

The Natural Choice

What the Natural Environment White Paper means for businesses



Natural services and materials provided by the environment are essential for business. Many leading businesses understand the value to be gained from managing supply chain impacts on this natural capital. They also know the risks to their brand image, security of resources and their bottom line if they do not.

Our economy depends upon the health and value of its natural capital. This White Paper on the natural environment shows the vital part which businesses play in

protecting and improving natural capital. It aims to help businesses take practical action to protect and improve natural capital. Not only for the success of individual companies but for the national interest, to secure a growing and green economy. It aims to expand and accelerate new UK business opportunities for green products and services which enhance nature.

Why does the natural environment matter to my business?

Natural materials and services underpin supply chains. From materials like timber and water to often undervalued natural

processes like pollination and hazard protection. Disruption or degradation of these comes at a cost. It can pose risks to the security of supply for natural resources, the need for more costly alternatives or the impact on brand image. Sustainable use of natural resources or services provides opportunities too. Gains can be made through greater resource efficiency and expanding markets for greener products.

Why is our natural environment at risk?

New evidence shows that despite all the action that is being taken to protect the environment, it is still being damaged. This is partly

because in the past, action has not been sufficiently joined-up. It often focused on too small an area or on a single issue such as water quality, rather than seeing nature as a system.

The degradation of critical natural capital at home and abroad is causing a decline in a range of materials and services they provide. As a result, our environment is fragmented and can't respond effectively to new challenges such as climate change and population growth. If we do nothing, this problem will get worse.

What businesses can do?

How to protect the raw materials your business depends on

Many companies are already assessing how much they and their suppliers depend on natural materials and services – from the UK or overseas. By identifying pressure points which use scarce or vulnerable products and making your supply chain more sustainable, you can future-proof your business.

Requiring environmental standards through the supply chain can manage risks and secure natural infrastructure for the future. As well as measuring and managing their impacts on natural capital, many businesses are improving their environmental reporting to demonstrate this. This provides real benefits as investors and insurers are increasingly looking to see that businesses actively manage natural resource risks and grow future green markets.

Businesses can also take advantage of expanding markets for greener products or services which improve the natural environment.

What we will do to help business lead the way

We want to make the UK a more flexible, forward-thinking place to do green business, and enable businesses to play their part. To create the right conditions for this to happen we will:

- set up a business-led task force to look at new ways for UK businesses to trade in green goods and services;
- promote dialogue with business about the role of both Government and companies to protect natural capital, through the Green Economy Council and Products Research Forum;
- provide more information on BusinessLink about managing natural capital impacts;
- publish a Roadmap to a Green Economy, giving businesses more long-term certainty about the direction of future policy;
- publish a new practical guide to help businesses report on their natural resource impacts, to give greater assurance to customers, investors and shareholders;

- improve the data available to companies about their natural resource impacts – such as the use of 'embedded' water in products;
- support joined-up action locally by business to promote a green economy and capture the value of nature – through Local Enterprise Partnerships and new Local Nature Partnerships;
- improve the way we account for natural capital on the nation's balance sheet, putting this alongside GDP;
- create an independent Natural Capital Committee to ensure the value of England's natural capital is part and parcel of our economic planning.

There are no short-cuts to creating a green, growing economy, but it will bring tremendous long-term benefits. We know the Government can't bring about these changes alone, which is why we're looking to business to work with us.

You can find out more about our plans at: <http://www.defra.gov.uk/environment/natural/whitepaper/>

