

UK Environmental Shifts: Economic Ripples from Global Climate Action in 2026

Environment & Economy · Answer Key · 20 Questions

1. Which UK policy mechanism, impacting energy-intensive industries, is undergoing significant changes in 2026 to align more closely with the introduction of the UK Carbon Border Adjustment Mechanism (CBAM)?

- A) Climate Change Levy (CCL)
- B) Renewable Heat Incentive (RHI)
- C) UK Emissions Trading Scheme (UK ETS)**
- D) Green Deal

2. The UK's investment in flood defence programmes is projected to yield significant economic returns. For every £1 invested in flood defences, approximately how much in economic damage is expected to be avoided?

- A) £3
- B) £5
- C) £8**
- D) £10

3. What is the estimated annual profit uplift for UK farms if they transition to sustainable farming methods, according to a March 2026 report?

- A) £500 million
- B) £1 billion
- C) £1.6 billion**
- D) £2.5 billion

4. From May 2026, Biodiversity Net Gain (BNG) will become mandatory for which type of projects in England, likely increasing demand for biodiversity units?

- A) Small housing developments
- B) Nationally Significant Infrastructure Projects (NSIPs)**
- C) Retail park expansions
- D) Agricultural land conversions

5. The UK Circular Economy Growth Plan, expected in early 2026, aims to end the UK's "throwaway culture" and make reuse, repair, and remanufacturing the norm. Which of these is NOT listed as a core aim of the plan?

- A) Stimulate economic growth by creating green jobs
- B) Improve resource efficiency and reduce reliance on finite raw materials
- C) Increase the export of raw materials**
- D) Accelerate the transition to net zero by lowering emissions

6. A report suggests that ending plastic waste exports could create thousands of jobs and generate significant economic value annually in the UK. What is the estimated annual economic value that could be generated if the UK stops exporting plastic waste?

- A) £100 million
- B) £500 million
- C) £900 million**
- D) £1.5 billion

7. The UK's UK Emissions Trading Scheme (UK ETS) is expanding to include maritime transport from July 2026. What was the fate of free allocation for aviation operators under the UK ETS in January 2026?

- A) It was increased
- B) It was maintained at previous levels
- C) It was phased out**
- D) It was temporarily suspended

8. What is the projected scale of investment in offshore wind projects through the Allocation Round 7 auction process in the UK, following policy adjustments?

- A) £10 billion
- B) £25 billion
- C) £53 billion**
- D) £100 billion

9. According to a March 2026 report, with approximately 60% of nitrogen fertiliser sourced from overseas, what is the estimated annual reduction in reliance on imported fertiliser if sustainable farming methods are adopted?

- A) £150 million
- B) £449 million**
- C) £905 million
- D) £1.2 billion

10. The UK government has committed to a significant investment in flood defences between 2024 and 2036. How much is the total committed investment over this period?

- A) £4.2 billion
- B) £7.9 billion
- C) £10.5 billion**
- D) £15 billion

11. Which sector is identified as the UK's flagship renewable technology, with numerous projects scheduled for completion in 2026, such as those in the Dogger Bank area?

- A) Solar energy
- B) Onshore wind
- C) Offshore wind**
- D) Geothermal energy

12. From November 2026, a mandatory 10% Biodiversity Net Gain (BNG) requirement will apply to which types of projects in England?

- A) All new housing developments
- B) Nationally Significant Infrastructure Projects (NSIPs)**
- C) Extensions to existing businesses
- D) Agricultural tenancies

13. The UK government plans to phase out inefficient fossil fuel subsidies. Which year was the UK's commitment to phase out these subsidies as soon as possible noted in the COP28 Global Stocktake?

- A) 2024
- B) 2025
- C) 2026**
- D) 2027

14. As of early 2026, how many industrial installations and power generators are covered by the UK Emissions Trading Scheme (UK ETS)?

- A) Approximately 500
- B) Approximately 900**
- C) Approximately 1,500
- D) Approximately 2,000

15. A report from March 2026 suggests that adopting sustainable farming methods could lead to a significant annual profit increase for UK farms. What is this estimated annual profit increase?

- A) £905 million
- B) £1.6 billion**
- C) £56.3 billion
- D) £150 billion

16. What is the projected number of jobs to be supported by clean energy industries in the UK by the end of the decade (2030), according to a February 2026 report?

- A) 440,000
- B) 600,000
- C) 860,000**
- D) 1.2 million

17. In 2026, the UK plans to introduce a new UK packaging pact, the successor to the UK Plastics Pact. What is one of its four key targets?

- A) Increase the use of single-use plastics
- B) Reduce the use of recycled content in packaging
- C) Scale reuse and refill systems**
- D) Ban all forms of packaging

18. According to a March 2026 report, by 2035, nature restoration linked to sustainable farming practices could unlock how much in natural capital for the UK?

- A) £905 million
- B) £1.6 billion
- C) £56.3 billion**
- D) £150 billion

19. The UK Emissions Trading Scheme (UK ETS) will be delayed in its second allocation period for stationary installations. When will this second period now begin?

- A) January 2026
- B) April 2026
- C) January 2027**
- D) April 2027

20. What is the expected return on investment for flood defence spending, where for every £1 invested, approximately how much in economic damage is avoided?

- A) £3
- B) £5
- C) £8**
- D) £10