

ENVIRONMENTAL IMPROVEMENT

What's changing for business?



Ecosystems
Knowledge
Network



Department
for Environment
Food & Rural Affairs



NATURAL
ENVIRONMENT
INVESTMENT
READINESS
FUND



Environment
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What is changing for business?

The **relationship between UK businesses and the natural environment is changing**. From flooding that disrupts rail lines and high streets to water scarcity and soil degradation, businesses of all types are increasingly exposed to nature-related risks. At the same time, they are recognising their dependence on **land, water and nature** to thrive.

Forward-thinking businesses are responding by **contributing financially in nature restoration**, alongside government and charities — not as a cost, but as a strategic opportunity.

This Guide is for businesses large and small that want to **find advantage in this transition**. With growing government support, the organisations that steward land and water are now better equipped than ever to meet business needs unlocking greater impact from existing budgets.

The natural environment underpins critical economic activity, locally and nationally. A single flood event can halt transport networks and supply chains. By contrast, well-designed environmental projects can deliver **measurable business value**, strengthen community relationships, support **nature-positive and net-zero commitments**, and build long-term resilience.

Real examples show what's possible:

- In 2022, **Brabners** law firm provided £50,000 for peatland restoration at a site in the Yorkshire Dales, helping

to unlock £500,000 in government funding. This yielded **carbon reduction, biodiversity and reputational benefit**. The partnership was renewed in **2025 with Brabners providing a further £60,000**.

- **Jays Logistics South West**, a transport company, purchased verified carbon credits from a habitat restoration site in Somerset, using the Wilder Carbon Standard. This **supported its net-zero goals while achieving measurable biodiversity benefits** for staff and customers.
- The **Aire Resilience Company (ARC)** is a social enterprise protecting Leeds from climate-driven flood risk. Funded and backed **by a coalition of leading businesses**, it works with farmers and landowners across the upper Aire Catchment to deliver natural flood management, **slowing water at source to safeguard the city downstream**.

In many cases, this is about **using existing budgets more effectively**; turning spending that was once seen as an optional burden (or luxury) into a source of **resilience, credibility and growth**.



THE PAST

In recent decades, most businesses **have focused on measures to reduce their greenhouse gas emissions** (such as energy efficient lighting or electric vehicles). They have also acted to avoid unnecessary waste. While important, **this activity has not made them more climate resilient. It has not involved the business in the local environment.**

Environmental, Social and Governance (ESG) factors have been an important consideration in businesses — and those who invest in them. But **often this has been about reducing the risk of reputational concerns**, as opposed to meeting operational needs. **ESG is often reactive not proactive.**



THE FUTURE

Businesses and investors want to manage their climate and nature-related risks **proactively**, especially where this **delivers long-term returns**. These risks will become increasingly real.

Public pressure increasingly means that **businesses will need to be front-footed when it comes to environmental improvement**, taking action in locations that matter to customers, clients and staff.

Larger businesses are **reporting on their climate and nature-related risks** and dependencies (TNFD, TCFD, SBTi, SBTN).¹ This then has **implications for smaller businesses that supply to them.**

1 Taskforce on Nature-related Financial Disclosures (TNFD), Task Force on Climate-related Financial Disclosure (TCFD), Science Based Targets initiative (SBTi); Science Based Targets Network (SBTN).

The service offering of environmental improvement projects

Service	Businesses that might procure these outcomes
Nutrient credits , working with farmers to reduce the loss of nutrients to water courses beyond what is required by regulation or best practice.	Housing developers, food processors and manufacturers
Carbon credits , sometimes with the added value of being nature-rich (because of the quality of the habitat involved).	All businesses with targets for net zero
Biodiversity credits , from what3words squares of measured biodiversity 'uplift' to habitat banks that can offset impacts from built development.	Developers of housing and other built infrastructure. Businesses seeking ways to demonstrate that they are nature positive.
Flood risk reduction , using best-in-class modelling.	Businesses with property at risk – enterprise parks, retail outlets, operators of built infrastructure.
Water quality and availability units from catchment-based interventions that improve water quality and support drought resilience	Water companies, developers and water-dependent businesses.
Products that lead to environmental improvement, such as via aquaculture, biochar or seaweed .	Local users of those products.

Ready to meet business needs

In recent years, government and others have been supporting a new portfolio of projects across England with **services designed to meet the needs of business**.



Secure food supply and water resources

- Water quality
- Water resource protection



Land managers working together to reduce flood risk

- Business resilience
- Biodiversity benefits



Securing more than carbon from peatland and woodland restoration

- Employee benefit
- Carbon sequestration



Enabling nature-positive built infrastructure

- Biodiversity credits
- Support for British farming



Working with the [Forest Canopy Foundation](#), construction group Morgan Sindall has supported new woodlands in Oxfordshire that will deliver carbon credits as well as recreational and biodiversity benefit.
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The NEIRF Programme (Natural Environment Investment Readiness Fund)

The fund supported a wide range of **nature-based projects**, including **woodland and peatland restoration, wetland creation, habitat improvement, natural flood management and water quality schemes**. These projects deliver **carbon storage, biodiversity gains and climate resilience**, outcomes that **businesses are increasingly seeking to invest in**.

NEIRF focused on **early-stage development work** that is often **hardest to fund**, such as **baselining, business planning, financial modelling, legal structures and impact measurement**, helping projects move from **strong ideas to credible, investable proposals**.

By improving **investment readiness**, the programme created **clearer routes for private sector involvement**, enabling projects to secure **private finance** from businesses purchasing **ecosystem services** such as **carbon credits, biodiversity units and flood management benefits**, and signalling a **broader shift in how business and nature work together**.

Reference to Other Programmes

- **Local Investment in Natural Capital (LINC)**: Led by Defra through the Environment Agency and Local Authorities, this programme aims to develop investment-ready natural capital projects that deliver both investor returns and local environmental benefits while sharing learning and best practice.
- **Landscape Recovery**: An English environmental land management scheme supporting large-scale projects that restore nature and biodiversity, improve waterways, and strengthen rural communities by combining government funding, private investment, and local collaboration.



Scan the QR code to view a directory of NEIRF projects [\(or click here\)](#)

Get clear on what your business needs

This first step **doesn't need to be a detailed appraisal** — it can start with a conversation between senior members of staff, or a consultation with colleagues. Larger businesses may have the resources to follow agreed ways of appraising and communicating their risks and dependencies, such as the recommendations of the **Taskforce for Nature-related Financial Disclosures**.²

The second step is to consider how to meet these needs. In some cases, donations to local environmental groups might suffice. But in many cases, **procurement of outcomes is more**

reliable and cost-effective. Businesses can act on their own. They may find value in working together, saving money and time.

Donations from businesses to environmental projects may be easier administratively, but the long-term outcomes are sometimes hard to prove. Businesses can also support natural environment projects through the **procurement of verifiable outcomes** that meet business needs. These approaches can be combined to balance ease of support with **tangible results**.

ACTION BY INDIVIDUAL BUSINESSES

- Finding a key risk or dependence and seeking to manage it proactively.
- Buying credits to offset impacts or emissions, but doing so in a way that optimises value for the business overall.
- Seeking reputational benefits or employee satisfaction by leading on some aspect of environmental improvement.

BUSINESSES WORKING TOGETHER WITH OTHERS

- Finding common interests and dependencies across a geographical area, using collective buying power to fix them.
- Raising environmental risks and improvement opportunities with a trade body, Chamber of Commerce or Business Improvement District.

2 Explore the [TNFD Asking Better Questions on Nature report](#), a new series helping senior executives and board directors assess nature-related dependencies, risks and opportunities.

Cover image: *Aerial view of Reading, Berkshire.* © gormakuma/Adobe Stock

**To learn more about how you can work
with natural environment projects:**

[Ecosystems Knowledge Network](#)
[Nature Finance Learning Hub](#) (or scan)



[Green Finance Institute \(GFI\)](#)
(or scan)



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