

BSI Flex 701 – v1.0 - *Nature markets – Overarching principles and framework – Specification*

Scope and links to ongoing policy development

The scope of this standard has been defined through ongoing stakeholder engagement since the Nature Investment Standards (NIS) Programme was launched in March 2023. The initial and primary focus of the programme was to develop operational standards for the supply of high integrity units. However, other areas which are of relevance to nature units generated, traded and stored in a well-functioning market have been highlighted through consultation and included within scope of this first draft version of the Overarching Principles Standard, as they may be of interest for future work.

In parallel to this standard being developed, a number of government policy developments are in progress which will need to be reflected in future iterations. This document does not therefore constitute government policy but is an emerging articulation of the principles for how nature markets should function to ensure high integrity. This is particularly the case for carbon markets, given the presence of non-nature based credits outside the scope of this program, as well as existing Government commitments to use its forthcoming consultation to set out demand side principles and consult on the endorsement of outputs of key global integrity initiatives.

What is the standard for?

This BSI Flex is intended to establish an overarching framework to drive actions, which will be tested as part of this consultation, to:

- create the conditions for consistency and high integrity across all nature markets,
- support high integrity of units traded in nature markets,
- support nature markets to deliver positive environmental, economic and social outcomes,
- protect against the risks of activity in nature markets leading to negative unintended consequences, and
- support the provision of information from nature markets that deters, and/or helps detect, greenwashing.

Who is the standard for?

This BSI Flex was drafted to reflect the roles played by a wide range of market participants, e.g. market initiatives, including the different codes/standards/schemes/suppliers, registries, and other stakeholders in nature markets or in the environmental outcomes of trading nature units.

Purpose of the consultation

The Overarching Principles Standard is the first of a suite of standards planned as part of the BSI NIS programme. Further thematic standards – including for Biodiversity and Natural Carbon - will go into further detail on the specific requirements needed in the context of those markets, particularly in relation to the supply of units.

This first iteration is the basis for further review, discussion, and improvement. The consultation on the first iteration of the standard represents a vital opportunity to shape the direction, content, purpose and use of the next iteration. We welcome views therefore on:

- 1) how the standard is used, and what governance arrangements are needed.
- 2) the pitch and usability of the content for specific users of the standard – who are the primary users, and how other secondary audiences should use the standard.
- 3) the provisions of the standard which should be certifiable, or how clarity in the standard can be offered to ensure that provisions are certifiable.
- 4) the direction of travel on many of the principles – do they sit appropriately in an overarching standard, or do we need more detailed market level or thematic standards?
- 5) the way the framework of standards should operate, how adoption of voluntary standards in nature markets is maximised and how the framework will function in relation to ongoing Government policy developments and different audiences within the market.

Adopting and implementing Nature Investment Standards

Standards alone will be insufficient to ensure high integrity. Alongside developing this standard, BSI have developed some initial views on how certification or verification against the NIS Programme may work. These initial views are shortly going to be further developed through a dedicated phase. However, any feedback received from this consultation in regard to certification, verification or checking conformity against the Overarching Principles Standard or the NIS programme would be gratefully received and feed into this further work.



Nature markets – Overarching principles and framework – Specification

March 2024 Version 1

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Foreword

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The content in this version is part of an iterative process. It is likely to change from time to time with subsequent iterations.

Relationship with other publications

BSI Flex 701 is part of the Nature Investment Standards Programme and is the key standard that will set the overarching principles for high-integrity markets. Further standards, including BSI Flex 702 focusing on biodiversity and BSI Flex 703 dedicated to natural carbon, currently in preparation and due to be released later this year, provide more detailed requirements and guidance to build on BSI Flex 701. These supporting standards operationalize the principles through consistent approaches and requirements for the governance, measurement, reporting and verification of nature markets.

Information about this document

This is Version 1 of BSI Flex 701, which has been released to enable stakeholders to engage with the initial content and feed back comments for further versions of the document to be developed. This is the first public consultation of this BSI Flex and so the content is not to be considered as having received wider feedback. Users are therefore encouraged to comment on this version.

This is the first in a suite of nature investment standards setting out the overarching principles designed to apply across all UK nature markets. Subsequent standards will provide more detail on specific issues covered in this overarching standard. This BSI Flex will also develop as government policy relating to nature markets develops. Clause 6, Clause 7, and subclauses 5.6 and 8.1, in particular, should be viewed and considered in this context.

Subclause 5.6 reflects stakeholders' views on the importance of including the perspectives of communities when designing nature interventions that result in transactions. Through feedback on this first version and through further iterations, we will determine:

- a) the manner in which these provisions might be adopted by suppliers of units; and
- b) whether some of the provisions are more appropriate for a standard specifically focused on guidance on community consultation and engagement.

Provisions applying to buyers (Clause 6 and subclause 8.1) have been included to reflect the views of stakeholders obtained in advance of, and throughout, the drafting process. However, for demand-side standards for carbon credits, there are a number of ongoing parallel international initiatives, such as the Voluntary Carbon Markets Integrity Initiative, which the UK government has committed to considering in order to ensure consistency and interoperability. Accordingly, the UK government will develop demand-side principles through its forthcoming consultation on voluntary carbon and nature markets, which this overarching standard will need to reflect.

The function of registries in nature markets is fundamental. The way in which the provisions set out in Clause 7 can be applied, and how they might be subject to conformity assessment, will be determined through feedback on this draft and taken into account in future iterations.

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Presentational conventions

The provisions of this document are presented in roman (i.e. upright) type. Its requirements are expressed in sentences in which the principal auxiliary verb is "shall".

Commentary, explanation and general informative material is presented in smaller italic type, and does not constitute a normative element.

Where words have alternative spellings, the preferred spelling of the *Shorter Oxford English Dictionary* is used (e.g. "organization" rather than "organisation").

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0 Introduction

0.1 Background

Nature provides critical resources we need to live, and upon which our economies and wellbeing depend. Our current economic system for resource allocation fails to recognize many of the benefits from nature, and conventional markets do not value them adequately. They therefore might not recognize damage to nature or incentivize actions to support nature, which as a result is overlooked or degraded by economic activity.

Various interventions are used at a national and local level by government, businesses and the voluntary sector to support nature and counter these market failures. To date, these have been insufficient in the UK, which is one of the most nature-depleted countries on Earth [1]. This standard has been developed in the context of existing policies, and ongoing policy developments, for the natural environment and biodiversity. These include UK commitments under the Global Biodiversity Framework (GBF), and devolved administration policies on biodiversity, such as the pledge to protect and effectively manage 30% of land and sea for nature by 2030, and a legally binding commitment to halt the decline in wildlife populations in England by 2030.

0.2 Benefits of nature markets

Nature markets are one of a range of interventions being used to address the market failures described above. New nature markets require interventions to establish the necessary market conditions to generate, trade and store units of benefits from nature, through either compliance markets to meet mandatory targets, or voluntary markets where parties choose to engage in trades. Global experience shows that if these interventions are unclear or weak, net environmental benefits might not be generated or maximized, confidence is eroded in the integrity of markets¹⁾, and as a result investment falls. Thus, integrity is a vital precondition to support market participants and achieve the best outcomes for nature by supporting the maximum possible scale of investment in actions that deliver additional benefits.

Nature markets are a potential route to increasing finance towards achieving nature objectives. They enable suppliers to sell benefits from nature to individuals or organizations. These sales provide resources for, and an incentive to, protect and enhance nature through interventions such as river restoration to increase flood resilience, or woodland creation for climate regulation. It is widely agreed that more resources are needed to meet targets for nature across the UK. The Green Finance Institute [2] estimates that the annual funding gap of resources required to restore nature in the UK, beyond current commitments, is more than £6 000 million per year until 2030.

However, the development and operation of nature markets also involves some specific sensitivities and challenges. These relate to the characteristics of nature and of markets.

¹⁾ Available at <https://naturalengland.blog.gov.uk/2023/09/29/state-of-nature/>

0.3 Characteristics of nature markets

The benefits from nature have some important characteristics. Each part of the environment contributes to multiple benefits, so they are overlapping and connected. When the state of the environment declines, benefits are lost, and when thresholds are crossed the loss of nature can be irreversible and/or hard to replace, making the loss of benefits permanent. Furthermore, different benefits from nature can be private and/or public goods, but nature also has an intrinsic value in and of itself.

These characteristics create potential uncertainty and conflict over who has rights to different benefits. Where there are multiple sellers and buyers, this can lead to confusion about any claims or reports that buyers might make. Therefore, failures within environmental management can be harder to correct than failures in some other activities. If interventions to create conditions for nature markets fail, they have the potential for permanent loss of public goods. This results in a requirement to establish high standards of integrity for nature markets from the outset, and therefore ensure market confidence.

Nature markets have been aided by, and are dependent upon, recent improvements in the measurement of benefits from nature. Trading needs transparency and consistently defined units with specified timescales. The units traded in nature markets represent an estimate of a real-life activity or outcome (management actions to enhance a specific aspect of the environment). As a result, nature markets establish new currencies in the units traded, such as tonnes of carbon dioxide equivalents (CO₂e) for greenhouse gases (GHGs), or biodiversity units (BUs) for biodiversity. These units involve transfer of an ownership right that has to be taken on trust, so their value is dependent on the benefit they represent, contractual terms such as duration, and the robustness of the process to generate, trade and store them.

This standard aims to establish principles which underpin the integrity of this process in nature markets.

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1 Scope

This BSI Flex provides requirements for the design and operation of high-integrity nature markets, including processes to generate, trade and store nature units.

This BSI Flex is intended to:

- a) establish an overarching framework to drive actions to create the conditions for consistency and high integrity across all nature markets;
- b) support high integrity of units traded in nature markets;
- c) support nature markets to deliver positive environmental outcomes;
- d) protect against the risks of activity in nature markets leading to negative, unintended consequences for the environment;
- e) act as a specification, and a basis for standards on specific aspects of nature markets, against which market participants can seek certification to signal their high integrity; and
- f) support the provision of information from nature markets that deters, and/or helps detect, greenwashing.

***NOTE** Greenwashing is a form of mis-selling/fraud, and as such can be regulated under advertising standards. However, new policies are emerging with specific definitions related to the natural environment that will help regulate it.*

This BSI Flex is intended for use in the UK. It might inform nature market activity in other parts of the world, but does not explicitly take into account non-UK environmental, governance and other contexts. It is also relevant to nature units from suppliers in the UK traded in non-UK markets.

This BSI Flex aims to provide an overarching framework to develop high-integrity nature market initiatives or projects. This BSI Flex does not determine specific market processes, policies or other government actions in the UK, several of which are being developed in ongoing work in parallel to the work on this standard.

This BSI Flex does not cover:

- 1) specific requirements for the delivery of different types of nature-based projects or trading in different nature markets (e.g. for CO₂e or biodiversity);
- 2) measurement of environmental outcomes from specific types of nature-based projects;
- 3) all uses of purchased units or activities of buyers (outside markets);
- 4) inseting, although clauses in the standard might be relevant to organizations' inseting activity, or
- 5) any organization's or individual's reporting obligations.

This BSI Flex is intended for use by:

- i) market participants;
- ii) market initiatives, including the different codes/standards/schemes that are needed for this overarching standard to be met;
- iii) registries; and
- iv) other stakeholders in nature markets or in the environmental outcomes of trading nature units.

2 Normative references

There are no normative references in this document.

3 Terms, definitions and abbreviations

3.1 Terms and definitions

3.1.1 Nature markets

3.1.1.1 nature market

mechanism for investment in nature through the sale of units of an environmental outcome, which are delivered by nature projects or improvements to environmental management

NOTE A nature market includes the processes to generate, trade and store nature units.

3.1.1.2 nature market initiatives

codes, standards, schemes, verification and validation bodies, and registries that contribute to market conditions

NOTE Schemes, codes, standards and other initiatives can enable the design of unit-generating nature projects and govern nature unit transactions.

3.1.1.3 registry

secure central database that can generate, trade and store units for their lifetime, and provide records of retired units

3.1.1.4 compliance market

market that enables buyers to meet a regulatory requirement

NOTE 1 For example, the biodiversity net gain (BNG) market in England, which enables purchases of biodiversity units as a means for land use planning applications to meet a regulatory requirement in relation to biodiversity impacts.

NOTE 2 There are interactions between compliance and voluntary markets in that requirements within compliance markets can set precedent or practices that are used in voluntary markets.

3.1.1.5 voluntary market

market that operates outside any regulatory obligation on buyers

3.1.2 Supply of units

3.1.2.1 supply area

spatially delineated area where actions are taken to create the units supplied to nature markets

NOTE 1 The supply area can involve more than one discrete spatial area, and can be owned and/or managed by multiple parties and/or projects.

NOTE 2 Actions can be passive (removing pressures) or active interventions.

3.1.2.2 baseline

initial representation of the state of the environment in the supply area in the absence of the actions to supply units to nature market(s)

NOTE 1 This can be evidenced by:

- a) the management of the supply area before the actions to supply units takes place; or
- b) the state of similar areas [i.e. of the same geography, habitat type(s) and environmental management], and where the actions to supply units to nature market(s) could be used to generate the same type of nature units, but those actions have not taken place.

NOTE 2 See guidance on baselines in The Green Book [3] and The Magenta Book [4], and additionality (3.1.2.5).

3.1.2.3 unit

measured additional environmental outcome, with a specified lifetime and generated through a quantification process, which can be traded in a nature market

NOTE 1 Units can be pending, verified or validated.

NOTE 2 The term “credit” is not used, since it implies and/or assumes a positive impact, which might not be the outcome from a nature market transaction.

NOTE 3 BNG policy in England defines unit and credit separately. A BNG unit is a measurement of the on-site or off-site habitat improvements. A BNG statutory credit refers to the “last resort” credit provided by the government.

3.1.2.4 unit lifetime

minimum duration or time period over which unit is intended to be maintained, and over which buyers can make claims about resulting impacts

NOTE Lifetimes can vary in different markets due to environmental conditions or the regulatory requirements that create market conditions.

3.1.2.5 additionality

change that would not have occurred in the absence of management actions, measured relative to the baseline

NOTE 1 In markets, units should result from environmental improvements that would not have happened otherwise in absence of the actions to supply the units.

NOTE 2 In nature markets, tests can be used to assess whether units are additional (see 5.2.3).

3.1.2.6 leakage

displacement of negative environmental impacts

NOTE For example, when management actions aimed at reducing environmental pressures at one site increase pressures elsewhere.

3.1.2.7 environmental outcome

state of the environment and/or level of ecosystem services at a point in time and/or after management action(s) has been implemented

3.1.2.8 bundling

sale of more than one type of environmental outcome from the same supply area, collectively in one nature unit transaction

NOTE *Bundling can be:*

- b) *implicit: when the outcomes delivered are not quantified, but are nonetheless represented by and sold in one nature unit transaction;*
- c) *explicit: when the outcomes delivered are quantified and sold together in one nature unit transaction; or*
- d) *partial: when an outcome delivered is quantified and sold in a nature unit transaction that is linked to one or more additional environmental outcomes.*

3.1.2.9 stacking

sale of separate environmental outcomes from the same supply area in more than one nature unit transaction

NOTE *Separate environmental outcomes from the same supply area might be:*

- a) *of more than one type; and/or*
- b) *of the same type measured against different baselines.*

3.1.3 Actors in nature markets

3.1.3.1 supplier

party or parties holding the rights to manage the supply area to generate units, and with legal responsibility for delivering the units' environmental outcome(s)

3.1.3.2 seller

party who is registered to sell nature units in a nature market registry

NOTE *The seller might be different to the supplier (e.g. where an intermediary manages a sale of units).*

3.1.3.3 investor

party who provides capital (such as finance) that is at risk

NOTE *This includes capital deployed to undertake actions to supply units in nature markets, whereby the capital is at risk until the units are sold and the capital can be recovered.*

3.1.3.4 buyer

party who is registered to buy nature units in a nature market registry

3.1.3.5 market participant

party that has a legal obligation to, or performs a function that enables, the trading process in a nature market

NOTE 1 *Market participants include suppliers, sellers, buyers, regulators, some market initiatives and investors in nature markets.*

NOTE 2 *Market participants should meet the relevant registration requirements to participate in a nature market.*

3.1.3.6 market stakeholder

market participants, and any person, community or organization that a nature market transaction can have a material effect on

3.1.4 Other terms

3.1.4.1 material

significant enough to influence a decision

3.1.4.2 material information

information that could influence a market transaction (e.g. its size, value or timing) or understanding of the environmental outcomes from the transaction for market stakeholders

NOTE 1 *If disclosing information means it becomes material, then it is defined as material.*

NOTE 2 *Material information includes sufficient information to support confidence that nature markets have high integrity.*

3.1.4.3 mitigation hierarchy

series of steps used sequentially to reduce impacts

NOTE 1 *The hierarchy comprises:*

- a) *avoid: measures to avoid creating impacts from the outset (including direct, indirect and cumulative impacts);*
- b) *minimize: measures taken to reduce the intensity and/or extent of impacts that cannot be avoided;*
- c) *restore/remediate: measures taken to address negative impacts that cannot be avoided or minimized; and*
- d) *offset: measures taken to compensate for any residual, adverse impacts that cannot be avoided, minimized or restored/remediated.*

NOTE 2 *In Note 1, the term “cannot” in b), c) and d) refers to both technical feasibility and economics, i.e. that measures can only be undertaken in a way that is significantly less cost-effective than measures at the next level down the hierarchy. Significance should be assessed relative to both the costs of the actions and the value of the impacts.*

3.1.4.4 insetting

when an organization uses additional environmental benefits it has generated along its own value chain to reduce its net environment impacts

3.1.4.5 greenwashing

misleading green claims in which information relating to the environmental impact of a product, brand, business or service is hidden or misrepresented

NOTE 1 *Based on the UK government’s Green Claims Code²⁾.*

NOTE 2 *Greenwashing portrays an organization’s products, activities or policies as producing more positive environmental outcomes than is the case, and can result in mis-selling.*

NOTE 3 *PD ISO/TS 17033 gives advice on principles and information gathering and presentation that is relevant to greenwashing.*

NOTE 4 *To prevent greenwashing, the Financial Conduct Authority requires that any reference made by a firm to the sustainability characteristics of a product or service is: (i) consistent with the sustainability characteristics of the product or service; and (ii) fair, clear and not misleading.*

NOTE 5 *Greenwashing can relate to activities of suppliers, sellers, buyers, regulators and market initiatives (e.g. it can arise from claims made on the basis of units purchased in nature markets).*

²⁾ Available at <https://greenclaims.campaign.gov.uk/#:~:text=the%20full%20guidance-,Green%20claims%20quiz,commonly%20known%20as%20'greenwashing.>

3.1.4.6 proportionate information

judgement comparing the effort to collect and disclose information to a certain level of detail relative to the impacts of the decisions, for which the information is material

3.1.4.7 permanence

intended to be lasting, and not limited to specified timescales, such as unit lifetimes

3.1.4.8 lasting

sustained outcome not subject to reversal through planned actions or neglect

3.1.4.9 force majeure

unintended and unavoidable external event whose scale and timing cannot be reasonably foreseen and for which no one can be held accountable

3.1.4.10 public goods

goods or services that no one can be stopped from using and where one person's use does not affect another's

3.1.4.11 value chain

all of the upstream activities, direct operations and downstream activities associated with an organization or product

3.2 Abbreviations

BNG	biodiversity net gain
BU	biodiversity unit
COI	conflict of interest
CO ₂ e	carbon dioxide equivalent
GHG	greenhouse gas

4 Principles shared across market participants

4.1 Transparency

Principle: Market participants make material information about the supply and trading of units available to market stakeholders, unless it is commercially confidential.

NOTE 1 Commercially confidential information includes price, and other information that could compromise the commercial viability of a market participant.

NOTE 2 When unit trades are validated, it is reasonable to expect market participants to disclose nature unit price information to market initiatives to enable them to publish collated price information.

NOTE 3 Where the financial additionality test is used (see Note 1b to 5.2.3), price information is required as part of the test, so it needs to be provided to the party verifying or validating the test.

4.1.1 Market participants shall identify material information to disclose.

NOTE 1 Material information includes:

- a) type(s) of units supplied, their quantification and generation, monitoring, validation and verification;
- b) the status (i.e. under development, validated or verified) of units and their timescale for delivery;
- c) the size and locations of the relevant supply area(s);
- d) the legal status and governance of the market participants;
- e) the management plans for delivering the intended environmental outcomes;
- f) whether the unit is sold singly, bundled or stacked;
- g) the legal owner of the units; and
- h) other information that can influence the confidence that nature markets have high integrity.

NOTE 2 Material information enables market stakeholders to:

- a) monitor the supply of units, including actions to deliver them;
- b) understand that resources are in place such that the management actions required for the supply of the units from the supply area continue over at least the units' lifetime, and are not subject to reversal due to neglect;
- c) identify what steps have been taken to verify that units are additional; and
- d) carry out due diligence.

4.1.2 Information shall be provided to a proportionate level of detail.

NOTE 1 Determining a proportionate level of detail might involve comparing the value of time and resources needed to collect and disclose information to the value of the impacts of using the information in nature markets (e.g. the value of material impacts on the environment as a result of trading units).

NOTE 2 Proportionate information for a small supply area can be provided by simplified procedures (acceptable procedures can be defined by market initiatives).

4.1.3 Market participants shall make material information available in a manner accessible to market stakeholders, with the exception of price information and other information that is commercially sensitive.

NOTE Material information should be accessible via the nature market registry used to generate the units, and should have sources and dates stated.

4.1.4 Material information shall remain available for at least the units' lifetime, and/or as long as claims are made against them, and/or the market they were traded in operates, whichever is longer.

4.1.5 Market participants shall share non-confidential material information prior to validation.

4.1.6 Market participants shall provide justification for material information that is not disclosed.

NOTE It is not necessary to justify the non-disclosure of price information.

4.1.7 In compliance markets, price information for un-validated units shall be disclosed to market regulators when they request it

NOTE 1 This is in order to enable regulators to verify that sufficient resources are in place for the required compliance to be full and not subject to reversal due to neglect.

NOTE 2 Market regulators should treat the information as confidential.

4.2 Governance

Principle: The status and governance of a market participant, and the governance processes of a market standard, is stated to other participants and stakeholders.

4.2.1 Organizations operating nature market initiatives shall state their legal status (e.g. charity, limited company), governance (e.g. through a board), ownership and management structures.

NOTE Transparency in a business or in governance relates to being open and honest. As part of corporate governance good practice, this involves disclosure of all relevant information so that others can make informed decisions (see 4.1).

4.2.2 The purpose and governance of nature market initiatives shall be independent of those of its users.

4.2.3 Organizations operating nature market initiatives shall state management and operational structures and procedures for:

- a) standard development and review processes;
- b) monitoring and enforcement of standards;
- c) grievance redress mechanisms;
- d) enabling community engagement;
- e) developing the skills and knowledge needed in the technical disciplines whose information they use (e.g. measurement of ecosystem services); and
- f) performance management against organizational objectives.

NOTE 1 If an organization is governed by a board, any other responsibilities of the board, and/or of those with a material stake in the organization, should be stated.

NOTE 2 Transparency around the ownership, management and operation of schemes and standards helps gain the trust of both buyers and sellers.

4.2.4 Staff, and individuals in governance roles, in organizations operating nature market initiatives shall:

- a) state that they do not have a conflict of interest (COI) with any part of the market initiative;
- b) inform the scheme as soon as possible if a COI arises, and not later than 5 working days after the change; and
- c) follow the principles of public life.

NOTE 1 It is good practice for any official meeting, and each year for all individuals with a governance role (e.g. board members at the AGM), to explicitly check for COIs, and to publish minutes of board and other governance meetings.

NOTE 2 For more information on COI, visit the Financial Ombudsman Service website at <https://www.financial-ombudsman.org.uk/corporate/policies/conflicts-interest>.

NOTE 3 For details of the principles, see The seven principles of public life [5].

4.3 Quantification of units

Principle: The measurement of units is robust and is made transparent between market participants and stakeholders.

NOTE A published management plan for a supply area might state the information required to comply with other requirements, such as 4.3, 4.5, 4.7 and 4.8. Where this is not the case, the information might be made accessible through the registry used for the units.

4.3.1 The quantification of units shall:

- a) be defined using a recognized classification, such as an ecosystem service typology used in environmental science (e.g. Common International Classification of Ecosystem Services³⁾ or a benefits typology used in policy making (e.g. in Enabling a Natural Capital Approach⁴⁾;
- b) use methods based on published science and/or requirements defined in market initiatives;
- c) provide the available information relevant to assess additionality, relative to the baseline;
- d) be carried out over the units' lifetime;
- e) specify the measurement metric(s), as well as the supply area, date and timing of the measurement; and
- f) state the party who undertook the quantification, and the skills and knowledge that makes them competent to do so.

³⁾ Available at <https://cices.eu/>.
⁴⁾ Available at <https://www.gov.uk/guidance/enabling-a-natural-capital-approach-enca>.

NOTE 1 Distinct units are any units:

- a) of different types;
- b) that are generated in different years;
- c) that are generated in different seasons, or from different UK Habitat Classification⁵⁾ types, where this requires different management measures and/or monitoring;
- d) that are measured against different baselines; or
- e) from different supply areas.

NOTE 2 Market participants should support the use of science required to verify new technologies and practices, and include provisions and processes for incorporating new technologies and advancement in science to improve their methodologies, reduce costs and drive greater integrity.

4.3.2 The methods used to define and measure units shall be able to provide comparable quantification of environmental outcomes:

- a) from the supply area before (i.e. baseline) and after units have been generated by management actions;
- b) from different locations; and
- c) at different times over the units’ lifetime.

NOTE 1 Quantification of the baseline should state the baseline year the units are measured against, and the timing of measurements made.

NOTE 2 The frequency of quantification during the units’ lifetime should be proportionate to the need to monitor project risks.

4.3.3 The quantification of units shall state the level of confidence in the data, and a description of the measurement technologies used.

NOTE Guidance on describing confidence levels is given in Annex A.

4.3.4 The level of confidence in the data shall be stated alongside subsequent uses of that data.

4.4 Timing of information

Principle: The timing of the material information is transparent to market stakeholders.

4.4.1 Material information shall include the date when that information was recorded, and the date when the document providing it was made accessible to market stakeholders.

NOTE 1 The timing of baseline and monitoring information, and verification procedures, are important to establish the additionality of credits, and for stacking and bundling. Transparency of timing is also important for engagement with market stakeholders.

NOTE 2 A public registry is an appropriate place to record this information.

4.4.2 Once proportionate information is made accessible through a registry, trading or other actions based on that information shall not be subject to retrospective changes.

NOTE This aims to give market participants confidence that actions made in good faith and applying proportionate good practice do not face risks from future changes to knowledge, methods or other factors.

⁵⁾ Available at <https://ukhab.org/>.

4.5 Competence of delivery

Principle: The requirements in this BSI Flex are carried out by competent individuals and organizations.

4.5.1 The individuals and organizations that undertake actions to comply with this BSI Flex shall have the skills and knowledge to do so to a sufficient standard to support market integrity.

4.5.2 When stating information required for the quantification of units (see 4.3) and validation and verification (see 5.5), sellers shall state the main individuals or organizations that provided the information, and the skills and knowledge that make them competent to do so.

NOTE Where available, certification procedures are a way to demonstrate competence.

4.6 Openness to innovation

Principle: Rules and requirements of market participants facilitate the adoption of new technologies or practices.

4.6.1 Assessment of where different technologies or practices are suitable to be used to fulfil market initiatives' rules or requirements shall be based on verifiable evidence.

4.6.2 Where schemes identify technologies or practices to comply with their rules and requirements, these shall be presented as options. The option to use alternative practices that can fulfil the same environmental outcomes shall be stated.

NOTE Nature market registries issuing units should be open to new technologies and practices that meet their rules and requirements to the required level of accuracy. Technologies for monitoring and managing the environment and nature markets are evolving rapidly for a range of reasons, including enhanced spatial analysis and other information technologies. These bring potential risks of uncertain accuracy of information and decisions, but also potential benefits of enhanced accuracy, verifiability and cost-effectiveness.

4.7 Multiple benefits from nature

Principle: Buyers, sellers and market initiatives recognize that nature is multi-functional, producing a range of benefits, including the ability to adapt and mitigate climate change, which different stakeholders value in different ways.

4.7.1 Suppliers shall both quantify the units being sold (see 4.3.1), and monitor and report on the state of the environment in the supply area (see 5.3 and 5.4), including as part of engagement with communities (see 5.6).

4.7.2 Market initiatives shall provide or reference guidance on good practice for environmental management.

NOTE 1 For example, planting trees on suitable soil types (e.g. avoiding peatland habitats).

NOTE 2 To develop a systematic approach to the management of natural capital and sustainable provision of multiple environmental benefits, suppliers might develop a natural capital account (see BS 8632) for the area of supply.

4.8 Local community engagement

Principle: Nature market participants' engagement with local communities is transparent.

Market participants shall make the following information accessible and transparent to local communities:

- a) actions to manage supply areas, including whether guidance on good practice for environmental management has been followed;
- b) trading and ownership of units;
- c) impacts on local communities; and
- d) any benefit-sharing arrangements in place.

NOTE 1 *Benefit sharing might take the form of sharing revenues, property rights or other mechanisms to provide local communities with a financial stake in the returns from a supply area.*

NOTE 2 *See 5.6 for requirements on sellers' and suppliers' engagement with local communities.*

5 Selling units

5.1 Unit supply

Principle: Sellers are responsible for the integrity of units sold, and for demonstrating that integrity to market stakeholders.

- 5.1.1** Units supplied to nature markets shall represent additional environmental outcomes.
- 5.1.2** Steps taken to supply and sell units shall include:
- a) quantifying the baseline of the supply area;
 - b) additional actions to generate the required environmental outcomes;
 - c) the quantification of the additional environmental outcomes;
 - d) recording the quantification of the baseline and additional actions and/or environmental outcomes, and their lifetime, in a registry to generate the units;
 - e) verifying the quantifications in d); and
 - f) trading of the units with a buyer registered on the registry.
- 5.1.3** The supply of units shall result in lasting positive environmental outcomes capable of being validated and verified.

5.2 Additionality

Principle: Sellers are responsible for selling units that are additional.

COMMENTARY ON 5.2

Additionality is vital in nature markets. For example, carbon markets use it to show whether they are driving additional action to meet climate change targets – establishing a market in carbon sequestration units from nature only delivers additional benefits if it results in more sequestration than would have happened without the carbon markets.

NOTE 1 *The seller is responsible for selling additional units, and the environmental outcomes in the supply area and in any adjacent areas affected by the actions to supply units.*

NOTE 2 *Sellers can be supported in selling units that are additional by registries that set out appropriate provisions for issuing units. Market initiatives can play a significant role in verifying that units sold are additional, and the efficiency of processes to determine that this is the case.*

5.2.1 Sellers shall state that the actions to supply units are not a reversal of previous actions on the supply area within a previous period proportionate to the units’ lifetime and environmental outcomes.

5.2.2 Additionality of units shall be measured against a baseline for the supply area.

5.2.3 The additionality of units shall be verified using a legal additionality test, and at least one other additionality test.

NOTE 1 *Additionality tests include:*

- a) *a legal test to check that the actions to supply units are not required under a legal or statutory mechanism;*

- b) *a financial test to assess whether the relevant nature unit based revenues are needed for a project to be financially viable; and*
- c) *a common practice test and/or a barrier test to assess if actions are already part of normal environmental management, or if they face barriers that are not otherwise overcome, respectively, although to date these have been used sparingly in the UK.*

NOTE 2 *Market initiatives can provide guidance on what does and does not constitute a legal obligation for the legal test, and on other tests.*

NOTE 3 *Market participants may use a third party to verify additionality, or verify additionality themselves provided they publish the information used in the verification.*

5.3 Avoiding unintended consequences

Principle: Actions to supply units from a supply area avoid material negative environmental impacts.

5.3.1 *Actions to supply units shall not have a material negative impact on other environmental benefits or the overall integrity of environmental assets.*

NOTE 1 *Many changes to environmental management bring the possibility of a small loss of some aspect of nature’s value. Such losses are unavoidable but should be minimized. Whether environmental impacts are material should be assessed both:*

- a) *in relation to the environmental resources they form part of (e.g. habitat change in the context of the extent and quality of that habitat); and*
- b) *in a socio-economic context, relative to the other environmental assets that provide the benefits affected to the beneficiaries affected.*

NOTE 2 *The quality of terrestrial habitats can be measured using the English statutory Biodiversity Metric’s definitions of the distinctiveness and condition of habitats [6]. Therefore, the outcome of supply of units should be that the distinctiveness and condition of habitat in the supply area is no worse than the baseline before the supply actions started.*

NOTE 3 *Local environmental plans, such as Local Nature Recovery Strategies in England, can help identify suitable locations for management actions to supply units to nature markets, and thereby help participants to avoid unintended consequences.*

5.3.2 *Suppliers shall avoid leakage by not relocating activities causing pressures reduced by management actions.*

NOTE *Examples of management actions reducing pressures include nutrient-reduction measures in catchment markets, and reduction of grazing intensity in habitat management for biodiversity markets.*

5.4 Lasting and permanent benefits

Principle: Standards and schemes issuing units set out provisions to enable permanence of contracted environmental outcomes.

5.4.1 *Suppliers shall plan and undertake actions so that the environmental outcomes from delivery of the units from the supply area are lasting.*

5.4.2 *Suppliers shall have resources to be able to cover the costs of actions necessary to supply units for their whole duration, including recognizing unit delivery risks and planning mitigations.*

NOTE 1 *These costs should be derived from a management plan for the supply area.*

NOTE 2 Climate change impacts which manifest steadily over time can be anticipated and accounted for in management of the delivery of nature units over their lifetimes. For example, where climate change results in increased fire risk for a supply area, this should be included in management of the supply area; not doing so would be “neglect” that failed to make the delivery of units lasting.

NOTE 3 Over multiple decades, climate change is expected to continue to change the nature environment more rapidly, and change other pressures (e.g. sea level rise, flood risk). This means that specific environmental outcomes reflected in nature market units cannot be expected to be permanent in their current form. Where the scale of an acute external event is exacerbated by climate change, this falls into the definition of force majeure, so suppliers’ management responsibilities no longer apply (see Notes to 5.4.4).

5.4.3 Where property rights for a supply area to undertake the management actions to supply units change (e.g. are sold), the obligation to supply the units shall remain in place for the supply area.

NOTE This can be arranged contractually, for example through a conservation covenant in England.

5.4.4 Where damage to a supply area reduces the supply of sold units, suppliers shall set out and undertake proportionate actions to rectify those losses.

NOTE 1 Failing to continue maintenance increases the risk of reversal, so fails to comply with lasting requirements (see 5.4.1).

NOTE 2 Suppliers’ requirements to take management actions in the supply area to secure lasting and permanent benefits are exempt from damage caused by force majeure.

5.4.5 Generating nature units shall include provisions such that positive environmental outcomes are lasting.

NOTE Actions might involve some form of contingency, insurance or a buffer of units held by a market initiative. These actions are different due to the different environmental, legal and regulatory contexts of nature markets.

5.5 Validation and verification

Principle: Sellers supply units that are validated and verified.

NOTE Users are advised to refer to the UKAS development brochure [7] for an overview of conformity assessment standards and their applicability. Attention is also drawn to the key validation and verification standard, BS EN ISO/IEC 17029, as well as BS EN ISO 14065 for validation and verification of environmental information.

5.5.1 Suppliers shall validate that they have a plan for management actions to deliver the units from the supply area.

NOTE Validation should include a check that sufficient resources are available to carry out the management actions in the supply area to deliver units over their lifetime.

5.5.2 Sellers shall have the delivery of units from the supply area verified.

5.5.3 Sellers shall state who undertakes quantification of units, validation and verification, and state:

- a) information which shows that they are independent of other market participants; and
- b) the skills and knowledge that make them competent to do so.

NOTE Validation and verification should be carried out in a transparent manner.

5.5.4 The frequency of verification shall be determined based on the timing of actions to supply the units, and the risks to supply of units.

NOTE The type and frequency of verification should be proportionate to the lifetime of units, to the degree of risk of their supply, and to changes to delivery risk during their lifetime (see Note 2 to 4.3.2).

5.5.5 Suppliers shall state validation and verification procedures and results for units on the market registry.

NOTE Information provided on a registry should be sufficient to enable a market stakeholder to verify the units that have been sold from a supply area.

5.6 Engagement with communities

Principle: Suppliers undertake proportionate engagement with communities in relation to material environmental impacts of management actions to supply units.

5.6.1 Sellers shall provide an accessible means for local communities to communicate with the managers of the supply area and the managers of the actions to supply units. They shall state the time period within which they respond to communications from local communities, and publish any correspondence, including its timing.

NOTE 1 Means of communication should be stated in a public registry.

NOTE 2 Published correspondence might be redacted to protect commercially confidential information.

5.6.2 When designing and implementing the management actions to supply units, sellers shall state what suppliers have done to identify and manage:

- a) the needs of local communities; and
- b) material impacts on local communities, and when these occur.

NOTE 1 This includes carrying out background research on benefits from nature in the supply area and the beneficiaries, which might be done when baseline project information is being gathered, and communications with local communities, including publicizing information and any consultation processes used.

NOTE 2 The local community can be defined based on groups of people covered by local plans, such as land use development plans, Local Nature Recovery Strategies (in England), Community Action Plans (in Scotland), management plans or requirements for designated sites, landscapes, or seascapes, and any other plans relevant to environmental management practices and environmental outcomes.

5.6.3 Sellers shall state which changes to the environment, as a result of the actions taken to supply units, create material impacts to stakeholders. This includes negative as well as positive impacts. The seller shall also state the type of impacts and the groups of people affected by each of those impacts.

NOTE 1 This information helps identify the value of impacts, which is the basis for determining the proportionate effort to gather and disclose the information required by this standard (see 3.1.4.6).

NOTE 2 A material impact on stakeholders could arise from one major negative impact, or a significant net negative impact, as a result of management actions to supply units. Proportionate evidence should be provided to support identification of either of these impacts.

NOTE 3 One way to assess the materiality of local community impacts is in relation to the issues identified in the local plans described in Note 2 to 5.6.2.

5.6.4 Sellers of units shall state if they have made provisions to share benefits from sales of units with local communities.

***NOTE** Benefit sharing should be aligned with local community needs and aspirations, which should be established through community engagement. They should reflect the issues identified in the local plans described in Note 2 to 5.6.2, and relevant guidance, such as the responsibility for land managers to contribute to wider public interest in Scotland (see the Scottish land rights and responsibilities statement 2022 [10]).*

5.6.5 If provisions to share benefits have been made, the seller shall state:

- a) the spatial location of the local communities that benefits are shared with, and the process and timescales for sharing the benefits;
- b) how this timing relates to the timing of the management actions to supply units, and sale of units from the supply area;
- c) if the local community has been involved in designing the provisions; and
- d) the governance arrangements for benefits sharing.

6 Purchased units

6.1 Reducing environmental impacts

Principle: Purchased units are used to reduce environmental impacts, based on a mitigation hierarchy.

6.1.1 Units shall be purchased as part of a strategy to achieve independently defined levels of acceptable environmental impacts.

***NOTE** Levels of acceptable environmental impacts are independently defined through science-based processes or policies, such as:*

- a) the Paris Climate Agreement [8] or the Global Biodiversity Strategy⁶⁾;*
- b) the Science Based Targets initiative (SBTi)⁷⁾;*
- c) UK Climate Act (2008, as amended) target for net zero by 2050 [9]; and*
- d) policy targets, such as nutrient neutrality, or BNG requirements in England.*

6.1.2 Any claims about mitigation of environmental impacts made against units purchased in nature markets shall:

- a) give the status of the units (e.g. ex-ante, pending, verified); and
- b) make use of a mitigation hierarchy, in which purchasing units as compensation is the last step.

***NOTE 1** This includes claims based on a mix of ex-post and ex-ante/pending units.*

***NOTE 2** Where ex-ante or pending units are sold, governance arrangements and funding arrangements for management actions for the units over their lifetime project funding should be disclosed.*

6.2 Claims relating to purchased units

Principle: Claims of environmental performance, based on units purchased in nature markets, measure that performance in a manner aligned to the measurement processes used to quantify the units for sale.

6.2.1 Any claims about mitigation of environmental impacts made against units purchased in nature markets shall state which material environmental outcomes are captured in the units sold and which impacts are being compensated for (e.g. single or bundled impacts).

6.2.2 Once claims of environmental performance have been made against units bought in a nature market, those units shall be permanently retired.

***NOTE** This is to prohibit onward selling of units that could lead to double-claiming against units.*

⁶⁾ Available at <https://www.wri.org/research/global-biodiversity-strategy>.
⁷⁾ Available at <https://sciencebasedtargets.org/>.

7 Registries

COMMENTARY ON CLAUSE 7

The use of registries is essential for high-integrity markets to protect the security of transactions and storage of units, and to monitor risks [e.g. relating to double-counting (see 8.4) or stacking and bundling (see 8.3)]. Registries are a good way for market participants to make material information about nature markets transparent and accessible to stakeholders, but are not responsible for the accuracy of such information.

7.1 Registry functions

Principle: The quantification, generation, trading and storage of units is recorded in registries, which make material information transparent and accessible to market stakeholders (unless it is commercially confidential), and consistent across nature markets.

7.1.1 For each unit, registries shall:

- a) uniquely identify them;
- b) make material information transparent and accessible;

***NOTE 1** Accessibility can be enabled by allowing information to be downloaded from the registry.*

- a) state whether information used for their quantification (see 4.3) and supply (see 5.1) is under development, validated or verified, and provide evidence of any verification;
- b) state their legal ownership, and their transaction history;
- c) protect the safety and security of transactions for market participants;
- d) securely store them for their lifetime; and
- e) provide a historical record when their lifetime has been completed, or they have been permanently retired.

***NOTE 2** This information can be communicated collectively for groups of units with the same information.*

7.1.2 The governance of a registry shall be independent of the governance of other market participants, and shall be carried out by individuals who have the necessary skills and knowledge to fulfil their role.

7.1.3 Access to information on registries shall be free and open.

7.1.4 Registry charges to market participants shall be transparent and on a cost-recovery basis, be proportionate with the scale of activity of the participant, and the charges shall be levied in a timely manner in return for services provided.

***NOTE 1** The majority of charges should be raised after a trade has started so sellers can meet them using proceeds from the sale of units, and do not face a registry cost barrier to market entry. However, this needs to be balanced with the needs of a registry to meet its set up and operating costs.*

***NOTE 2** Registries could charge for some services on a cost-recovery basis, including helping broker transactions, recording trades, storage of units. Cost recovery can include a degree of profit in return for risks of investing to develop a registry, and innovations involved in providing a service.*

7.2 Interoperability of information

Principle: Information in nature markets is comparable such that it enables the regulation and understanding of interactions between markets.

COMMENTARY ON 7.2

Interoperability of information between registries is necessary to monitor risks [e.g. relating to double-counting (see 8.4) or stacking and bundling (see 8.3)].

7.2.1 Registries shall provide material information about units in a consistent manner that enables comparisons between nature markets.

NOTE 1 *Interoperability might be achieved through a meta-registry across multiple market registries.*

NOTE 2 *Registries play a central role in providing transparency and consistency. To enable interoperability, individual registries should aim to be part of a suite of registries with consistent minimum standards, data requirements and definitions [e.g. using consistent attributes for material information, such as the UK Habitat Classification for terrestrial habitats⁸⁾].*

7.2.2 If units are stacked [see 4.1.1e)], the registry they are on shall collaborate with the registries for the other stacked units to enable the stacking rules to be monitored (see 8.3).

⁸⁾ Available at <https://ukhab.org/>.

8 Trading processes

COMMENTARY ON CLAUSE 8

Trading processes include those under market initiatives (e.g. codes, verification bodies), as well as less formal activities, such as of brokers and information providers. The emphasis in this clause is on disclosing information, rather than minimum requirements which could create a barrier to market participation.

8.1 Ethical buyers and suppliers

Principle: Buyers and suppliers provide information to allow market stakeholders to assess their integrity.

8.1.1 A supplier or buyer shall have a long-term plan to manage their contribution to environmental outcomes of units supplied or bought, which shall make reference to:

- a) the mitigation hierarchy;
- b) the value chain for their business, noting the scope of their plans relative to their value chain, and the implications of their choice of scope for their plan;
- c) the location of environmental impacts; and
- d) published good practices for their sector and/or management of their environmental impacts.

NOTE 1 A long-term plan is a minimum of 5 years, but often a longer time period is appropriate. The exact time period depends on the duration of the environmental impacts involved, and the lifetime of units bought or sold in nature markets.

NOTE 2 If suppliers have no other economic activities, they can simply state that they have no other material impacts on the environment.

NOTE 3 The plan might include information on impacts on local communities [see 5.6.2b)].

8.1.2 Suppliers' and buyers' long-term plans shall be accessible to market stakeholders.

8.1.3 Sellers shall state what requirements they have for buyers to have a long-term environmental plan relating to the environmental impacts of the units sold, and whether the accuracy of this buyer information has any contractual implications.

NOTE Some sellers require buyers to have a verified long-term environmental plan before they can buy units, and can nullify contracts if their plan is materially inaccurate or misleading.

8.2 Market ease of access

Principle: Processes of market trading and/or engagement enable access of market stakeholders.

8.2.1 Market initiatives (e.g. registries) shall use technologies and practices that enable the involvement of all market participants, including new market entrants.

8.2.2 Market participants shall make information freely available to market stakeholders.

NOTE Commercially confidential information can be withheld (see 4.1).

8.3 Stacking rules

Principle: Multiple types of units can be sold from the same supply area as part of a stack when there is robust measurement and verification of additionality in place for each type of unit in the stack.

COMMENTARY ON 8.3

Due to the risks involved in stacking, sellers and registries are advised to provide information that would enable a third party to verify the stacked units that have been sold from a supply area.

NOTE definition of stacking and these clauses will be updated to reflect new evidence from current stacking research.

8.3.1 If units are to be sold as part of a stack, there shall be:

- a) quantification of and verification for each unit;
- b) additionality tests passed for each unit in the stack; and
- c) a statement declaring that the units are stacked on a market registry that has interoperability of information with the registries for the other units in the stack (see 7.2).

NOTE Stacking can involve different types of units from a supply area, and/or the same type of unit but from different time periods.

8.3.2 Sellers shall take different approaches to demonstrate additionality of stacked units depending on the timing of the process of supplying and selling the units, involving either:

- a) contractual separation:
 - 1) if project developers plan, ex-ante, to stack and sell different units from the same supply area, this shall be stated to all market participants before the first units of any type are sold, recorded on the units' registry (see Clause 7) and stated in trading contracts;
 - 2) when a second or subsequent stacked unit is sold, it shall have been stated to the buyer(s) of all previously sold stacked units, prior to their sale, that these other or subsequent stacked units are reserved for separate stacked sale; or
- b) re-baselining: if units have been sold from a supply area, without a statement of the intention to sell other stacked units [so not in accordance with 8.3.2a)], sales of other stacked units from the same supply area shall only be made if they are the result of additional management actions.

NOTE This means that, after actions to generate and sell one type of unit have been undertaken, additional actions (which do not compromise the first unit) can be carried out to generate further units. An example is where a Woodland Carbon Code⁹⁾ scheme already exists, and then provides a route of access and gets paid for a permissive footpath. The different benefits might also be distinguished and reserved ex-ante, but do not have to be if there are distinct additional actions involved in generating subsequent units for sale.

8.3.3 Buyers of a subset of the units in a stack shall not claim or imply they are the sole funder of management actions in a supply area, or claim to support bundled benefits (i.e. in association with the units bought).

NOTE Such claims would likely constitute greenwashing (see 3.1.4.5).

⁹⁾ See https://woodlandcarboncode.org.uk/images/PDFs/Woodland_Carbon_Code_V2.2_April_2022.pdf for further information.

8.4 No double counting

Principle: Environmental outcomes from actions to supply units in nature markets, whether or not they are explicitly sold, are only counted once.

COMMENTARY ON 8.4

Requirements on double counting build on additionality requirements in terms of measurement, and on stacking and bundling requirements in terms of trading.

8.4.1 Sellers shall only sell the same environmental outcome from a supply area once during its lifetime, irrespective of whether it is stated as part of the units traded in any individual trade (see **8.3.1**).

8.4.2 Registries issuing units shall set out provisions to protect against the same benefit from the same supply area being sold twice or used as the basis for two claims.

8.4.3 Buyers shall only claim environmental benefits as a result of buying units once, and those benefits shall be explicitly quantified and within the scope of the units bought.

NOTE *The same reduction in environmental impacts might be reported more than once by organizations in a supply chain that report environmental impacts relating to different measurement boundaries (e.g. of different GHG protocol scopes), and by a supplier and buyer as part of their activities. This does not constitute double counting.*

Annex A (informative)

Describing confidence in information

The level of confidence in information should be judged relative to the purpose and influence it might have, so users should take into account the following questions.

- a) What are the key decisions that the data feeds into?
- b) What is the quality of the evidence the information is based on?
- c) Are there any statutory or voluntary commitments that the organization has made that the information informs?

Descriptions of confidence levels that could be used to rate information are shown in Table A.1.

Table A.1 – Descriptions of confidence levels

Level of confidence	Symbol	Description (science and decisions)
Low	L	Evidence is partial and significant assumptions are made, so that the data provide only the order of magnitude estimates of value to inform decisions and spending choices.
Medium	M	Science-based assumptions and published data are used, but there is some uncertainty in combining them, resulting in reasonable confidence in using the data to guide decisions and spending choices.
High	H	Evidence is peer reviewed or based on published guidance, so there is good confidence in using the data to support specific decisions and spending choices.

The quality of evidence can be assessed based on:

- a) the number of sources of evidence and datasets providing the evidence;
- b) the strength of methods used to generate the evidence;
- c) the quality of the data used;
- d) whether the evidence is peer reviewed; and
- e) whether the evidence is relevant and uses indigenous and local knowledge.

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¹⁶⁾ Available from <https://www.ukas.com/wp-content/uploads/2022/12/UKAS-Development-services.pdf>.

¹⁷⁾ Available from https://unfccc.int/files/essential_background/convention/application/pdf/english_paris_agreement.pdf.

¹⁸⁾ Available from <https://www.legislation.gov.uk/uksi/2019/1056/contents/made>.

¹⁹⁾ Available from <https://www.gov.scot/publications/scottish-land-rights-responsibilities-statement-2022/pages/3/>.

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