

Exploring Nature Markets within the Structure of Emerging Regulation for Corporates

Environmental Farmers Group and Oxbury Bank
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Executive Summary

This paper has been developed as part of the work between Environmental Farmers Group (EFG) with Oxbury Bank to explore the opportunities to restore natural ecosystems and services through formal relationships between corporate entities financing farmers facilitating restoration. We seek to create a framework to facilitate an exchange of natural capital between companies reporting on their impact on nature, predominantly through TNFD and SBTN, and farmers and land managers in England supplying nature gain.

In this paper we will:

- Use Oxbury Bank's experience as an early adopter of the Taskforce for Nature-related Financial Disclosures (TNFD) and follow the latest guidance on Land targets from the Science Based Targets Network (SBTN).
- Present the potential opportunity created through connecting corporate demand for natural capital with farmers working together to deliver suitable supply of nature restoration.
- Provide an overview of the corporate regulatory landscape related to nature and emerging nature markets.
- On the "demand" side, outline:
 - (i) the motivation for corporates to assess their nature-related risks and opportunities,
 - (ii) identify sources of corporate demand for nature-related data, and
 - (iii) the types of projects/solutions corporates could consider.
- On the "supply" side, explore
 - (i) income opportunities for farmers from natural capital projects,
 - (ii) what level of scalability will be required of farmers and land managers from corporate demand, and
 - (iii) how to connect farmers supplying natural capital to the private income streams from corporate demand.
- Understand how EFG could support its member farmers to capitalise on this opportunity in the context of Science Based Targets Network (SBTN) landscape engagement targets.
- Introduce what delivery could look like and the significance of indicators, metrics and financial flows.
- Outline the next steps to building on this research and analysis to turn it into actionable exchanges of natural capital.

Abbreviations

EFG – Environmental Farmer’s Group

SBTN – Science Based Targets for Nature

TNFD – Taskforce for Nature-related Financial Disclosures

SBTI – Science Based Targets Initiative

TCFD – Taskforce for Climate-related Financial Disclosures

CSRD – Corporate Sustainability Reporting Directive

GDP – Gross Domestic Product

AR3T – SBTN Action Framework

NFM – Natural Flood Management

WCC – Woodland Carbon Code

PIU – Pending Insurance Unit

IPBES – International Science-Policy Platform on Biodiversity and Ecosystem Services

Purpose of Discussion Paper

Using Oxbury's experience as an early adopter of the TNFD and following the latest guidance on Land targets from the SBTN, amongst other considered nature-related frameworks, this paper explores an exciting opportunity for corporates and farmers to connect around the opportunity to regenerate and restore nature at scale, through an acceleration of the voluntary natural capital market. This opportunity secures that:

- Nature continues to thrive, providing both natural resources and robust ecosystem services that underpin business activities and therefore the resilience of our global economy.
- Provide substantial income opportunities for farmers from land use change or management practices that directly mitigate nature-related risks through nature-based solutions.

The paper explores the commercial opportunity arising from the nature crisis and outlines the regulatory context propelling these opportunities via the market drivers of corporate demand and effective supply. It also presents detail around developing indicators and metrics, how finance will flow between market participants as well as beginning to investigate how EFG could support member farmers to capitalise on this opportunity.

1 The Challenge and the Opportunity

The total asset value of natural capital in England, when measured most recently in 2020, was an estimated £1.4 trillion, 78% of the total UK asset value. In addition, the total value of services provided by nature is estimated to be an enormous £47 billion.¹

As a sector, agriculture is in a unique and opportunistic position in contributing to the decline in nature, whilst also holding the cards to reverse it. Agriculture is responsible for ~10% of the UK's territorial emissions and many farming practices are driving nature and biodiversity loss. It is estimated that up to 15% of agricultural output in the UK could be at risk in future due to nature-related physical risks². Clearly, urgent action needs to be taken to mitigate the impact on food security and the rural economy.

Nevertheless, this challenge presents a significant opportunity for farmers, responsible for the management of 72% of UK land³, and in a unique position to remove carbon from the atmosphere through sequestration in soils, woodlands and peatlands as well as increasing local biodiversity through specific farming practices. Farmers and landowners, therefore, are key stakeholders to supply the emerging natural capital market where the number of funding initiatives and the scale of finance are growing. A defined structure is needed to guide farmers and landowners to optimise wide-scale land use; to produce food in a nature-friendly way or deliver nature-based solutions in lieu of food production. It is encouraging that, since the initial writing of this paper, the government Land Use Framework is now being revisited to ensure that optimisation of land use can be coordinated with objectives for food production and nature restoration to thrive together.

Furthermore, the market is being driven by the rapidly evolving regulatory requirements from bodies and target setting industry guidance including the TCFD, TNFD, SBTi, SBTN and CSRD, which we outline in the next section.

In navigating this complex and emerging natural capital market, farmers and landowners will need to consider:

- The impact on long-term land use and the potential risks and opportunities relating to land use change.
- The advantages of public vs private funding, the different funding structures, investment objectives and time horizons, which will dictate the scalability of projects at farm or landscape scale.
- How to navigate the different categories of corporate demand, their motivations and structures.
- How to respond to corporate demands for data and reporting to meet statutory and/or regulatory requirements.
- How to leverage their supply of land to service statutory requirements, supply chain management or voluntary market requirements.
- How to maximise opportunity from corporate businesses within the agricultural supply chain with requirements to 'offset' within their supply chain.

¹Office for National Statistics, 27 November 2023. UK Natural Capital Accounts: 2023.

²Green Finance Institute. 2023. Assessing the Materiality of Nature-Related Financial Risks for the UK: 7.

³DEFRA. 2019. <https://assets.publishing.service.gov.uk/media/5ff748338fa8f5640335254d/AUK-2019-07jan21.pdf>

The opportunity is exciting, dial-shifting and will accelerate innovation and engagement. Regulatory frameworks are emerging to structure and control the market as it evolves. We will review these at section 2 below.



2 Overview of Regulatory Landscape

The **Food and Agricultural Organisation (FAO)** defines biodiversity for food and agriculture as *“the variety and variability of animals, plants and micro-organisms at the genetic, species and ecosystem levels that sustain the ecosystem structures, functions and processes in and around production systems, and that provide food and non-food agricultural products.”*⁴. The interconnectedness of climate change, biodiversity and natural ecosystem services is increasingly clear – climate change is damaging ecosystems which, in turn, makes them less able to mitigate climate impacts, for example through flood alleviation.

Carbon legislation and regulations, like the UK’s Climate Change Act committing the UK to be net zero carbon by 2050 and resulting in reporting frameworks such as the **Taskforce on Climate-related Financial Disclosures (TCFD)** are driving the private sector to report on their carbon emissions and take action to reduce them. This is creating a wave of growth in the “green economy” as capital seeks new technologies and solutions to reduce emissions, or as a last resort offset emissions, for example through the voluntary carbon market and nature-based carbon removals. A voluntary carbon market is now developing adjacent to the well-established and regulated emissions trading schemes, such as the EU and UK Emissions Trading Schemes.

For agriculture, the guidance provided by the **Science Based Targets Initiative (SBTi)** on Forestry, Land Use and Agriculture (FLAG) has been especially important in clarifying the need for businesses with more than 20% of their emissions in these sectors to set targets to both reduce emissions and store carbon across the value-chain. Since the majority of emissions and carbon storage occurs on-farm, farmers are now the focus of concerted efforts to obtain more accurate carbon data.

While carbon and climate risk were the initial focus of regulatory frameworks, we now realise that the financial impacts of nature and biodiversity loss may in fact exceed those associated directly with climate change. The **Taskforce on Nature-related Financial Disclosures (TNFD)** has created a double-materiality framework that enables organisations to understand and disclose (i) the impact of nature related risks and opportunities on their business, and (ii) the impact of a business’ activities on nature. Businesses are therefore encouraged to set targets and take action not only to reduce risks to themselves, but also to address the impact of their own activities on nature.

Furthermore, the **European Union’s Corporate Sustainability Reporting Directive (CSRD)**, which came into effect in 2024, will determine the standard by which nearly 50,000 companies (EU and non-EU) must report on their environmental and social activities. The CSRD identifies nearly 500 data points related to climate, pollution, water and marine resources as well as biodiversity and ecosystems for disclosure. This creates further incentive for corporates to collect information of their impact on nature and a requirement to ameliorate said impacts. Furthermore, CSRD refers to and relies on not only TNFD but also **Science Based Targets for Nature (SBTN)** as frameworks to delve into specific

⁴ FAO. 2019. The State of the World’s Biodiversity for Food and Agriculture, J. Bélanger & D. Pilling (eds.). FAO Commission on Genetic Resources for Food and Agriculture Assessments. Rome. 572 pp.

subjects, particularly in its topical standards dedicated to nature-related issues including pollution, water and marine resources and biodiversity and ecosystems. SBTN is a voluntary framework, although particularly popular because of alignment with CSRD and TNFD, which applies to companies, cities and financial institutions. Its purpose is to guide them to measure and reduce their environmental impact through structured target setting in areas such as freshwater use, land use, biodiversity, and ocean health.

One of the biggest opportunities for farmers will come from one of the three SBTN Land target structures, which will require specific types of corporates to set targets that contribute to landscape scale nature recovery. Such scalability is only possible through collective action from multiple, connected farmers or landowners which is being established through the momentum building in farmer cluster groups and collaborative farmer groups, like EFG.

In the same way that TCFD encouraged disclosure, and SBTi gave guidance for target setting on carbon emissions, TNFD will encourage nature disclosure and SBTN will deliver guidance on target setting and tangible action.



3 Corporate demand for nature and managing supply

Demand for natural capital is increasing as corporates come to terms with scientific evidence that nature depletion will lead to a 12% loss in GDP, worse than the effect of the covid pandemic or the global financial crisis⁵. Furthermore, guidance and frameworks are now being published which provide more clarity for private investment in this sector. For example, there has been a significant response to the TNFD framework, with more than 500 companies committed to TNFD-aligned nature-related risk management and corporate reporting⁶. SBTN has 150 companies actively in the process of nature-related target setting, following their successful pilot with three companies at the end of 2024. As a building block for target setting, it has also introduced the Action Framework (AR3T) to guide corporates in addressing their impacts on nature⁷ by:

- Avoiding and reducing pressures on nature;
- Regenerating and restoring nature so that it can recover; or
- Transforming underlying systems in which companies are embedded to address the drivers of nature loss.

Furthermore, the Land targets introduced by SBTN in September 2024 clarify the types of businesses that will be expected to set specific targets and the format that these engagements would take at both a farm and landscape scale. It is important to understand the individual motivations of businesses for selecting these types of projects, which vary according to sector and location; with the proximity of their operations and supply-chain to agricultural or rural land a particularly important factor. The size of the potential nature-based investments could vary considerably from current estimates and nature-based solutions providers would need to consider corporate data requirements.

Land managers looking to supply nature-based solutions need to consider these factors when deciding how and where to participate in these markets.

On the supply-side, nature-based solutions can be provided through nature 'gain' through land management practices and changes to land use, with additionality generated from:

- Sequestering carbon
- Increasing biodiversity
- Improving water quality
- Reducing pollution
- Enhancing natural resources (soil, sand, water etc)

Corporates are looking to invest in nature-based solutions to adhere to regulation, mitigate risk, reduce their negative impact on the environment and/or improve biodiversity and ecosystem services. Demand for these nature-based solutions

⁵ University of Oxford

<https://www.ox.ac.uk/news/2024-04-29-nature-degradation-could-cause-12-loss-uk-gdp#:~:text=New%20research%20has%20found%20that,financial%20crisis%20or%20Covid%2D19>.

⁶ COP16, October 2024, Cali, Colombia

<https://tnfd.global/over-500-organisations-and-17-7-trillion-aum-now-committed-to-tnfd-aligned-risk-management-and-corporate-reporting/>

⁷ SBT Network 2020 Initial Guidance for Business <https://sciencebasedtargetsnetwork.org/companies/take-action>

currently outweighs credible and measurable supply, and increasing supply from farmers and landowners will require the effective management of financial flows and collective cooperation. Multi-stakeholder management is crucial to deliver the scalability required to effectively meet the levels of corporate demand.



Figure 2: Categories of Corporate Demand for nature-based solutions supplied by farmers and landowners on farmland

Corporate Demand	Description	Typical classification* (SIC)	Scale of impact on nature	Supply chain	Motivation	Disclosure mechanism	Type of payment
<i>Corporates especially in the services sector, typically within the scope of Landscape Engagement Target of SBTN</i>	Corporates who have limited direct connections to nature as a result of location and type of operations (mainly services focused)	Information and communication, Real estate activities Professional, scientific and technical activities Administrative and support services Other service activities Arts, entertainment and recreation Human health and social work activities Education Wholesale and Retail Trade Repair of Motor Vehicles and Motorcycles	Small due to location and supply chain structure	Focused on general office consumables and other services including technology	Brand management/ reputation/ employee value proposition	IFRS S2 TNFD CDP CSRD Annual report, sustainability report	<ul style="list-style-type: none"> • Direct contribution for conservation • Carbon offset • Biodiversity offset
<i>Food and beverage supply chains, these entities would typically be within the scope of SBTi FLAG targets</i>	Food processors, food retailers, restaurants, farm input suppliers, financiers, etc	Agriculture, forestry and fishing Manufacturing – food, beverages, textiles Wholesale and retail trade – food, beverages, textiles	Directly depends on type of operations, but potentially large	Supply chain is closely connected to rural land, farming and nature	Risk reduction/ procurement certainty/ brand management	IFRS S2 TNFD CDP CSRD Annual report, sustainability report	Direct payments for specific practices, specific contributions to address identified risks
<i>Corporates with business operations on specific sites very</i>	Sectors such as electricity and utilities, mining,	Mining Quarrying Manufacturing	Potentially large depending on	Focus on site of direct operations,	Risk reduction/ avoided costs/	IFRS S2 TNFD CDP	Direct action on site (or off-site)

Corporate Demand	Description	Typical classification* (SIC)	Scale of impact on nature	Supply chain	Motivation	Disclosure mechanism	Type of payment
<i>exposed to nature risks and impacts - typically within the scope of categories within SBTN of 'No Conversion of Natural Ecosystem'</i>	manufacturing and transport	Water supply, sewerage and waste management Electricity, gas, steam and air conditioning supply, Transportation and storage.	nature of business	wider supply chain is potentially less important	brand management	CSRD Annual report, sustainability report	to reduce and mitigate
<i>Short-term insurers</i>	Short term insurers providing incentives for risk mitigation practices on-site	Insurance	Limited based on approach by insurers to potentially only include direct customers in schemes	Not applicable	Reduce future claims	IFRS S2 TNFD CDP CSRD Annual report, sustainability report	Discounts for responsible practices
<i>Regulated demand specifically BNG, nutrient neutrality</i>	Infrastructure/ construction (Biodiversity Net Gain, etc)	Construction	Depends on location and size of construction	Not applicable	Compliance	Local Planning Authority prescribed? Financial statements?	Direct payment
<i>Asset managers</i>	Developers of nature as an investable asset class	Financial	Depends on availability of supply from landowners	Not applicable	Profit	Prospectuses Annual reports Emerging markets and impact investing	Offsets

The SBTN Materiality Screen tool was used to identify economic sectors that would be in scope to set an SBTN Landscape Engagement target and would therefore have a demand for nature services.⁸

⁸ Science Based Targets Network (2024). Step 3: Measure, Set, & Disclose: Land (Version 1.0)

4.2 Land manager analysis and income flows

Given the limited supply of land and various competing demands, sources of income for farmers and land managers were assessed to estimate the potential incentives needed to provide natural capital services for the various types of corporate demand listed in the table at Figure 2.

In Figure 3 we list the various sources of income available to farmers and landowners. We have considered:

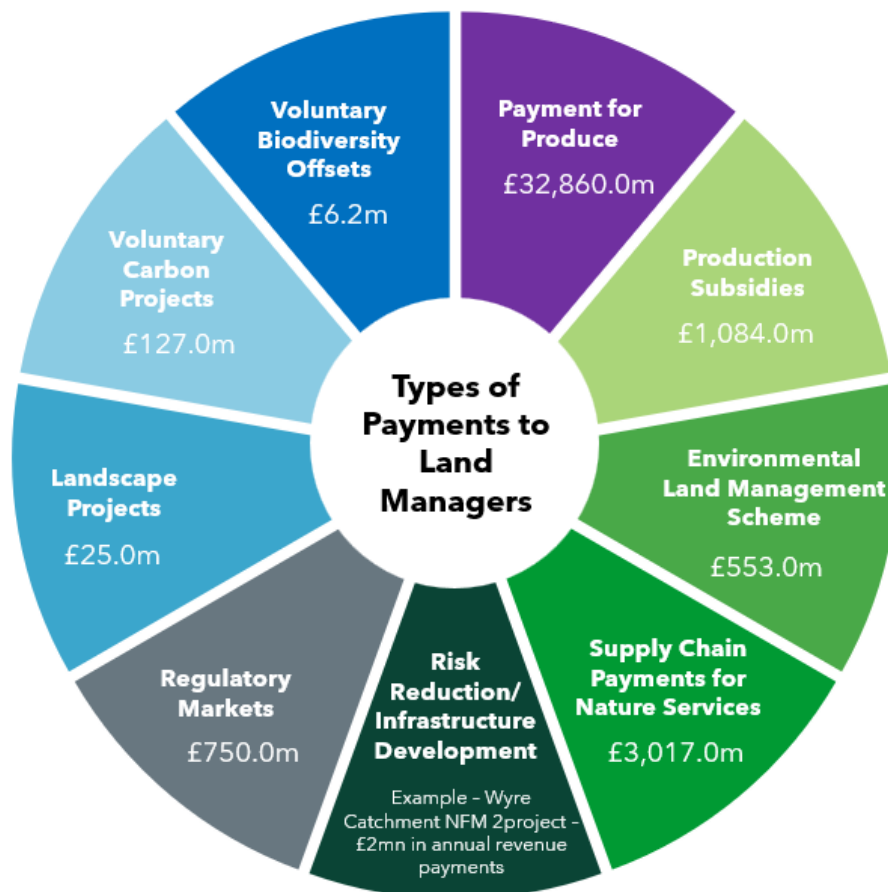
- The scale of the supply; individual or groups of farmers or land managers.
- The commitment period required from various income streams for land managers, recognising that there are administrative actions and costs involved in accessing all forms of payment. Notably, we considered the relative burden and costs on the farming enterprise to determine the potential attraction of diverting time and attention to the sources of income.
- The accessibility to the source of income.
- The financial opportunity from the market (not a value of a specific income stream per farm(s)).
- Whether EFG has a role as a facilitator for said source of income.
- What and where the source of income or funding comes from.

We assumed that existing sources of payment in the form of supplier contracts and government support payments carry a relatively lower effort than longer term and newer forms with additional reporting and data requirements. It should also be noted that while we stated general commitment times, any project involving woodland generally has a longer period involved.

We have not estimated the relative size of each potential income stream, but it should be noted that existing payments for produce, government support payments and supply chain actions are relatively low risk, low commitment for land managers compared to nature market payments external to the agri value-chain. This could result in land managers rationally choosing to focus on a diversified income stream from the former rather than the greater effort, and longer commitment of the latter. It is clear however, that while these latter nature market payments hold more risk due to their nascent nature, and will require scalability to deliver worthwhile impact, that connected networks of farmers can deliver this with much greater ease than individual farms and thus generate greater financial reward for the collective.

We have outlined the farmer supply analysis on page 19 and present a summary of the main types of payments and recent estimates on the quantum of those payments below in *Figure 3*. Based on current monetary contributions, the supply-chain is the largest direct source of payments for nature services, followed by government.

Figure 3: Types and value of payment to landowners (£ million)



5 Driving natural capital exchange between supply and demand

5.1 Delivery of natural capital through SBTN Landscape Engagement targets

We have identified that SBTN Landscape Engagement targets will be one of the most effective ways to deliver landscape-scale restoration and improvement of natural capital. Farmer cluster groups and collective groups of farmers will be the unique supply that responds to this demand given the scale required. Our reasoning is detailed below.

As analysed in Figure 5, corporates subject to SBTN Landscape Engagement targets will need to invest in nature-based projects delivered on farmland. The SBTN Landscape Engagement targets require companies within scope to identify either:

- One project of a size that represents at least 10% of the land use area of the corporate and its upstream supply chain; or
- Two projects irrespective of size (preferably adjacent providing connectivity).

Projects should be screened, based on a Landscape Readiness Maturity Index with a preference for engagement with projects that are considered 'comprehensive in terms of the matrix'. Such projects would have the following attributes:

- The boundary that the landscape initiative is aiming to exert influence over follows the boundary of either a jurisdiction, watershed, or another area considered to be of ecological or socioeconomic importance. When the area is not defined following ecological, jurisdictional, or water-basin boundaries, then the area must be at least 10,000 ha but not necessarily contiguous. The principle of locality is encouraged.
- The visions and needs of relevant stakeholder groups (for example EFG) must be included in the design, implementation, and monitoring of an initiative. At least three stakeholder groups that have some level of involvement or relevance should be involved, and a written collaboration statement should be developed.
- At least three landscape objectives must be identified, including at least one environmental objective and one social objective. Each objective must include a specific, measurable milestone that the initiative aims to achieve by a specific date. The objectives must be supported by a collective action plan.
- Transparent reporting and presentation/information systems sharing the actions/investments made in the initiative.

Corporates can initiate or contribute to a varied range of activities and actions in collaboration and alignment with a landscape initiative; with actions that can range from avoidance and reduction of pressures on biodiversity and nature loss, to restoration and regeneration of the state of nature (e.g., the extent and integrity of ecosystems and species extinction risk), and the transformation of underlying socio-economic systems at multiple levels to address the drivers of degradation and nature loss. All of these approaches will be

instrumental in successfully achieving landscape scale objectives to improve natural capital. Corporates can then select metrics to measure progress based on the type of project and its specific objectives, desired outcomes and targets within the various indicator groups.

5.2 Indicators and metrics

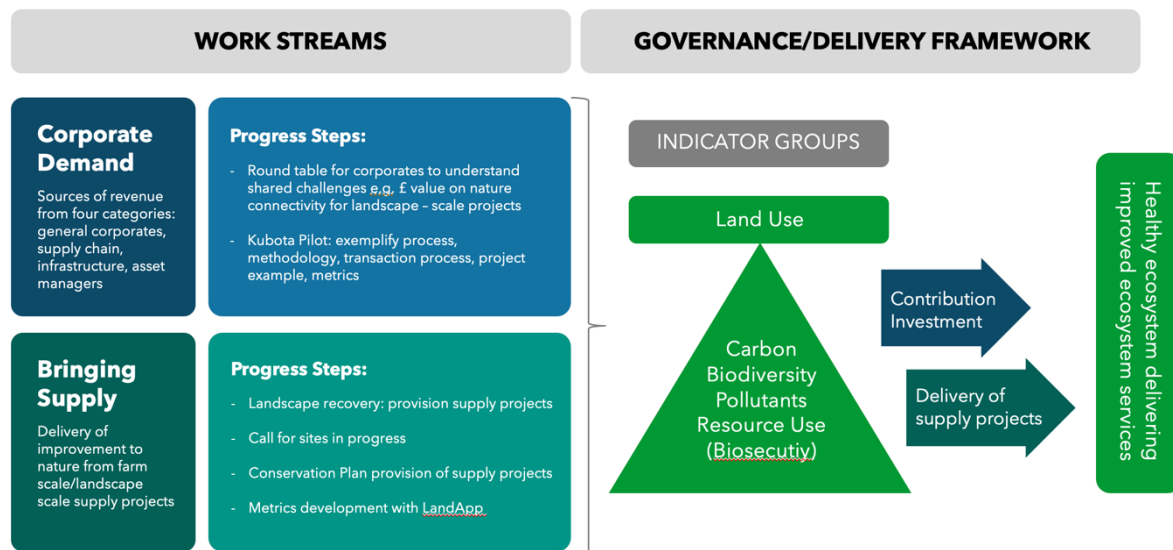
Metrics will develop and improve as uptake of natural capital markets gains momentum. These metrics will be complex and may differ between farmers baselining supply and measuring positive nature gain and corporate demand disclosing impacts measuring nature decline. Therefore, indicator groups that hold sets of multiple metrics are key.

Defining appropriate indicators and metrics is crucial in order to measure the outcomes of nature 'gain' projects. However, measuring the impact of a project can also be complex due to nature's interconnectedness and the interdependencies between resources, species and ecosystems. Further complexity comes from the fact that metrics adopted by corporates do not necessarily match those being used to measure nature gain by land managers. This is why indicator groups that 'hold' multiple metrics will be vital to connect demand and supply.

A number of indicators and metrics are already being used and developed by ecologists, consultants and disclosure bodies such as the Global Reporting Initiative (GRI) and Carbon Disclosure Project (CDP). Not all indicators and metrics will be relevant to individual corporates but will vary depending on the type of project and desired outcome. Farmers and land managers will need to be able to provide the necessary data for corporates' reporting requirements and data should respond metrics they are reporting. This could include external disclosures and tracking progress against their own nature-related targets.

This project has reviewed the indicators and metrics used across multiple frameworks and identified a set of impact drivers determined by The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES). We have termed them indicator groups and they include **carbon, biodiversity, natural resource use (e.g. water), pollution and biosecurity**. Under each indicator group corporate reporting metrics may be identified to structure them. The groups will enable corporates and suppliers to connect in a way that enables corporates to directly finance nature 'gain' projects that could mitigate their company's nature-related risks to their business operations – see Figure 4.

Figure 4: Workstreams and delivery framework showing indicator groups



6 Next steps by EFG for the project:

- Validate the assumptions on the motivations for various players within the corporate demand to participate and contribute to nature by distributing this discussion paper to key stakeholders and conducting workshops with targeted corporates.
- Identify metrics within the indicator groups which could be integral to the transaction/ delivery as they will be the mechanism to measuring progress against targets set by corporates and land managers to transparently report on improvement progress.
- Assess the potential monetary values that could be contributed by corporates within the different categories through workshops with targeted corporates and liaising with GFI.
- Create an example transaction through a project using the members of EFG to supply a nature restorative or regenerative project financed by Kubota UK, an early adopter of TNFD, as an example of a corporate transaction.

The intention is to have discussion directly with corporates and land manager networks to help inform these actions in the coming months, through a set of staggered roundtable groups and formal workshops.

Appendix 1: Sources of income from natural capital markets

Figure 5: Sources of income from natural capital markets for landowners and land managers to deliver natural capital /nature-based solutions

Types of payments to land managers	Description	Available for individual landowners and/or farmer group	Period of contract commitment	Relative ease of access (1- easy - 5 very difficult)	Market size/Financial opportunity	Role for EFG	Source of funds (incl. corporate demand)
<i>Payment for produce</i>	Transactional determined by commodity prices, contracts	Individual	1 year or longer depending on type of contract	1	£32.86bn (2023 - UK total) ¹	No	Food and beverage supply chain
<i>Production subsidies</i>	Basic Payment Scheme and equivalents	Individual	1 year	1	£1.084bn (2023 - England total) ¹	No	Government (DEFRA)
<i>Environmental Land Management Scheme</i>	Subsidies to deliver nature on-farm	Individual	3 - 5 years	2	£0.553bn (2023 - England total) ¹	Natural Capital Advisory through EFG	Government (DEFRA)
<i>Supply chain payments for nature services</i>	Additional payments for undertaking certain farming practices	Individual	1 year or longer	2	\$3.017bn total investment commitment into regenerative agriculture by agrifood corporations (2023) ² .	No	Food and beverage supply chain
<i>Risk reduction/ infrastructure development</i>	Payments to store water on farmland, council payments	Individual	1 year or longer	2	Example - Wyre Catchment NFM project - £2mn in annual revenue payments ³ .	EFG	Utilities/ short term insurers
<i>Regulatory markets</i>	Biodiversity Net Gain/ Nutrient Neutrality	Mainly individual	30 years - 100 years	3	£750m - estimated value of credits available on marketplace Gaia ⁴ . £135-£274m - Defra's expected annual market size.	EFG	Private sector in scope

Types of payments to land managers	Description	Available for individual landowners and/or farmer group	Period of contract commitment	Relative ease of access (1- easy - 5 very difficult)	Market size/Financial opportunity	Role for EFG	Source of funds (incl. corporate demand)
<i>Landscape projects</i>	Landscape recovery / Conservation Plans / Landscape Engagement targets	Groups or individual large estates	Up to 100 years	3	£25mn total per project/ £750k for phase 1 of each project (Landscape Recovery round two) ⁵ £TBC for SBTN Landscape Engagement targets, likely >Landscape Recovery	EFG	Corporates within SBTN Landscape Engagement target scope
<i>Voluntary carbon projects</i>	Woodland and peatland code projects	Individual	Up to 100 years	4	£127mn - current value of PIUs available for WCC ⁶ . £61mn in the year 2030 and increasing thereafter (based on current prices and afforestation sequestration figures from the carbon budget) ⁷ .	EFG	Corporates setting emissions targets
<i>Voluntary Biodiversity offsets</i>	Biodiversity credit and offset markets	Individual or group	Up to 100 years	4	\$6.2mn - amount globally committed to biodiversity credit schemes (2023) ⁸ .	EFG	Asset managers

1. <https://assets.publishing.service.gov.uk/media/669e4777ab418ab055592a2c/auk-2023-06jun24iii.pdf>
2. <https://www.tandfonline.com/doi/epdf/10.1080/14747731.2024.2397260?needAccess=true>
3. <https://hive.greenfinanceinstitute.com/gfihive/case-studies/the-wyre-river-natural-flood-management-project/>
4. <https://carbon-pulse.com/288427/>
5. <https://defrafarmling.blog.gov.uk/2023/11/29/round-two-projects/>
6. <https://woodlandcarboncode.org.uk/uk-land-carbon-registry/uk-carbon-prices;>
 - a. Multiplied by number of PIUs available for sale - <https://www.woodlandcarboncode.org.uk/about/wcc-statistics-2024>
7. <https://www.theccc.org.uk/publication/sixth-carbon-budget/#supporting-information-charts-and-data>
 - a. Using annual hectares of sequestration from afforestation.
8. <https://medium.com/@ClimateCollective/the-state-of-the-global-biodiversity-credit-market-0f1e283d01ac>
9. <https://www.unpri.org/download?ac=17705>

Appendix 2 - EFG and Oxbury Bank Profiles

Environmental Farmers Group (EFG)

EFG is a cooperative group of farmers delivering positive environmental change at a landscape-scale, funded through natural capital trading. Supported by some of the UK's leading natural capital specialists, we act as a trusted navigator for farmers and landowners by providing a cohesive approach to baselining, planning and monitoring natural capital (through Catchment Conservation Plans) and ensuring fair financial reward for Members.

EFG's mission is to harness scale and member cooperation to secure the best environmental results and financial returns for a wide range of natural capital goods and services. EFG's desired outcomes are:

- Biodiversity and species recovery
- Clean water
- Net carbon zero farming

EFG provides three main services presenting value to farmers and landowners in natural capital markets.

Trading: EFG provides trading services to Members. EFG creates market trading opportunities in statutory and voluntary markets and handles all trading opportunities arising. It does this by creating preferential agreements with various service providers as well as creating partnerships and trading vehicles leveraging scale provided by Members. Natural Capital Advisory (NCA) brokers all trading activity for farmers within the co-operative to ensure farmers are receiving fair value.

Environmental Baselining: EFG supports farmers in environmental baselining as a co-operative. EFG provides guidance to members on baselining and builds a common environmental baselining approach to offer legitimate environmental services to buyers and to track environmental change delivered. GWCT is appointed to create a 'Catchment Conservation Plan' for each EFG equalisation cell to drive environmental change. EFG will partner with and guide Members to service providers to provide baselining services.

Membership: EFG onboards farmers and landowners to become Members of the co-operative. EFG attracts new Members by holding events, attending industry events, raising the profile of the organisation and visiting farmers to answer queries. EFG services Members through:

- Membership applications.
- Notifying Members of any relevant natural capital trading opportunities.
- Handling any natural capital opportunities presented to Members.
- Sharing knowledge and answering questions on natural capital.
- Providing advice on natural capital.
- Holding regular events and meetings for Members.

Oxbury Bank

Oxbury was established by bankers, farmers, agricultural businesses, and technologists, combining the worlds of farming, financial services, and technology to create the UK's first and only fintech with a full banking license, focusing solely on serving customers in the agricultural sector.

Our mission is to transform the agriculture finance market and enable the sector's drive towards a more productive and sustainable farming and food supply chain.

British farming and food production is undergoing an evolutionary transition, and farm businesses need more customised finance and data driven solutions to help facilitate the generational shifts necessary to enhance sustainability, provenance, and production standards across the farming and food supply chain.

Our tech team makes up one-third of our total headcount, reflecting our deep strengths in technology and digital banking. Oxbury Earth is our own purpose-built, cloud-native tech platform, delivering industry-leading digital banking, and payments solutions.

The Oxbury Earth platform also elevates data analysis for farmers by blending agronomic, financial, and environmental performance data and enables us to collaborate across the entire agrifood supply chain to enhance traceability and resilience.

Oxbury's co-founders are food and farming focussed. James Farrar (CEO) was the founding CEO of ClearBank, the UK's first new, full-service clearing bank for over 250 years and former senior executive at major UK banks. Nick Evans (MD) founded, ran, and successfully exited F4F (part of Adaptris), a software business with 2,500 customers in the global agricultural and animal health sectors. Both previously held senior roles in the UK banking industry.

The extended leadership team has many years of experience running some of the largest farm-supporting organisations and includes the former chairmen of NFU Mutual and AMC (Agriculture Mortgage Corporation).

Oxbury is a brand name of Oxbury Bank Plc which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Financial Services Register number: 834822).