that enhance mental health, education, and sustainable livelihoods.

Driven by the ethos of "by farmers for farmers," our commitment ensures that landowners receive the majority of project profits while prioritizing food security above all else—never adopting productive and viable Grade 1 agricultural land.

We aim to create a positive local impact by generating jobs for local communities, ensuring that we never pay below the living wage.

Our advocacy for equality, diversity, and inclusion is fundamental to our operations, underpinned by a robust anti-slavery policy and our dedication to a Zero Harm Policy that prioritizes the well-being of our people and the environment.

## GOVERNANCE

From a governance perspective, we are dedicated to maintaining transparency, accountability, and ethical decision-making in our operations, ensuring that our actions align with the highest standards of integrity.

Legacy Habitat Banks is governed by a board of industry experts who steer the direction of the business and its growth strategy. This board, which includes Non-Executive Directors, convenes quarterly to ensure alignment with our objectives.

To maintain transparency and accountability, our projects undergo third-party audits, and operational funds are safeguarded and managed by an independent authority, ensuring financial integrity and responsible governance.



**Governance:** LHB is backed by a distinguished board of experts, whose diverse backgrounds in entrepreneurship and deep-rooted passion for nature converge to drive innovative solutions addressing the pressing environmental and climate challenges we face today.

## The Board of Directors



Stephen Goldstein –  
Chairman

A Chartered Auctioneer and Surveyor who founded a commercial property firm, contributed to Birmingham's redevelopment and is passionate about private equity, inward investment in the West Midlands, and supporting children with special needs through charitable work.



Susan Gutierrez-  
Inostroza –  
Managing Director

A director with 25+ years of experience in sustainable business and agriculture sectors. With expertise in land and asset diversification, project management and natural capital strategy and investment

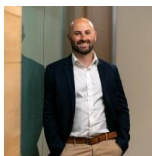


Mark Bonner –  
Director

Leverages a global funding network to successfully finance large-scale real estate, renewable energy, and infrastructure projects across Europe,

## Legal support

Legacy Habitat Banks are proudly supported by **Irwin Mitchell**, a multi-award-winning law firm with over a century of experience. Irwin Mitchell's lawyers go beyond problem-solving - they serve as long-term strategic advisors, offering open and honest legal support that aligns with the values of Legacy Habitat Banks. Their expertise and commitment to excellence ensure that our habitat banking efforts are underpinned by strong, strategic legal counsel.

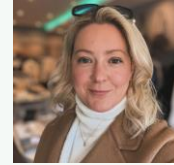


Sam Knight,  
Partner  
Irwin Mitchell LLP

*'Beginning from the ground up, we successfully establish fair and equitable Heads of Terms and contracts and were among the pioneers in drafting a comprehensive S106 agreement.'*

We created our Habitat Creation and Management Agreement (HCMA) which forms the basis of our equitable joint venture model. The HCMA has been produced to provide a contractual mechanism to allow private landowners to work jointly with LHB to create habitats and ensure they are effectively cultivated and monitored to deliver biodiversity net gain for development projects.

## Strategic guidance



Lucinda Lay,  
Non-exec director

We are absolutely thrilled to welcome Lucinda to the team. With over 15 years of leadership in sustainability and natural capital, Lucinda has been a transformative force in the evolution of the Biodiversity Net Gain (BNG) market.

Her extensive expertise and pioneering work come at a crucial time, as the Environment Act catapults BNG to the forefront of development and sustainability strategies across the UK.

Lucinda's understanding of the intricate balance between conservation and commercial viability makes her an invaluable addition to our mission.

Her previous collaboration with our team, particularly during her tenure as BNG Lead at CBRE UK, has already had a lasting impact. The wealth of knowledge and strategic insight she brings to the table will undoubtedly propel Legacy Habitat Banks to new heights as we continue to advance nature-positive solutions in development.

We are excited to have her onboard and look forward to achieving transformative milestones under her stewardship.

## Advancing habitat certification: Legacy Habitat Banks partners with Plantlife to develop and test a standard for biodiversity.



Plantlife's work focuses on four key areas: protecting and restoring nature, connecting people with the environment, building partnerships, and influencing change.

We worked with Plantlife to further develop and test a certification standard for habitat.

The testing process highlighted a number of areas we could improve on and we have since adapted our Habitat Plans.

Certification establishes clear, standardized criteria for assessing and managing natural capital, ensuring that biodiversity, ecosystem services, and habitat restoration are conducted according to best practices.

This guarantees consistency across projects, making it easier to measure and compare outcomes.

We will continue to champion and share best practice and standards within the natural capital market in 2024.



**Peter Dorans**  
Director  
Plantlife

“As new nature markets emerge, Plantlife is working to support landowners and managers to drive up standards of delivery in nature restoration and to assure buyers and investors of the integrity of their investment.

We were delighted that Legacy Habitat Banks agreed to be one of our pioneers, applying our new standard to management of one of their habitat banks and helping us to test an assessment and certification system.”



## Partnering with Harper Adams University to Drive Science-Based Innovation in Biodiversity Net Gain.



**Harper Adams University**

We are bridging the gap between academia and industry through our dynamic partnership with Harper Adams University, working to strengthen the science-driven knowledge base around Biodiversity Net Gain (BNG).

This collaboration is pivotal in aligning cutting-edge academic research with the practical needs of developers, land managers, and environmental bodies.

By leveraging the expertise of Harper Adams University's leading researchers in agricultural and environmental science, we can translate complex ecological data into actionable insights for real-world applications.

Our partnership is also focuses on fostering research that not only addresses BNG compliance but also develops innovative, sustainable solutions to long-term biodiversity challenges.

This includes investigating new methods for habitat creation, enhancing the effectiveness of biodiversity credits, and improving ecosystem services within development projects.



Through joint research, field trials, and knowledge exchange, we aim to ensure that the BNG market is underpinned by robust scientific evidence, delivering measurable ecological outcomes while supporting industry growth.

By integrating academic expertise with industry needs, we are not only enhancing best practices in BNG but also contributing to the development of new technologies and methodologies that will shape the future of habitat restoration and ecological management.

This partnership enables us to remain at the forefront of the natural capital market, ensuring that our solutions are both scientifically sound and commercially viable.

# Exploring the potential of Biodiversity Net Gain in peatlands: The Patchy Peat Solutions Project.

The Patchy Peat Solutions Project is setting a new benchmark for how we balance natural capital, ecosystem services, and food production. This exciting initiative explores how the rich but fragile peatland ecosystems can be preserved, restored, and monetized through Biodiversity Net Gain (BNG), all while maintaining viable agricultural operations.

The project focuses on six farm holdings, each representing different farming enterprises and intensities across a lowland peat landscape mosaic.

These farms offer a diverse testing ground to understand how sustainable land management practices can be applied to the delicate peat environments, ensuring that both biodiversity and agricultural productivity can coexist.

As a national provider of BNG Units and services, Legacy Habitat Banks plays a crucial role in analyzing and assessing the potential for Biodiversity Net Gain in this project.

Our work contributes to identifying opportunities where biodiversity units can support habitat restoration and conservation efforts, while also generating financial returns for landowners.

**The importance of this project cannot be overstated. Peatlands hold more than half of England's terrestrial carbon stores, making them a key player in the fight against climate change.**

In their natural state, peatlands trap carbon, improve ecosystems and biodiversity, enhance water quality, and even provide natural flood management. However, centuries of drainage for agricultural use have left only 13% of England's peatlands in near-natural condition, and in lowland areas, this figure drops to less than 1%.

When peatlands are degraded, they release their stored carbon into the atmosphere, primarily as carbon dioxide, contributing to global warming. The loss of soil and land subsidence further exacerbates the environmental issues.



## Innovative Partnerships – Introducing **STEMLIVE!** By Hi-Impact

We are excited to bring an innovative solution to the education system to bridge the stem skills gap and provide accessible inclusive education on sustainability and ecological preservation.

The UK currently faces a severe shortage in STEM skills, which costs the economy approximately £1.5 billion per year. The shortage is particularly evident in fields like environmental sciences, engineering, and technology, with an estimated 173,000 open positions in stem roles nationwide. This deficit, which limits progress in sustainability and technology, highlights the importance of early education in these fields.

Research shows that students from disadvantaged backgrounds and minority communities are less likely to pursue stem careers.

Hi-impact's stemlive! program addresses these issues by connecting over 250,000 students worldwide with live-streamed, interactive stem lessons, designed to spark curiosity and provide practical learning experiences in various scientific disciplines.

Legacy Habitat Banks and Hi-Impact are committed to enhancing accessibility to STEM

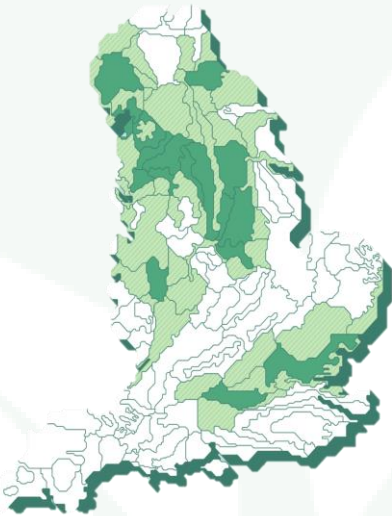
**stemlive! aims to reach one million students by 2025**, ensuring that stem education and sustainability awareness reach communities that need it the most.

This partnership reflects Legacy Habitat Banks' dedication to sustainable development through education. By investing in projects like stemlive!, we empower young people to become the scientists, policymakers, and environmental advocates needed for a sustainable future.

Through hands-on learning and access to role models, students gain the inspiration and skills required to drive positive environmental change, ensuring a resilient and sustainable world for generations to come.



Proudly protecting over 2000 acres for nature, in our first year of operation we have generated over 6000 BNG Units to support sustainable development



- **6000+ BNG units in bank & pipeline**
- **2000+ acres of land protected for nature**
- **17+ Local Planning Authorities supported**

Our future depends on protecting 30% of the planet's oceans, lands, and freshwaters by 2030 in the biggest conservation commitment the world has ever seen.



**Legacy Habitat Banks**  
BANKING THE FUTURE OF BIODIVERSITY

**LOOKING TO THE FUTURE:** We are committed to leading impactful initiatives that enhance biodiversity, promote sustainable land use, and support community well-being. Our strategic objectives focus on collaboration, conservation, and innovation.

**LEAD:** Legacy Habitat Banks will take a leadership role in **defining industry standards and best practices** for the management of habitat banks. By establishing guidelines based on empirical data and industry experience, we aim to ensure that habitat banks are managed to maximize biodiversity gains, maintain ecological integrity, and support the financial sustainability of biodiversity units. These best practices will not only guide our internal operations but will also serve as a blueprint for other market participants, driving up standards across the biodiversity net gain sector.

**COLLABORATE:** Legacy Habitat Banks will work closely with Local Planning Authorities (LPAs) to co-develop and implement Local Nature Recovery Strategies (LNRS) that are both actionable and sustainable. By collaborating with LPAs, we ensure that LNRS are aligned with local ecological needs while meeting regulatory requirements for Biodiversity Net Gain (BNG). Our involvement will include providing expert guidance on biodiversity restoration and sustainable land use practices, helping to integrate these strategies into broader local development plans. This collaboration aims to create nature-positive urban and rural landscapes, supporting long-term ecological recovery.

**PROTECT & ENHANCE:** We will secure and protect 3,000 acres of land dedicated to nature conservation. These areas will be managed to optimize habitat creation and restoration, ensuring they contribute to biodiversity targets while providing ecosystem services such as carbon sequestration, flood management, and wildlife corridors. This initiative represents a significant step toward increasing the UK's natural capital, demonstrating our leadership in expanding the national framework for biodiversity conservation.

We are dedicated to improving water quality by increasing the provision of watercourse units in habitat banks across the UK. By enhancing riparian zones and restoring natural waterways, we aim to significantly improve water filtration, nutrient cycling, and ecosystem function. This will result in cleaner, healthier water bodies that benefit local communities and wildlife. Our goal is to create measurable outcomes, contributing to the UK's Water Framework Directive targets and further aligning our projects with the broader goals of sustainable water management.

**SUPPORT:** Recognizing the intrinsic link between nature and mental health, we are excited to launch our **Nature for Mental Health (N4MH)** initiative, which will foster community engagement and establish charitable partnerships that align with our mission. This program will focus on creating access to natural spaces that can be used for **mental health therapies**, outdoor activities, and community engagement. We will also establish **charitable partnerships** with organizations that share our values of promoting both environmental conservation and mental well-being. By aligning with these partners, we aim to use nature as a tool for mental health support, enhancing the social impact of our conservation work while benefiting communities that interact with our projects.



## GET IN TOUCH

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