Ecosystems Knowledge Network

NATURAL ENVIRONMENT INVESTMENT READINESS FUND

Department for Environment Food & Rural Affairs

Environment Agency

NATURAL ENGLAND

Engaging businesses in transactions that deliver environmental improvement

Prepared by Ecosystems Knowledge Network
working with the Green Finance Institute

Cover image: (Top-right) *Aerial view of the River Dart, Devon, near Totnes © Adobe Stock / Maciej Olszewski (bottom-right) Aerial view of Sunderland with North Sea coastline in the distance © Adobe Stock / 4kclips*

This guidance helps people who manage areas of land and water to engage with buyers of the outcomes arising from environmental improvement.

Building relationships with these buyers is one of the hardest parts of the arena now known as ‘nature markets.

The insight contained in this document builds on the work of the Natural Environment Investment Readiness Fund programme, together with other pioneering nature market initiatives in England and the rest of the UK.

Introduction

Aerial view of housing in Penrith, with afforested landscape in the background © iStock / Alan Graham

Who this guidance is for

This guidance is for projects and enterprises that are improving the environment, and who want to serve those who could find value in the outcomes that result from this work.

These outcomes include, for example, measurable reductions in flood risk and the long-term removal of carbon dioxide from the atmosphere.

This guidance is written for those who may be at an early stage of engaging with businesses and other organisations that have an interest in environmental improvement. That includes people receiving donations or grants, as well as land managers, aquaculture specialists, and fisheries experts who sell into supply chains with environmental requirements. For many managers of land and water, transactions involving payments for environmental outcomes will be a natural next step from relationships they have already built in the public and private sector.

It is assumed that users of this guidance have direct influence over land or water, whether as owners, tenants, or stewards. This includes nature-based projects and enterprises that use natural features to deliver outcomes they believe will be of value to businesses and wider society.

It is also worth noting that some of those on the frontline of delivering environmental improvement are themselves businesses that stand to benefit from the outcomes they create. Farm businesses, woodland managers, and water utility companies are good examples of this. This guidance is written for them too, recognising that they can occupy both sides of the relationship at once, as a potential buyer as well as a seller.

Intended users of this guidance:

- Mixed rural estates (which may include farm, tourism and other businesses)
- Individual farm businesses (those that own land and those that are tenants)
- Farmer clusters (groups of farmers seeking to work together)
- Private owners of woodland and forest
- Third sector landowners
- Advisors, agents and representatives of the above

In many cases, initiatives seeking to engage business in environmental improvement outcomes will involve collaboration between many different types of landowner and manager.

Office with a view © Adobe Stock / Catalin Giurcanu

Why is this guidance needed

The combined effects of climate change and the declining state of nature will touch many types of organisations, not just those such as food manufacturers that depend directly on land and water.

Disruption to transport infrastructure affects everyone. The desirability of places to live and work is shaped by the quality of the natural environment around them. For too long, the private sector has relied on others to secure the natural assets it needs for resilience, competitiveness, and growth, and public finance alongside traditional corporate donations has proven insufficient to fill that gap.

In response, expectations are shifting. Businesses of all types are increasingly being called upon to play a direct role in securing environmental improvement. Many leading organisations have begun to evaluate their nature-related risks and dependencies and are taking meaningful steps in response. This includes procuring measurable outcomes such as carbon sequestration and flood risk reduction, as well as making more strategic donations designed to contribute to government and business targets for nature restoration.

Talking to businesses about their relationship with environmental improvement can be challenging because of:

- The diversity of needs and interests in a healthy natural environment.
- Limited capacity to evaluate the way the natural environment affects them.
- Nature risk is often found in complex supply chains, many of which extend to different parts of the world.
- A focus on avoidance of harm, compliance with rules and regulations – and decarbonisation.
- The number of engagement requests received from environmental organisations.
- Multiple factors are pushing business to consider their relationship with nature – risk, investors, customers, employees – but action is not mandatory.

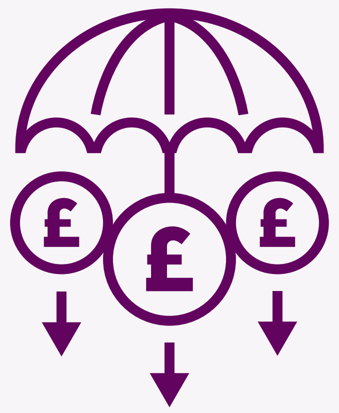
It is even more challenging to suggest to businesses that they should procure environmental outcomes voluntarily. There are good reasons for this:

- Individual entities may not see the businesses case for acting on their own (or even in small groups).
- It can be hard to understand the baseline condition of the environment, how it might affect business operations, and what can be done about it.

What’s in it for businesses?

The list below shows a selection of the environmental improvement outcomes that businesses in the UK may find valuable.

Reduction in climate-related risks (supply chains, property and facilities)

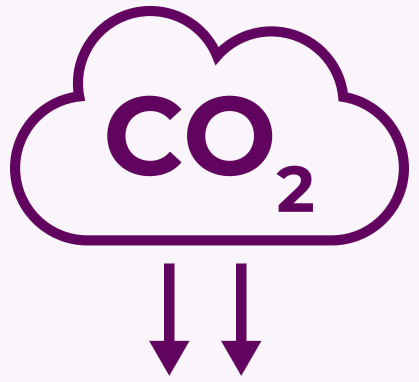


Reduced insurance premiums

Ease of staff recruitment and retention

Meeting the criteria of lenders or others with a financial stake in the business

Improving the environmental credentials of products and services (and therefore providing market advantage)



Management of residual carbon emissions — as part of net zero targets

Ability to report that they are on a pathway to becoming ‘nature positive’

Compliance with regulatory or permitting requirements (nutrient neutrality, Biodiversity Net Gain)

The role of donations and transactions

Donations and grants play an important part in environmental improvement. Mechanisms such as One Per Cent for the Planet (international) and Projects for Nature (England) exist for the purpose of enabling business donations to environmental causes. In some cases, donations may provide a pathway to a business procuring a service from managers of areas of land and water.

Transactions that involve a contractual commitment to supply of a product or service are different to donations. Reasons for this are provided in the table below.

Donations	Transactions
Likely short term and ad hoc	The potential to be long-term and renewable
Benefits not transferable	Outcomes may be transferable (such as secondary markets for carbon credits)
A tendency to be based on environmental restoration activity rather than natural capital outcomes	Focused on measurable and verifiable outcomes, such as flood risk reduction or carbon sequestration
May arise from marketing or community relations budgets	More likely to come from operational budgets, with access to larger budgets within businesses

Business meeting © Adobe Stock / Cultura Creative

Five steps

Aerial view of commercial property at Chatteris, Cambridgeshire © Adobe Stock / Nick Beer

What this guidance contains

The document sets out five steps that are important in any pathway towards transactions with business.

A

Be an expert in the businesses with which you want to engage

B

Know who (and what) is already influencing the business

C

Formulate a robust and precise service offer

D

Find the points of connection between businesses and environmental improvement

E

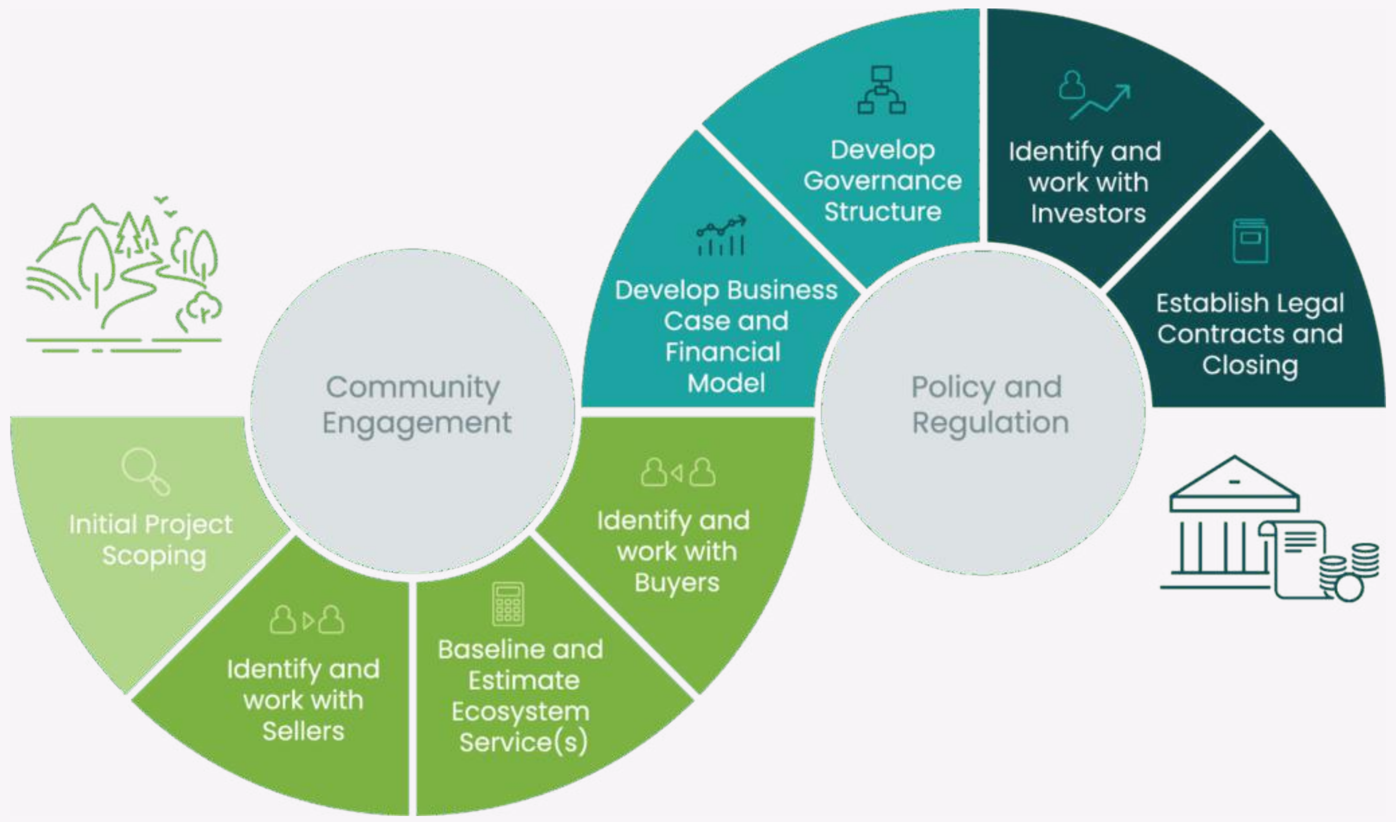
Find ways to begin a conversation

We expect that users of this guidance will follow the Investment Readiness Toolkit created by the Green Finance Institute. This Toolkit is a guide to the array of activities involved in pursuing revenue for the delivery of environmental outcomes - and in any associated investment.

Buyer engagement is identified as an important activity in several steps of the Toolkit, including:

- Milestone 1 - **Initial Project Scoping**, in which the revenue streams that can be generated from the area of land and water are determined.
- Milestone 4 - **Identifying and Working with Buyers**. As shown in the diagram below, there are important steps beforehand in finding potential buyers, and afterwards in managing relationships with them.

Green Finance Institute – Steps to Investment Readiness



A - Know the business with which you want to engage

Your goal should be to know the points of connection between the organisation and environmental improvement.

- Before any conversation with a business, it is important to be familiar with information about it that is already freely available. This may include the information showing in the box below.

Information that may be available from a businesses website and reports:

- The geographical distribution of employees and operations (including offices, manufacturing and storage sites, and transport routes)
- The supply chain – the geographic spread of where the company sources materials and services that it needs
- What products they sell and who their customers are
- The geographic origins of the business
- The structure of the business – the location of key land and property, and the principal divisions within the organisation
- What action, if any, the business has taken on environmental affairs and sustainability.

- Where information is not available about a specific business, consider using sector knowledge (including sector guides produced by the Task Force on Nature Related Financial Disclosures).
- Not all information will be readily accessible. For this reason, it is good to begin informal conversations early. This may be done by meeting representatives at networking events for businesses in an area, or by making use of any personal connections.

Information to seek in informal conversations with businesses

- The key risks to the business associated with climate change
- Sustainability-related regulations that the business is concerned about
- Social or environmental causes have mattered to the business in the past
- The values and culture of the business
- Any finance or investment that underpins the business.

- Think about businesses in a similar way to individual people; they are all different in their values, outlook, goals and culture. They all have varying views on what sustainability means to them, to the economy and in society more generally. Different parts of a business have different priorities, and varying budgets. There may be a lack of communication internally between teams and divisions on sustainability priorities.
- When seeking to understand what action a business has taken in relation to environmental improvement, it is important to be aware of the breadth of sustainability issues that a business will consider. Decarbonisation is often important, as are community affairs, and the management of very complex supply chains that may stretch around the world.
- Consider the relationship between the principal products and services of the business and their sustainability priorities. In some cases, the business may be on a genuine quest to position products and services as green or sustainable. Business may see sustainability as an area of reputational risk – especially if there is scrutiny from other organisations, including customers and lenders.

B - Know who (and what) is already influencing the business

Your goal should be to know the factors and sources of advice already influencing business decision making about environmental affairs

- Take note of whether or not a potential buyer has a staff member or team tasked with sustainability or environmental affairs, many will already have trusted sources of advice or information. This may be a trade body (representing a group of businesses). In some cases, a business may have in-house or proprietary ways to assess their risks and dependencies on the natural environment. Many businesses may have adopted the reporting framework of the Taskforce on Nature-related Financial Disclosures (TNFD). Their reports will identify key areas of concern – some of which may relate to land and water in the UK.
- It is important to consider what sustainability-related messages the business is receiving from others, including any action by competitors. For larger businesses, there may be pressure on sustainability affairs from investors or banks – this could either ‘crowd out’ or motivate consideration of environmental improvement that would benefit it.
- In some cases, the environmental priority for a business may be compliance with rules and regulations – either at the UK or an international scale. In other cases, the focus may be on saving costs (for example through energy or fuel efficiency). Supply chain risk management may be a focus for many businesses, encompassing a wide range of considerations – not just nature-related risks. Decision support tools driven by Artificial Intelligence, such as Osapiens®, may already be in use by the business.
- B-Corps are a category of business that has committed to adopting sustainability practices. They are more likely to be interested in environmental improvement. Their focus may, however, be on the priorities set by the international B-Corp certification system, as opposed to more local risks or opportunities relating to the natural environment.
- Some larger businesses in the UK are owned or managed from other parts of the world. This is an important consideration in knowing how to begin a conversation with a UK-based division or unit. Many businesses with headquarters or operations in the UK will work to European Union Directives and Regulations because this block is important for their market.

Business Type	Description
Small and Medium Sized Enterprises	May rely on trade organisations or local business groups to represent them on all matters concerning the environment.
Larger businesses	May be members of groups that have taken nature seriously, including adopters of the Taskforce on Nature-related Financial Disclosures and the Nature Action 100 list of businesses.

Take note of whether or not a potential buyer has a staff member or team tasked with sustainability or environmental affairs, many will already have trusted sources of advice or information.

C - Formulate a robust and precise service offer

You should be able to explain what outcomes you can deliver, over what time period and with what level of risk.

- Meeting business needs for environmental improvement can involve substantial long-term commitment from those who can deliver the outcomes. For this reason, it is important to be clear on what your project or enterprise can offer, and to what extent the outcomes will depend on the work of others. Businesses may want to develop a relationship with a land or marine manager over years or decades. This may start with a donation that is targeted at specific outcomes and progress to transactions that involve the procurement of services through contracts.
- In the case of carbon, nutrient or biodiversity credits, quantify what is feasible for you to offer using a trusted method. It will take time to establish the baseline (so you can prove that you are providing additional benefit). It will also take time for environmental improvement works to begin to deliver the desired outcome.
- Consider the risks of non-delivery and how you will manage these, including through the use of insurance. Evaluate whether certification, validation and accreditations for what you deliver is going to match what will be required by the business in question. In the case of the Woodland Carbon Code and Peatland Code, recognition by international certification bodies is ongoing.
- Compare and contrast what you can offer against alternative providers. In the case of carbon, this may be prices for voluntary credits elsewhere in the world. In the case of biodiversity, there may be schemes further away that would seek to attract a business (including 'rewilding' initiatives that involve land purchase).
- Assess whether you can provide services as part of a larger scheme that is already engaged with one or more businesses. In England, this may mean engaging with Landscape Recovery projects, or with initiatives led by local government (such as participants in the Local Investment in Natural Capital Programme, or the work of National Landscapes and National Parks).
- Consider carefully whether you could combine outcomes from the project, and whether this is permissible from the point of view of proving that your actions to improve the environment are additional to what would have happened in any case.

For this reason, it is important to be clear on what your project or enterprise can offer, and to what extent the outcomes will depend on the work of others.

D - Find the points of connection between businesses and environmental improvement

You should be able to explain what outcomes you can deliver, over what time period and with what level of risk.

- All businesses have a complex relationship with the natural environment local to their operations, as well as possibly further afield. Businesses may engage more readily if an enquiry is focused on one point of connection, or concern. This could be:
    - The desire to find opportunities for employee volunteering and social value
    - Marketing of products and services as sustainable, carbon neutral or nature positive
    - The management of residual emissions of greenhouse gases
    - Concerns about transport infrastructure or the vulnerability of suppliers
    - Concerns about the business' property and facilities - how this could be affected by extreme weather
    - Mitigating risks in company supply chains

Some businesses may prefer to participate in existing structures that co-ordinate and enable nature market transactions. This may include catchment, county-based or regional trading platforms. Landscape Enterprise Networks are a mechanism by which groups of businesses can explore their common dependencies on the environment, and work together to secure the outcomes that they need.

E - Find ways to begin the conversation

You should be able to explain what outcomes you can deliver, over what time period and with what level of risk.

- Businesses vary in their capacity to respond to enquiries that they do not consider to be core to their day-to-day operations, or their reporting requirements. They are likely to be cautious about engaging with organisations that are primarily concerned with environmental quality, including nature recovery. It will take time (possibly many years) to establish an open, working relationship. This may be particularly the case where there are regulatory or compliance challenges for a business.
- Joining local business or trade groups might be the best way of meeting the businesses that you want to work with. Chambers of Commerce and Business Improvement Districts are a good way of doing this, so your engagement is more 'peer-to-peer' – a conversation between organisations that are both dependent on a local area.
- When selecting a staff member to engage with business, it may be best to assign those who have worked in or with the relevant business sector before (even if this is in a consultancy role). They need to be focused on how to meet specific needs in the business, rather than 'pitching' the credentials of the provider organisation.
- People with different job functions in a business will be willing and able to have different types of conversation. Examples are shown in the table below.

Job function	Considerations in talking to people with this role
Chief Executive or Director	Legal, performance and strategic aspects of the business. (Often the principal decision maker in a smaller business.)
Product manager	These people may have a particular concern for supply chain resilience. They may be known as P&L holders 0 accountable for the profit and loss of a product (not the whole firm)
Accountancy	Assessing assets and liabilities in the business
Sustainability team	These people may have a particular concern for supply chain resilience. They may be known as P&L holders 0 accountable for the profit and loss of a product (not the whole firm)
Facilities	Risks to specific sites important business operations, including property that may be leased or otherwise owned by other entities.
Human Resources	Staff well-being and productivity, skills and training, recruitment and retention (encompassing business ethics and values).
Marketing and sales	How the business brand could be strengthened by positive action to achieve environmental improvement. Avoidance of accusations of greenwashing and negative press.
Finance or treasury	Cashflow, revenue and forecasting, borrowing and cost of capital. Management of the wider assets upon which the business depends, especially if they are outside the direct control of the business.

Note that, in some cases, the job roles may be outsourced to others or performed in locations remote from the business unit that you are seeking to engage with.

Summary

Keadby power station, near Scunthorpe with farmland in the background © iStock / CHUNYIP WONG

Key takeaways

1. Strategic partnerships

Businesses remain keen to support causes they care about, but increasingly they are also seeking environmental improvement outcomes that serve a practical purpose, whether that is meeting compliance requirements, strengthening their competitiveness, or building long-term resilience.

Every business is unique in its heritage, values, business model, and attitude to risk, and it is worth keeping that in mind from the outset. The five steps in this guidance are just the starting point for building those relationships.

2. Managing expectations

Businesses vary enormously in their culture, appetite for risk, and the timescales over which they plan and make decisions.

For this reason, most approaches will not yield results quickly, and that is entirely normal. Working with business requires patience, preparation, and a genuine willingness to understand what a business actually needs, rather than simply leading with what a nature project has to offer. Treat every interaction as a learning opportunity, whatever the outcome, and aim to serve each business with the same professionalism they would expect from any of their suppliers. The organisations that seem hardest to engage today may well become your most valuable partners in the future.

3. Relationship management

After engagement of a buyer, there is a continuous process of managing the relationship so that it works for both parties long into the future.

The best way by which businesses can become involved in transactions that deliver environmental improvement in their work is to try different approaches, to learn, and then to adapt.

Sources of insight used in this guidance

This guidance is based on learning from participants in the Natural Environment Investment Readiness Fund (NEIRF), a programme funded by HM Government.

Events in 2025 and 2026 that were designed to help participants in the Fund to engage with local businesses provided some of the insight contained in this document. The document also uses other sources of understanding into how businesses make decisions about whether and how to play an active part in securing environmental improvement.

Aerial view of Birmingham © Adobe Stock / bardhok

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Additional Resources

The EKN website contains further resources that others have produced to help with engaging businesses large and small in environmental improvement projects.

ecosystemsknowledge.net/engaging-businesses/

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