

Nature & Biodiversity Strategy

Milton Park, Oxfordshire

Real Estate, Private Markets

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Contents

This document outlines our nature and biodiversity strategy for all new developments, major refurbishments and operational assets in our real estate portfolio. This includes our strategy objectives, targets and how we will measure progress.

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Introduction

Nature¹ captures all living things on earth, as well as all inanimate components such as the climate, water and geology. Biodiversity² is specifically the diversity of life on earth at all levels, including genetic, species and ecosystem variation.³

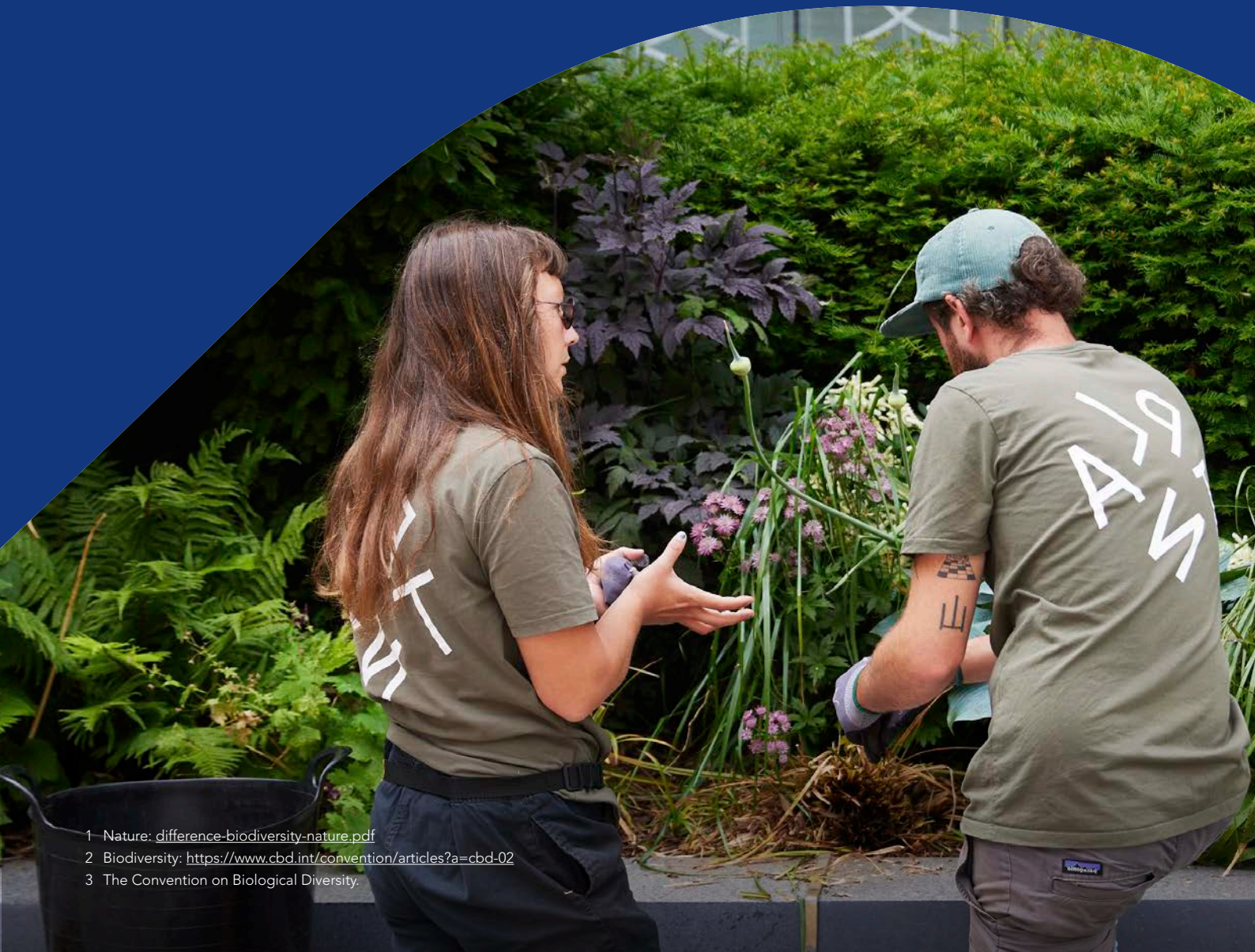
Biodiversity is an important factor in the provision of ecosystem services, the direct and indirect contributions of ecosystems to human wellbeing such as the provision of water and clean air. These services are crucial in our day-to-day existence, health, and well-being. They also impact our ability to adapt to the impacts of climate change and in solving other unprecedented contemporary issues such as air quality, noise pollution, urban heat island effect, flood risk and rising rates of mental health issues.

Climate change, nature and biodiversity loss are closely interlinked. Climate change is one of the key drivers of biodiversity loss. On the other hand, nature and biodiversity loss – for example, degradation of ecosystems such as the oceans, forests and peatlands which act as natural carbon sinks – contribute to climate change.

Built environments face unprecedented challenges due to nature loss and climate change, which will become progressively more severe over coming decades. As such, it is vital to prioritise nature's role when designing, building, and managing both new and existing assets. Careful consideration of the impact of Real Estate on biodiversity is essential to mitigate environmental degradation and to preserve long-term asset value and resilience.

Biodiversity loss directly affects the functionality and desirability of real estate assets. Declining ecosystem services such as flood regulation and air purification can lead to increased operational costs, reduced tenant satisfaction, and heightened physical risks. Moreover, assets located in areas of ecological degradation may face regulatory constraints, reputational risks, and diminished investor appeal.

Creating and managing places gives us a great opportunity to enhance nature to not only benefit the environment but occupiers and visitors engaging with the place. Our strategy is centred around green infrastructure and genuinely improve people's health and wellbeing. All decision making will be collaborative and involve nature and biodiversity experts to target the local needs of the place.



1 Nature: [difference-biodiversity-nature.pdf](https://www.cbd.int/press/releases/2019/01/20190120-nature.pdf)

2 Biodiversity: <https://www.cbd.int/convention/articles?a=cbd-02>

3 The Convention on Biological Diversity.

Strategy

Overview

Our approach to nature and biodiversity centres around creating genuine impact for people and the environment.

Within our strategy, we have a series of high-level commitments which inform our strategy development under three pillars: Social Impact, Connected Approach and Nature Positive. This new strategy sits under the pillar 'Nature Positive', which includes commitments on Climate Resilience, Enhancing Biodiversity and Embedding Circularity. We also recognise the significant link that nature and biodiversity have to all other areas of sustainability, in particular Social Impact and Climate Resilience. We therefore need to integrate consideration of nature and biodiversity throughout our investment and asset management activities.

Developing the strategy involved a series of workshops and site visits to determine our baseline biodiversity and ecosystem service value and discuss our ambitions and opportunities for the portfolio. Representative operational assets were assessed, and Biodiversity Action Plans (BAPs) were produced.

The Biodiversity Action Plans consider the current site value, opportunities on site, ecosystem service provision needs and existing ecological receptors. BAPs also consider the site context, opportunities for connectivity to wider green network, local priority species, habitats, and biodiversity and ecosystems service policy priorities.

Strategy Objectives

Our strategy is structured around three primary objectives which reflect three key themes.

Theme	Objective
1 Green Infrastructure	All new developments and management of existing assets will result in quantifiable biodiversity net gains and targeted improvements for key species. We will implement evidence-based management and enhancement actions which feed into the wider green infrastructure network of the surrounding areas.
2 Actively engage with nature	The health and well-being of individuals passing through, working or living within the assets will be improved with active engagement with nature encouraged.
3 Integrate climate resilience and ecosystem service provision	Decision making will have nature-based solutions at its heart. Ecosystem service provision will be increased, with targeted interventions informed by gaps and opportunities identified by the asset baseline review.

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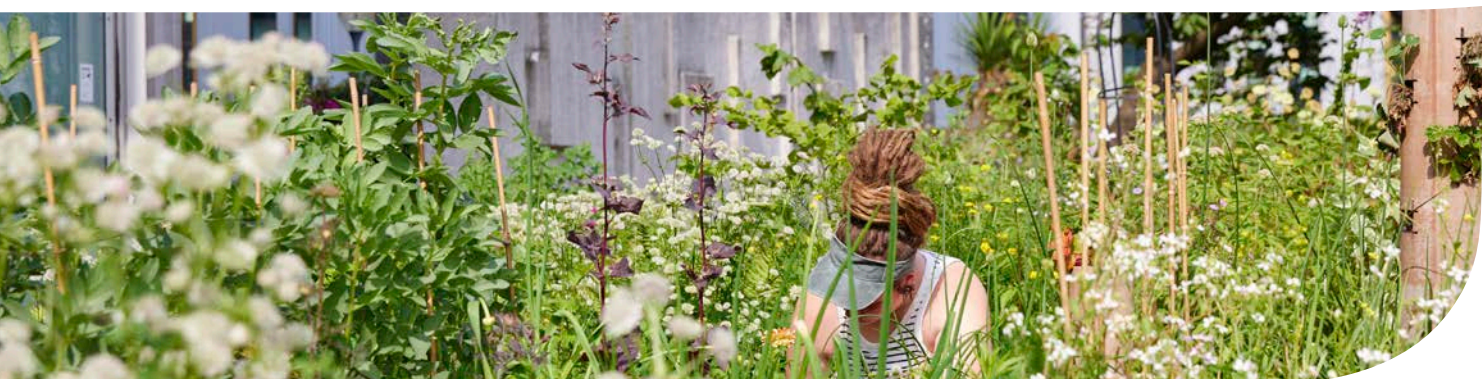
This strategy outlines priorities for biodiversity and ecosystem services, setting broad aspirations for improvements and the delivery of overall measurable biodiversity-led Environmental Net Gains.

Greengage worked with Federated Hermes to identify their baseline biodiversity and ecosystem service baseline value and opportunities. This has involved remote and on the ground site survey to provide a verifiable baseline against which to measure progress, ensuring an evidence-based approach.

National, regional and local biodiversity policy and wider corporate sustainability objectives, as well as existing site needs, have informed the approach and setting of quantitative targets.

This creates a strategy that goes beyond basic planning requirements, that is at the forefront of innovative biodiversity strategy creation, encompassing emerging ideas and policy priorities with regards ecosystem service provision, health and wellbeing, climate resilience and provision for priorities habitat, via the enhancement and creation of greening on site.

**Rosie Lodge, Principal Nature Consultant,
Greengage Environmental**



Target setting

New Development Targets

The targets for measurable uplift in biodiversity and ecosystems service provision have been set for new developments. This is based on a defined uplift over the pre-development baseline.

Biodiversity uplift

A biodiversity value uplift target has been set, to be applicable to all new development sites subject to planning application.

Sites are to achieve a **20% Biodiversity Net Gain (BNG)** over pre-development conditions or exceedance of local policy targets if higher, as measured via the Defra Metric for Biodiversity Net Gain.

Ecosystem service provision

An ecosystem service provision target has also been set to be applicable to all new development sites subject to planning application.

Sites are to achieve **measurable uplift in ecosystem service provision**, as measured using the Environmental Benefits from Nature (EBN) tool.

Core Biodiversity Requirements

Overall success in meeting all three objectives for a new development will be achieved through the application of our new Core Biodiversity Requirements (CBRs). CBRs will be integrated as part of the design process. A complete list of Core Biodiversity Requirements can be found in [Appendix 1](#).

Operational Asset Targets

The target which is applied is dependent on baseline condition* of the operational asset:

Sites nearing a '0' unit baseline (baseline biodiversity unit value of 1 or less), such as dense urban sites, to target an uplift of **0.5 biodiversity units per hectare** over the 2023 baseline.

Sites with existing greening (baseline biodiversity unit value greater than 1) to achieve a **5% BNG** over pre-development conditions or exceedance of local policy targets if higher.

Notes:

- Target is based on an uplift from the baseline value, established in spring/summer of 2023.
- *Baseline condition is assessed using the Defra Metric for Biodiversity Net Gain (BNG).
- Reference for more information on the BNG metric: [Calculate biodiversity value with the statutory biodiversity metric - GOV.UK](#)
- Directly managed assets only, excluding FRIs (Full Repairing and Insuring leases).
- Uplift target dependant on feasibility and commercial viability.

Measuring our progress

Success in achieving uplifts for biodiversity and ecosystem service provision are measured via the Defra Metric for Biodiversity Net Gain (BNG) and the Environmental Benefits of Nature (EBN) tool, which measure a value uplift over baseline site conditions.

Implementation of the strategy on our developments will be tracked through our internal Design Innovation Standard (DIS), which states and tracks all our commitments for every project type. For operational buildings, collaboration with our property management teams and landscaping teams will be essential to create genuine impact and meet our objectives and targets.

Reporting

We are working through the TNFD guidance and Leap assessment process to assess our risks and sites near biodiversity sensitive areas. Over time, we are working to improve this reporting in line with the TNFD Framework.

New landscaping contractor guidelines

Our landscaping contractor guidelines have been updated to align with our new strategy. The guidelines provide small, manageable, cost-effective actions and maintenance activities which can be undertaken and upheld by landscape contractors. The guidance covers topics such as carbon management, circular economy, and climate resilience. When put into effect, these guidelines stand to provide far reaching and positive benefits for biodiversity and ecosystem service provision on site, thereby contributing to the achievement of our biodiversity strategy objectives.



Case study



Integrating nature into placemaking at NOMA, Manchester

Launched in 2022, Plant is a multi-award-winning gardening initiative rooted in the heart of NOMA. Its mission is to inspire a new generation of urban gardeners while boosting biodiversity, strengthening social connections, and supporting mental wellbeing across the city.

Through weekly volunteer sessions, apprenticeship programmes, gardening clubs, and school workshops, Plant's team of skilled gardeners collaborates with residents, businesses, and charities. Together, they cultivate hands-on gardening experiences that connect people to nature and create a distinctive sense of place within the NOMA neighbourhood.

Through strategic partnerships with The National Trust, RHS (Royal Horticultural Society), Manchester Metropolitan University, the WFGA, and The King's Trust, Plant has deepened its impact across the neighbourhood.

Together, they have delivered:

- Over **2,000 hours** of community volunteer gardening
- Engaged **thousands** of local children and young people in nature-based learning
- Introduced **hundreds** of new plant and tree species
- Supported green skills development by training **two** accredited apprentice gardeners
- Created **five** full-time jobs for residents

In a pioneering move for urban greenspace management, Plant Co-operative has adopted nature-friendly gardening practices that prioritise biodiversity and environmental health. As a result, **NOMA has become one of the first city centre developments in Manchester to eliminate the use of chemical inputs** such as herbicides and pesticides.

A Biodiversity Net Gain (BNG) assessment conducted in 2023, just one year after the project began recorded a **remarkable 54% increase in biodiversity** across the NOMA estate. This rapid progress reflects the success of nature-first practices embedded in the site's transformation.

In 2024, the Plant team made a groundbreaking discovery: *Chrysopilus laetus*, a red-listed species, was found thriving in the NOMA gardens, the first recorded sighting of this species in the county. That same year, the gardens received regional and national recognition, earning the RHS North West 'Gardening for Wildlife' award and the prestigious RHS 'Best Neighbourhood' award.

Originally launched as a three-year project within the NOMA neighbourhood, Plant has flourished into a thriving initiative that now extends well beyond its original boundaries. In 2023, this growth was formalised with the creation of Plant as a Co-operative Community Interest Company (CIC), marking an exciting new chapter in its mission to connect people, place, and nature through community-led greening.

“Gardening brings communities together, attracting everyone from retirees to young people, new parents to professionals seeking out connection and a break from remote working. The urban environment is uniquely positioned to engage all these diverse groups. The beautiful gardens here at NOMA are a testament to what can happen when you put community at the centre of placemaking, a vision of what the future of our cities could look like.

– Andy Farrington, Project Lead, Plant Co-operative CIC

Real Estate Debt

For our Real Estate Debt portfolio, our materiality assessment indicated that specific targets are challenging to set. Therefore, we are focusing on ways that we can influence. Loan terms are typically shorter than hold periods and we are not the owners of the properties and therefore not directly managing the biodiversity strategy.

Moving forward, we will be increasing engagement with borrowers on this topic to drive implementation on nature and biodiversity on the properties and surrounding land. We will also be working towards better measurement and reporting of any improvements. This is particularly relevant for development financing but will be enacted on operational and stabilised assets too.

Appendices

Appendix 1: Core Biodiversity Requirements

Requirement	Relates to Objective	Explanation	Project Specific KPI
Timeline	All	Ecology must be considered at an early stage in the planning process, with ecological considerations shaping design and approach.	N/A
Biodiversity Net Gain	Green Infrastructure	All new developments must result in net gains in biodiversity using the Defra metric 3.1.	Provide 20% BNG or exceedance of local policy targets if higher over the pre-development baseline.
Habitat Creation	Green Infrastructure	Provision for priority species (local policy and BAP): Priority habitat creation and provision of habitat for priority species.	Habitat created specifically for BAP priority species.
Ecological Connectivity	Green Infrastructure	Development must augment existing green links where possible or provide new features which feed into local ecological networks / surrounding green grid (ecological corridors and steppingstone habitats).	N/A
Green Infrastructure	All	Include Green Infrastructure (GI) features integral to the built form such as living roofs, living walls and artificial nesting sites (where appropriate).	Increase in GI assets relating to needs / gaps identified on site.
Ecosystem Service Valuation	Actively engage with nature Integrate climate resilience and ecosystem service provision	Ecosystem service provision should be factored into design and approach for new development to incorporate GI features that deliver ecosystem services. Proposed schemes should establish how the design will take an ecosystems approach where potential ecosystem service interventions.	Provide a measurable uplift in ecosystem service provision as demonstrated using the EBN Tool. At least one intervention should be applied to the new development which relates to the provision of ecosystem services - based on the identification of needs at the site. e.g. local pollution, noise, UHI, heat exposure, access to nature etc. NB: One GI intervention type may address multiple site-based needs.
Climate Mitigation	Integrate climate resilience and ecosystem service provision	Carbon reduction / contribution to net zero goal - reduce occupier's energy consumption (building efficiency – insulation via facade and rooftop greening), carbon emissions (carbon sequestration and storage via planting).	Provision of one or more intervention/s relating to carbon reduction: large green wall / roofs; tree planting.
Flood Risk	Integrate climate resilience and ecosystem service provision	Consideration of surface flood risk and improving water quality should be factored in to landscaping designs.	Provision of permeable ground cover and incorporation of biodiverse SuDs / attenuation features to provide run-off rates comparable to a green field site.
Urban Heat Island (UHI) Effect	Integrate climate resilience and ecosystem service provision	Proposals should account for increased risks of extreme temperatures and drought tolerance. Planting should take into account the need for cooling.	Incorporate biodiverse, greened surfaces, canopy cover and façade and roof-based GI to minimise reflective, hard surfaces; Provision of one or more intervention/s relating to cooling/UHI effect alleviation (living roofs, facades, 3D greenery, tree planting)
Cooling and shading	Actively engage with nature	Incorporate climate change adaptation measures based on identified climate risks: – Flooding: SuDs / green roof / ground level water attenuation on site – UHI / overheating / heat stress: shading via greening for ground and building – Extreme weather events: wind breaks, covered walkways for heatwaves, drought tolerant planting	Provision of one or more intervention/s relating to climate change adaptation / resilience, based on likely need of specific site. NB: One GI intervention type may address multiple site-based needs

Requirement	Relates to Objective	Explanation	Project Specific KPI
Air Quality	Actively engage with nature	Landscaping should include green infrastructure that has known benefit for improving localised air quality, including physical barriers, layered boundary planting, enveloping green spaces for areas used by people.	Provision of one or more intervention/s relating to improving localised air quality, relating to needs identified on site.
Noise reduction	Actively engage with nature	Where need is identified, landscaping should include green infrastructure which provides barriers to noise pollution or encourages creation of natural soundscape.	Provision of one or more intervention/s relating to improving localised noise pollution, relating to needs identified on site.
Recreation, social interaction and sense of place	Actively engage with nature	Landscaping should include green infrastructure for encouraging social interaction within high quality green spaces.	Provision of one or more intervention/s relating to improving social interaction, relating to needs identified on site.
Engagement with Nature	Actively engage with nature	Provision of features that encourage engagement with nature and enhance mental wellbeing: social interaction, regular exposure to nature, relaxation.	Provision of one or more intervention/s relating to engagement with nature: Landscape design takes into account: colour, texture, movement, social spaces within green landscaping, views of nature, entrance ways provide connection to nature, covered walkways, diverse and dense planting etc.
Communication and awareness / education	Actively engage with nature	This may take the form of public information boards, training days or provision of other features that encourage engagement with nature.	N/A
Supply Chain	All	Use local suppliers of landscaping and plants.	Include use of local suppliers, with sustainability credentials, in Federated Hermes or project specific sustainable procurement plan/s.
Management and Maintenance	All	<p>All new development should include appropriate long-term management and maintenance plans.</p> <p>Ensure new landscaping contractor guidelines are incorporated into the landscaping contract.</p> <p>Provide on-site composting.</p> <p>Minimise removal of organic material, allowing leaf litter to remain on the soil and add organic soil mulch.</p> <p>Only peat free and/or composts produced on site should be used throughout landscaping.</p> <p>No pesticide or herbicides should be used.</p> <p>Practice 'considerate pruning' where there is horticultural or safety merit, rather than regular pruning for formal aesthetic purposes.</p> <p>Favour infrequent mowing / cutting regimes of grasslands for carbon and biodiversity benefits.</p>	Landscape Habitat Management Plan in accordance with BS 42020:2013.

The value of investments and income from them may go down as well as up, and you may not get back the original amount invested.

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