

Investing in nature:

Mobilising private finance
for environmental
recovery in the UK

October 2025



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Executive summary

From food and water, to climate regulation and flood protection, nature provides the essential services that underpin our economies, financial systems and day-to-day lives. However, accelerating degradation of natural systems and unprecedented declines in biodiversity are placing these foundations at risk. The science is clear: nature is deteriorating at an alarming rate, with more than one million species globally threatened with extinction¹ and significant declines in the UK's biodiversity since 1970².

This rapid deterioration poses concrete risks for the private sector, with more than half of global GDP³ and the majority of UK financial assets highly dependent on robust ecosystems⁴. Disruptions to these systems threaten business continuity, supply chains, and long-term economic growth.

As such, the private sector is not only exposed to the risks of nature loss, but also holds a pivotal role in the restoration and sustainable management of our natural world. Alongside targeted public funding, private sector investment will have an important role to play to deliver national and global nature restoration targets⁴.

Greater investment is needed in both conservation and restoration of ecosystems around the world. In this paper, however, we focus on why a comprehensive public policy framework is needed to **de-risk and attract private investment at scale in nature restoration in the UK** and set out some of the key components of this framework. In particular, we encourage UK policy makers to:

1. Continue to develop a comprehensive framework for nature linking global goals to domestic delivery plans and policy measures (page 10)

This should include developing and demonstrating alignment between a global framework/goal (the Kunming-Montreal Global Biodiversity Framework), national strategies (the UK's National Biodiversity Strategy and Action Plan), and domestic policy frameworks (the UK Environment Act). This alignment should also be clearly reflected in delivery plans (e.g. England's Environmental Improvement Plan) and subsequent policy measures.

A robust and joined-up framework for nature is crucial for private sector confidence and would enable businesses to better align their actions and investments with national goals.

2. Develop policy mechanisms to overcome market challenges to private sector investment in nature restoration (page 14)

This should include:

- **Strengthening carbon markets** both through continuing to gradually strengthen and broaden the scope of the UK Emissions Trading Scheme and improving the integrity of voluntary carbon markets.
- **Developing new compliance markets for nature** (building on the Biodiversity Net Gain Scheme) to create reliable revenue streams for a broader range of nature restoration activities.

- Making **targeted use of public investment to crowd in private capital** in nature restoration projects, with public support particularly focused in areas where robust revenue streams are currently lacking.
- Developing high integrity governance and technical standards to gradually **scale up voluntary nature markets** in line with the recommendations of the UK Nature Markets Dialogue Initiative.

These interventions would help to ensure that the market conditions are in place to enable and attract commercial investments in nature restoration, moving beyond the traditional model of public grants and charitable donations.

3. Take a lead in improving the availability of nature-related data and disclosures (page 18)

Clear, standardised and accessible data is crucial for effective decision making around capital allocation for nature restoration in the UK. This should include both:

- Improving the quality, standardisation and accessibility of UK **State of Nature data** to support private sector action and transparent monitoring of Environmental Improvement Plan (EIP) and Environment Act targets and goals.
- Developing standards and approaches to help global investors better understand **nature-related risks and opportunities**.



The importance of nature



Our society, economies and financial systems are embedded in nature, not external to it. We ultimately rely on nature for our essential needs, such as directly for food, water, energy and medicine, and its broader services such as climate regulation, flood management, water purification, functioning soils, and pollination.

There is no Net Zero without nature. Human activity in agriculture, forestry, and other land use alone contributes around one-quarter of global emissions⁵. In addition, nature-based solutions could contribute to over one-third of the cost-effective climate mitigation needed between now and 2030 to stabilise warming to below 2°C, while providing significant climate adaptation benefits such as flood protection⁶.

While intimately connected to the global response to the climate crisis, protecting and restoring nature is vital in its own right. The science is clear that nature is deteriorating globally, and biodiversity is declining faster than at any time in human history. Globally, one million of the world's estimated 8 million species of plants and animals are threatened with extinction⁷ and in the UK, species have declined by about 19% on average since 1970, with around 1 in 6 species now threatened with extinction².

This degradation of nature poses a range of potential risks that can have direct financial implications for businesses. All economic activity has dependencies on nature, and at the global level, it is estimated that more than half of global GDP is moderately or highly dependent on high-functioning biodiversity and ecosystem services⁸.

In the UK, approximately 56% of banks' and insurers' financial assets are highly dependent on ecosystem services. In addition, modelled estimates indicate that domestic and global sources of nature-related risk have the potential to reduce annual UK GDP by up to 6% by 2030⁹.

But where there is risk, there is opportunity. The conservation, restoration and sustainable management of nature can provide employment and growth opportunities. In the UK, companies providing nature mitigation, conservation and restoration services and activities generated over £2 billion in annual revenue and created over 20,000 jobs in 2024¹⁰.

Why nature is important to Aviva

Sustainability is integral to how we do business at Aviva, and protecting and restoring nature is a vital part of our longstanding commitment to sustainability¹¹. While intimately connected to the global response to the climate crisis, we recognise that the prosperity of our business, customers, and their communities rely on the health and resilience of nature and its biodiversity.

As the UK's leading diversified insurer, with businesses spanning insurance, wealth, and retirement, and with major operations in Ireland and Canada, our interface with nature varies across our business:

- As a global **investor**, we invest in firms and sectors that have varied degrees of nature reliance and are therefore potentially exposed to nature-related physical and transition risks. We can also invest in firms that are adopting practices to mitigate nature degradation, use reasonable efforts to influence investee companies and sovereigns to drive practices and actions for nature, as well as invest directly into nature (i.e. nature-based solutions) that, amongst other benefits, help to capture carbon and mitigate the effects of climate change (for more information see our 'Taking advantage of nature-related investment opportunities' case study on page 17).

- As an **insurer**, we face potential exposure to nature-related physical and transition risks, which may affect premiums, coverage, and frequency and severity of claims for those risks that we provide insurance for, and we can support real economy transformations and technology scaling to reduce pressures on nature through our underwriting and claims practices.
- Like other businesses, our own operations and supply chains impact on nature and rely on the reliable sourcing of goods and provision of services from nature, and we are therefore exposed to any disruption or losses stemming from nature degradation.

Given the whole-of-business relevance of nature, and to ensure we have most impact in this area, we have developed a Group-wide nature strategic framework as part of our 2024 Transition Plan¹².

Like for our Group climate ambitions, our ability to deliver on our Group nature ambitions* are ultimately be dependent on a range of external factors and dependencies. These include, but are not limited to, government policies, real economic transition, nature-related data, methodologies and frameworks, and actions by our investee companies, insurance customers, and supply chain. Addressing these dependencies requires collaboration and action from key stakeholders throughout the financial system.

For more information on our approach to nature, please see page 21.

*Please refer to page 18 of our Transition Plan¹².



Case study

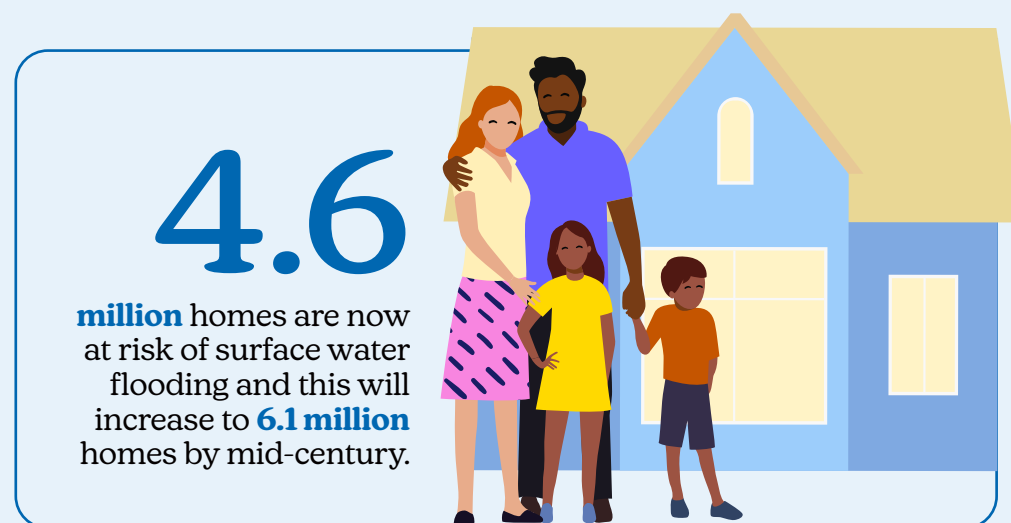
Utilising Natural Solutions to Enhance Flood Resilience

According to the Environment Agency, 4.6 million homes are now at risk of surface water flooding (a 43% increase from its previous assessment) and this will increase to 6.1 million homes by mid-century¹³. This heightened risk of flooding impacts insurance premiums and may influence the overall insurability of properties throughout the UK¹⁴.

Nature-based solutions (NbS) like natural flood management (NFM) and sustainable urban drainage systems (SUDS) can boost flood resilience and lower economic losses¹⁵. NFM alleviates the pressure by slowing the flow of water, giving communities precious time to prepare, lowers the flood peak and reduces the likelihood of water entering homes and businesses.

Aviva have worked with Trent Rivers Trust and WWF UK on upstream land to reduce flooding across the catchment of the River Soar, a major tributary to the River Trent in Leicestershire in the East Midlands. The project has delivered over 250 NFM features, creating 2850m³ of additional water storage upstream of Loughborough, increasing community resilience to flooding.

Modelling commissioned by the Trent Rivers Trust and supported by Aviva and WWF, found that NFM interventions, if delivered at scale across the River Soar catchment, could reduce average peak flow by between 17% - 28%. The modelled economic benefits found that wider soil management and run off attenuation features could generate significant savings (projected) of up to circa £20M per major event, if applied across half the Soar catchment¹⁶.



Please see [Aviva's Building Future Communities report](#)¹⁷ for more information on our calls for change to protect UK properties and communities from the current and future impacts of climate change.

The need to scale private finance for nature

As the degradation of natural resources continues to accelerate, financial flows allocated to the protection, restoration, and sustainable management of nature remains insufficient. In 2024, global financing for nature was estimated at approximately \$200 billion, with the majority originating from public sources¹⁸. Nevertheless, these levels fall significantly short of estimated annual needs of approximately \$1 trillion by 2030 globally, to adequately protect and restore nature¹⁸.

The importance of scaling both public and private finance was underscored in the Kunming-Montreal Global Biodiversity Framework (GBF) adopted by 196 countries including the UK in December 2022. In the New Biodiversity Finance Strategy adopted in Rome, governments agreed to increase investment in biodiversity from all sources to close the biodiversity finance gap¹⁹.

While it is widely recognised that targeted public funding will have an important role to play, to achieve the financing levels needed to achieve climate and nature targets, it is clear that a significant share of this investment will need to come from the private sector⁴. The UK government has recognised its role in helping to unlock and scale such nature finance, and has committed to support the mobilisation of £500 million of private finance for nature annually by 2027, rising to £1 billion annual investment by 2030²⁰.

The challenge for investors in financing nature restoration

Despite global and domestic commitments for greater financing, several barriers to private investment remain. As investors, we aim to deliver appropriate risk-adjusted returns to our customers. Nature restoration projects therefore need to offer risk adjusted returns that are similar – or better than – investment in other types of projects in order to be commercially viable for investors, while recognising that they also offer broader environmental benefits. As such, a key challenge limiting greater investment in nature

restoration is the absence of clear, predictable, and adequate revenue streams for these projects.

At present, valuation of investment opportunities does not differ substantially based on impacts on nature, as the value of protecting and restoring nature is not priced. This means that there is currently very limited revenue streams from NbS for purely nature outcomes, especially in the voluntary space. As such, returns on nature-restoration projects in the UK can, currently, potentially be generated in three ways:

- I. Through traditional real assets revenue streams such as land value appreciation and land-based commodities;
- II. Through credits from compliance or voluntary carbon markets; and
- III. In some limited circumstances, biodiversity credits where there is an existing compliance market for them, e.g. Biodiversity Net Gain (BNG).

Given that nature restoration is currently the most cost-effective and scalable carbon removal solution, current investments in nature-restoration projects within the UK are largely tied to point II above – providing revenue streams through the carbon removal benefits they provide within voluntary carbon markets. However, even in these cases where revenues in these projects are generated, these **revenues are not always sufficiently high** to make a strong case for private investment.

In addition, there are potential risks associated with many natural capital investments which limit investors' ability to invest at scale. These include **lack of data** to both monitor and demonstrate effectiveness, and significant **uncertainties in financial returns** and **long-term performance**.

Finally, many nature-restoration projects are **too small in scale** to attract significant levels of investment, since they require dedicating considerable resources to analyse each project and paying transaction costs for each. These projects are often a small part of wider investment portfolios and they make little difference to overall near-term performance; as such, it is hard for an asset manager to justify spending the necessary analytical resources.

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Policy that can mobilise private finance for nature

Protecting, restoring and sustainably managing nature in the UK will ultimately require the reforming and repurposing of private finance away from facilitating nature loss to supporting nature-positive outcomes. As such, government intervention is needed to help shape the market conditions needed to crowd in this private investment. This needs to go beyond the traditional grant model of public investment and focus on developing a more comprehensive policy framework to enable, encourage and de-risk private investment at scale.

We don't believe there is one silver bullet. Driving private investment in nature restoration is a complex issue and the solution will involve a number of different government interventions to drive demand and reduce market uncertainty and risk. This should include:

- I. A comprehensive public policy regulatory framework for nature.
- II. Approaches to overcome market challenges in nature restoration investment, including:
 - A. Strengthening carbon markets.
 - B. Introduce policy drivers that help create revenue streams for a broader range of nature restoration benefits and scale nature markets.
 - C. Public investment and support to crowd in private investment.
 - D. Improving the integrity of, and developing robust governance for, voluntary nature markets (VNMs).
- III. Improving nature-related data and disclosures.

I. A comprehensive public policy regulatory framework for nature: the foundation for attracting private investment in the long-term

A robust, holistic policy and regulatory framework is fundamental to supporting the protection and restoration of nature and the delivery of net zero. When governments set clear objectives and incorporate these into relevant policy mechanisms, strategies, and departmental duties, it sends clear and consistent signals to the private sector and enables them to align their strategies accordingly. A comprehensive public policy framework should include the following elements, with several of these having progressed over the last year:

- **Linking global targets with national policy objectives:** Ensuring that the UK has an ambitious National Biodiversity Strategy and Action Plan (NBSAP) in place that fully aligns with the goals of the GBF and which includes the detail needed to drive implementation*. This includes outlining how relevant legislation will be strengthened, clarifying delivery plans and ensuring appropriate governance to monitor the effectiveness of policy on the ground.
- **Developing a comprehensive domestic policy and regulatory framework:** Ensuring that the goals of the NBSAP are reflected and embedded in relevant domestic policy and regulatory frameworks. This includes strengthening the Environment Act and its suite of nature restoration targets and continuing work to improve the EIP and relevant policy mechanisms (e.g. BNG) to attract investment to deliver these targets. Establishing clear nature restoration objectives for key economic sectors, underpinned by nature-positive sectoral pathways, will help to provide clarity to the private sector on its role in delivering national goals.

* While the publication of the UK's recent NBSAP is a welcome first step, greater policy clarity on how ambitions will be delivered is essential to enable private finance to support a whole-economy transition.

- **Embedding nature across Government strategies and ensuring full alignment with the climate agenda:** Ensuring nature restoration objectives are embedded into all relevant national policy and strategies and there is full alignment between climate and nature goals across these strategies. Some of the key strategies include the UK's Nationally Determined Contribution (NDC) and Net Zero Strategy / Carbon Budget Delivery Plan, the UK's planning strategy (such as the National Planning Policy Framework, National Policy Statements and ongoing reforms), the forthcoming Land Use Framework, National Adaptation Plan and flood risk strategies, Infrastructure Strategy, Industrial Strategy, Clean Energy Action Plan, and Food Strategy. In addition to policy coherence, there is a need for consistent messaging across government and a whole-of-government approach to policy design and implementation.

Policy view

National sectoral pathways to guide private investment and action

The development of nature-positive pathways, together with net zero pathways, could provide much needed clarity on how different economic sectors are expected to transition to protect and restore nature.

National Nature-Positive Sectoral Pathways are national strategies that could guide policymakers and the private sector on how different economic sectors should contribute towards the GBF targets and the country's NBSAP – by 2030 and beyond²¹. These pathways could lead to greater alignment of financial flows with nature-positive outcomes and increase the active role the private sector can play in contributing to the nature-positive transition.

We welcome the government's commitment to developing these pathways and hope that this leads to the development of a more coherent policy framework across sectors. This would in turn provide the private sector with confidence to invest in research and development to drive innovation and new commercial opportunities that will be unlocked through the transition. You can read more about the need for nature-positive sectoral pathways including an illustrative pathway for the agricultural sector in WWF and Aviva's joint report²¹.

Policy view

A Land Use Framework to guide nature restoration

We support the introduction of a coordinated Land Use Framework with tangible nature restoration objectives for each key sector of the economy. Together with a comprehensive set of supportive policies on nature restoration, the Framework should help provide investors with clarity on the investment needs, specific project opportunities and available market mechanisms to invest in nature restoration at scale.

For the Framework to be beneficial to the investment community, it should include clear guidance on where land is particularly suitable to different types of nature restoration investments (soil restoration, woodland creation or replanting, wetland and saltmarsh restoration, etc.) and where may be appropriate for conversion out of agriculture or for multi-use. It should be informed by sectoral nature-positive and net zero pathways and be fully and transparently aligned with existing government targets (as set out in the Environment Act and the EIP) and strategies (such as the upcoming Strategic Spatial Energy Plan, the Food Strategy, flood risk strategies and others).

It is important that the Framework is not seen as optional guidance and rather has clear influence on policy making and investment decision making.



Policy view

Revising flood spending to boost investment in nature-based solutions

We believe that NbS are significantly under-represented in the current flood spending formula and welcome the changes the Government has proposed so that it can play a fuller part in the UK's flood resilience strategy. Under the old formula only £25m was allocated to green and £5bn to grey flood resilience assets²². The Government has recognised that balance is not a reflection of how cost effective NBS can be when used as a hybrid solution nor the multiple co-benefits it would bring (for nature) as part of the UK's flood resilience strategy for the future (see 'Utilising Natural Solutions to Enhance Flood Resilience' case study on page 6).

We welcome the design of the new formula as we agree it will result in the flexibility to fund more NFM and SuDs measures. They are an essential part of a co-ordinated approach to improving UK flood resilience. A common value framework is also needed for NFM to drive enhanced private investment into it. The Government can help potential investors deliver this enabling framework.

Our work with the Trent Rivers Trust and others has however shown that there are a number of other barriers to NFM projects that should be tackled at the same time as reforming the funding formula. Chief amongst these is a lack of financial support for private landowners to agree to NFM. As such we would encourage Government to consider:

- Increased financial incentives for good soil health, integrated into NFM schemes, using the SFI scheme or a direct payment from the FCERM budget.
- Strengthened mechanisms to identify and prioritise catchments to bring forward NFM projects to benefit at-risk communities.

Please see [Aviva's Building Future Communities report](#)¹⁷ for more information on our calls for change to protect UK properties and communities from the current and future impacts of climate change.



II. Approaches to overcome market challenges in nature restoration investment

Reliable returns for nature investment will become possible through a number of different government interventions to drive demand and reduce market uncertainty and risk, including:

A. Strengthening carbon markets

As a key vehicle for investment in nature, the development and scaling of voluntary carbon markets can help to channel greater private finance to nature restoration, as companies outside of the UK ETS and other mandatory schemes seek high-integrity emissions offsets to meet their climate goals. However, in order for voluntary carbon markets to have the desired impact, market rules and governance must meet high integrity, transparency, and governance standards.

In addition, broadening the scope of the UK ETS and reforms to strengthen carbon pricing – making it sufficiently high and predictable – could help to channel investment into nature restoration projects. As is being considered in other jurisdictions, the inclusion of high-integrity native woodland creation under the UK ETS up to a particular cap, having regard to compatibility with the EU Emissions Trading Scheme and the offsetting requirements of different sectors²³. The inclusion of these projects should be done in a way that does not dilute the price signal under the UK ETS for long-term engineered removal solutions that are likely to be needed to address long-term residual emissions in sectors like aviation.

The agreement between the European Commission and UK Government to link the UK and EU ETS could have an important role to play in creating a larger and more liquid carbon market with a more predictable and stronger carbon price. It will be important for the private sector, including investors, to have visibility on a clear timetable to achieve linkage between both schemes. We also note that the EU are considering including GGRs within the scope of the EU ETS. Co-operation between

the UK and the EU on this issue would ensure alignment in approach and provide more long-term certainty to the market.

B. Introduce policy drivers that help create revenue streams for a broader range of nature restoration benefits and scale nature markets

As noted above, carbon revenue streams constitute the main established revenue source for nature restoration projects to date in the UK, but these revenue streams can be unpredictable and insufficiently high. In addition to strengthening carbon pricing signals, there is therefore scope for Government policy to help create a range of compliance nature markets through regulatory tools, building on the nature and biodiversity targets and policies developed under the Environment Act 2021 and associated EIP. BNG is an example of such a compliance market which could attract growing levels of private sector investment over time in biodiversity improvements (see case study on next page). Policy makers could help create similar markets to deliver other types of environmental benefits (e.g. restored wetlands and improved soil and water quality) and climate adaptation benefits.

Developing new compliance nature markets could be achieved through the introduction of regulatory targets and supporting incentives under the umbrella of the Environment Act 2021 and the refreshed EIP, in a similar way to what was done with the introduction of the recent BNG requirement. As with all policy mechanisms, careful consideration of implementation is key to success. For example, to ensure success of the BNG scheme, there must be robust criteria in place as to what constitutes a “high quality, high integrity” project, as well as adequate resourcing to local authorities and forestry commissions to ensure successful implementation of the new requirements. These policy levers can help to build compliance nature markets, providing an innovative solution to mobilise private investment to support nature conservation and restoration efforts.

Policy view

The importance of Biodiversity Net Gain

We believe that policy goals relating to economic growth and restoring and improving the state of nature do not need to be in conflict with one another, and that policy measures can help the market to deliver both objectives.

We believe that important habitats and species should be protected and conserved and that new developments should leave nature in a measurably better state than before development took place.

Policies such as Biodiversity Net Gain (BNG), a mandatory approach to planning development in England that requires developers to achieve a minimum 10% increase in biodiversity after a development is complete, can support sustainable development and deliver a pipeline of commercially viable biodiversity and nature improvement projects. This is important to contribute to the UK's legally binding Environment Act 2021 targets for biodiversity, and to provide wider benefits for climate change adaptation and mitigation.

We welcome the government's ambition to ensure the BNG framework is simple and proportionate for developers whilst delivering on its potential for nature. We support efforts to simplify the compliance process for certain developments; however, we believe that any amendments to simplify processes ensure that the following objectives continue to be met:

1. Tangible biodiversity gains are delivered through these developments: Rules should be streamlined where possible but not to a point that measurable biodiversity gains are compromised.
2. The framework is effective at crowding in private finance to support nature improvement and restoration: BNG has the potential to generate predictable demand growth and therefore returns from nature-based projects, thereby attracting private investors towards projects that can deliver a wide range of environmental, societal and economic benefits e.g. flood resilience.
3. The mitigation hierarchy is upheld: Onsite delivery can provide critical ecological connectivity, and place-based value, and is a more accurate embodiment of the principles of the mitigation hierarchy. Therefore, we believe that government guidance should continue to encourage onsite solutions in the first instance where they are environmentally, technically and economically viable.



C. Public sector investment and support to crowd in private investment

Public sector investment and interventions play a crucial role in de-risking and directing financial flows toward nature restoration; however, to achieve optimal results, it should be strategically targeted and help to de-risk and mobilise private sector investment. In many cases, public investment is most effective if it is focused on delivering nature restoration benefits that do not currently have a revenue stream attached to them. This can help crowd in private investment in nature-restoration projects, where private investors investing in those benefits have revenue streams attached to them (e.g. carbon credits) and public investment focusing on other public benefits that do not yet generate a revenue stream (e.g. climate adaptation benefits, biodiversity enhancements etc). This can be done, for example, through careful project finance structuring as well as support to de-risk investment such as concessionary finance, guarantees and solutions such as an aggregation platform to achieve risk diversification.

Defra's Landscape Recovery Programme is a worked and promising example of this in practice, with two of the first projects now moving into the delivery phase. One particular project benefiting from this funding is Boothby Wildland, is a large-scale nature recovery project near Grantham in Lincolnshire. Boothby has been gradually retreating from arable farming and preparing to let nature take the lead²⁴.

D. Improving the integrity of, and developing robust governance for, voluntary nature markets

Building voluntary markets (driven by firms seeking to achieve nature and climate ambitions or fund projects that will bring them direct commercial benefits) may also help to support greater investment in nature. However, it is vital that these markets are based on high integrity criteria and structures, in order to reduce market risks and improve price stability, and ultimately ensure that they are well-functioning, deliver designed outcomes, and have sustained demand from investors.

In order for these markets to scale, a number of foundational elements would also need to be addressed by government, regulators and/or standard-setters:

- Introduction of a governance framework for voluntary nature markets in line with the recommendations of the UK Nature Markets Dialogue Initiative;
- Endorse high-integrity methodologies (e.g. BSI standards) and more technical standards specific to projects being pursued, ensuring sufficient detail to assess the additionality of different type of nature restoration projects (Project Integrity) and to precisely measure the scale of environmental benefits from each project (Credit Integrity)²⁵;
- Clear industry guidance and/or legal framework governing investment standards for projects, credit ownership, and the bundling and stacking of different benefits (to ensure – where appropriate – potential for greater revenue and avoid double counting of environmental benefits); and
- Clear market rules to ensure compliance with standards, with a clear regulatory body or recognised third party enforcing these rules and standards.

Case study

Investing in Nature Restoration

Aviva has contributed to one of the largest seed funding rounds in the nature restoration sector by investing in Nattergal.

Nattergal was established to become a world-leading Nature restoration company, working to prove that nature is an investable asset class that can generate sustainable financial returns as well as vital benefits for society. Nattergal buys or manages large areas of ecologically degraded land and seascapes across the UK & Europe to recover biodiversity and bring about functioning natural processes, the benefits of which can then be sold in voluntary and statutory natural capital markets.

Aviva's investment comes via its corporate venture capital fund, Aviva Ventures (part of Aviva Investors), which is focused on delivering returns through investments linked to innovative solutions. The seed funding round has enabled Nattergal to acquire three sites, including Boothby Wildland in Lincolnshire, High Fen in Norfolk and Harold's Park Wildland in Essex, where interventions to kick-start Natural processes have already begun.

This collaboration represents an important step towards leveraging private finance to tackle the UK's nature crisis and deliver benefits to local communities, reflecting Aviva's commitment to sustainability and Nattergal's ambition to make nature an investable asset class.

Taking advantage of nature-related investment opportunities

As a global asset manager, Aviva Investors recognises the significant investment risks and opportunities that derive from our portfolios' interactions with nature.

Investors who are engaged with, understand, and can identify nature-related risks and opportunities are better positioned to make investments that are focussed on harnessing nature to enhance resilience and adaptability. Aviva Investors believe this can ultimately contribute to long-term profitability and growth for investors. Additionally, direct investment into nature-based solutions projects that aim to enhance biodiversity and deliver social outcomes, alongside carbon sequestration, has the potential to provide attractive returns whilst tackling key sustainability issues.

Aviva Investors' Natural Capital Global Equity Fund²⁶ strategy continues to aim for sustainable outcomes by supporting companies that help reduce human impacts on nature. We are also investing in nature-based solutions that deliver carbon removals and broader environmental benefits through Aviva Investors' Climate Transition Real Assets²⁷ and Carbon Removal Funds²⁸.

The Carbon Removal Fund provides investors with access to afforestation and restoration projects across areas of peatland and mangroves, as well as commercial forestry, venture capital and private equity-based nature tech, and alternative carbon removal companies. In addition to carbon benefits, the Fund seeks assets that provide co-benefits such as biodiversity enhancement, species protection and reintroduction, improved water quality, employment and public access.

III. Improving access to nature-related data and ensuring reliable nature-related reporting

In addition to the market interventions above, it is important that there is a holistic policy approach to the delivery of climate and nature targets to provide clear and coherent policy direction to the private sector and support firm-level actions and investment decision-making.

Aside from increasing the pipeline of investible projects, improving the availability of high-quality nature-related data and reporting would help financial institutions build their understanding and assessment of nature-related issues. We see benefit in improving the quality, standardisation and accessibility of UK State of Nature data to support private sector action and monitoring of EIP and Environment Act targets and goals.

At the global level, the creation of a global nature-related public data facility²⁹ has the potential to scale the availability and quality of nature-related data. As high quality, easily accessible nature-related data would be a global public good, there is the opportunity for the UK to take a leading role in its development which needs to be informed by public, private and civil society stakeholders.

There is also a need to ensure consistent, comparable, and reliable nature-related disclosure requirements across jurisdictions, to enable global investors to better understand material nature-related risks and opportunities. Ensuring that nature-related corporate reporting requirements, like any sustainability-related disclosure, are standardised globally is vital to avoid fragmentation and support their usefulness in terms of decision-making. It is therefore encouraging that the International Sustainability Standards Board (ISSB) are looking at relevant initiatives, such as the TNFD, to inform the global sustainability reporting baseline to ensure any requirements in this space meet the information needs of investors.



Case study

An integrated approach to our climate ambition

We believe that achieving a global transition to Net Zero requires an integrated approach. This means an inclusive transition to a low-carbon, climate-resilient and nature-positive world. We intend to increasingly focus our efforts on supporting such an integrated transition.

This will be achieved through building out strategic approaches to nature, adaptation and Just Transition issues, and increasing our understanding of the potential trade-offs and synergies of actions associated with these issues and Net Zero.

On nature, key activities such as undertaking a Group-wide nature risk and opportunity assessment will set the foundations for our new strategic approach, alongside delivering internal education and training and embedding nature into planning, governance, and risk appetite considerations.

In February 2025, we released our second Transition Plan¹², which for the first time has aimed to integrate considerations of the climate-nature nexus. As industry best practice develops further, we will continue to advance the integration of our climate and nature strategies.



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In 2021, we were one of the first global insurance businesses to publish a Biodiversity Policy covering our investment, insurance, and direct operations. We have made progress against actions we originally set out in our Policy, as nature-related data, tools, methodologies, and frameworks have continued to evolve.

For us to have the most impact in this area, we have developed and are implementing a Group-wide nature strategic framework, which consists of a range of group wide and business area- specific activities and actions on nature¹².

Aviva's work on nature includes:

- Identifying and assessing nature-related issues, through an initial high-level deforestation exposure review (undertaken in 2022), and a group-wide nature-related dependencies, impacts, risks and opportunities (DIRO) exposure assessment of our investments, underwriting and operations (ongoing).
- Developing nature-related investment strategies and funds, which includes existing Aviva Investor's Natural Capital Global Equity strategy²⁶, Climate Transition Real Asset Fund²⁷, and recently launched Carbon Removal Fund²⁸.
- Making commercial investments into nature restoration, through becoming a key institutional investor of Nattergal, a UK-based firm pioneering the commercialisation of nature restoration.
- Engagement with investment portfolio companies and sovereigns (as relevant) on nature. More information on all nature engagements can be found in Aviva Investors' [Navigating Nature report](#)³⁰.

- Funding nature-based projects across the UK, Ireland, and Canada, with an initial £87 million pledged to partnership projects supporting the restoration of native rainforests, saltmarshes, and grasslands.
- Engaging in nature-related policy advocacy and collaborating with partners and industry peers, such as the Glasgow Financial Alliance for Net Zero, Finance for Biodiversity Foundation, UNEP FI Principles for Sustainable Insurance and the UK Business & Biodiversity Forum.
- Increasing awareness and impact across our communities, through our Wild Aviva programme and co-launching the Save our Wild Isles Community Fund.

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