Draft Environment Strategy – Partial Business and Regulatory Impact Assessment

Introduction

The Scottish Government has considered the appropriate scope of Business and Regulatory Impact Assessment (BRIA) for the draft Environment Strategy. As an overarching strategy, the Environment Strategy reports on existing policies and sets out priorities for future policy development. The appropriate place for detailed consideration of costs and impacts in BRIA will be in the development of individual policies, regulations and schemes within policy areas. However there are important potential impacts on business and investment from the policy priorities set out in the Environment Strategy, and from the cumulative impact of policies, which it is appropriate to consider in the assessment of a high level strategy. Therefore we have drafted this Partial BRIA, focused on the impacts of the policy priorities and on the cumulative impacts of the policies considered in the draft Environment Strategy.

It is important that the Environment Strategy is developed so that the policy priorities it identifies take account of the impacts, including cumulative impacts, on business and investment; with an objective of minimising costs, creating conditions for cost savings and bringing new opportunities. This document sets out consideration of the draft Environment Strategy in a Partial BRIA, as a part of the public consultation on the draft strategy. This will help to aid future decision making for policy teams in the Scottish Government and ensure that business and investment interests are fully considered as the Strategy is finalised. It will also assist stakeholders in understanding potential impacts of the Strategy in a format with which they are familiar. It will give an opportunity through consultation for stakeholders to present views about the risks, benefits and impacts that they believe have not been properly considered in this Partial BRIA or in the Strategy. Taking account of consultation responses and feedback, we shall confirm our view of whether the scope of this Partial BRIA is appropriate, and revise this document and the draft Strategy to take account of stakeholder views.

Executive summary

Issue and why it needs to be addressed

We need to ensure a sustainable future for Scotland by tackling the crises of climate change, nature loss and pollution, while maximising the benefits to the people of Scotland. Tacking the climate and nature crises is one of the First Minister’s top four priorities for the Scottish Government, and the Strategy provides a framework for policies to address this priority, while also reflecting the other top priorities including the government’s economic ambitions.

Intended outcomes

The draft Environment Strategy brings together our approach for creating a Scotland whose environment is healthy and robust and benefits everyone in Scotland. It sets out a holistic framework for delivering Scotland’s role in protecting our environment by tackling nature loss, climate change and pollution. It focuses on approaches that will improve the health and wellbeing of Scotland’s communities, promote social justice and strengthen our economy, helping us to become a fairer, more prosperous and resilient nation. In this way, it is designed to support the delivery of all four of the government’s top priorities.

Options

Two options were considered in the development of the draft Environment Strategy, as set out in the draft Strategic Environmental Assessment. These options include:

* Option 1: The position taken in the draft Environment Strategy
* Option 2: “Doing more and sooner”, this option would be more ambitious and would aim to meet the aims sooner than those set out in the draft Strategy**.**

A ‘do nothing’ scenario was not considered, as the Environment Strategy was placed on a statutory basis by the Continuity Act 2021, with Section 47 requiring Scottish Ministers to prepare and publish an environmental policy strategy and setting out what the strategy should consider.

Sectors affected

As a cross-cutting strategy, all sectors of the economy are potentially affected by the policies covered within the draft Environment Strategy and the policy priorities that are set out. The draft Strategy applies across Scotland and does not specifically target sections of society, with the intention of bringing broad benefits to society and the economy. We recognise that the priorities described in the draft Strategy, and the cumulative impact of policies, will bring both benefits and some potential impacts and costs to businesses. Both the opportunities and costs can be expected to be more significant in sectors where there is the greatest identified need for changes in technology and techniques to achieve climate and nature goals. Transport and the farming/ land management sectors both have significant shares of Scotland’s carbon emissions, and land management has an important role on nature restoration.

Engagement completed, ongoing and planned

To support the development of the Strategy, we have commissioned substantial new research focusing on the economy, society and global outcomes, which have been supported by stakeholder working groups with a wide range of stakeholders.

We have had initial discussions with environmental NGO, local authority and business stakeholders about the draft Strategy. During these discussions, business representatives thought that a framework for environmental policies could be useful to aid policy cohesion, understood the role of the Strategy in setting priorities for future policy making and thought that a Partial BRIA would be useful to inform their understanding of potential impacts and thus their response to the consultation. We have sought to add clarity to the Strategy draft about its scope and role, and potential opportunities for, and impacts on, business and investment. We have also drafted this Partial BRIA to inform business consideration of the consultation draft.

We will seek a wide range of responses to public consultation on the draft Strategy. We have created an engagement plan, which includes a series of workshops with a wide range of stakeholders, including business groups.

Anticipated impacts (intended and unintended, positive and negative) and mitigating actions

In order to achieve the vision of the draft Environment Strategy, and the Scottish Government’s targets for Net Zero and nature restoration, there will need to be significant change across our economy and society. The draft strategy presents policies for a Just Transition to Next Zero and related objectives for nature recovery. The draft Strategy sets out a holistic framework for delivering Scotland’s role in tackling nature loss, climate change and pollution. It also focuses on approaches that will promote wellbeing and social justice for Scotland’s communities and strengthen our economy, helping us to become a fairer, more prosperous and resilient nation.

The Environment Strategy will apply across Scotland and does not specifically target sectors or regions. The anticipated impacts of the policy priorities set out in the draft Strategy should be positive across society and the economy, including the creation of opportunities for business and investment. However, there could be some potential impacts and costs to businesses from the policy priorities set out in the Strategy and through cumulative impacts of policies across the Strategy.

Enforcement/ compliance

The only new statutory duty in relation to the Environment Strategy falls on the Scottish Government, as Scottish Ministers will have a duty to have due regard to the Strategy, once adopted, when developing policies (including legislation).

It will be for relevant policy areas to consider the impacts and engage with businesses on enforcement or compliance issues when developing policies that respond to the priorities set out in the draft Strategy. Representatives from regulatory agencies have contributed to the development of the draft Strategy.

Recommendations/ implementation plans

Following the consultation on the draft Strategy, we shall review comments received on the strategy to consider what changes should be made to this Partial BRIA and to the draft Strategy. We are planning to produce guidance on the new duty on Ministers to have due regard to the Strategy when making policy. Both the revisions to the draft Strategy and the drafting of the guidance will take account of any concerns raised about the potential impacts, including cumulative impacts, on business and investment of the policy priorities set out in the draft Strategy. There are no plans for an implementation plan for the strategy, and individual policies and actions that reflect the policy priorities set out in the draft Strategy will be set out in the appropriate strategies, programmes and plans.

Evaluation and monitoring of implementation/ review of BRIA

We will review comments received on the draft Strategy during the consultation, and will host a series of workshops with a wide range of stakeholders, including business groups. Any feedback received during the consultation will be considered as part of the final Environment Strategy and, where appropriate, contribute to a final BRIA.

We also [published](https://data.gov.scot/environment/) an Initial Monitoring Framework in 2021 that identifies a set of high-level indicators that will be used to monitor progress. There are no new requirements for business from this monitoring framework.

Section 1: Background, aims and options

Background to policy issue

The Scottish Government is required to prepare an “environmental policy strategy” by the UK Withdrawal from the European Union (Continuity) (Scotland) Act 2021 (“the Continuity Act”). The Environmental Strategy has been developed to fulfil this obligation, and to provide a holistic framework for delivering Scotland’s role in tackling nature loss, climate change and pollution.

The draft Environment Strategy is centred on the connections between tackling the climate emergency, while supporting increased business and investment opportunities, green jobs, improving people’s health, tackling poverty and promoting social justice. It focuses on approaches that will promote wellbeing and social justice for Scotland’s communities and strengthen our economy, helping us to become a fairer, more prosperous and resilient nation.

In line with the First Minister’s recent landmark speech on the climate crisis, the draft Environment Strategy reflects the urgency of climate actions, and the central role of restored nature in meeting climate goals and supporting the wellbeing of communities. The draft Strategy also includes circular economy policies, and relates these to economic growth, community resilience and the moral obligation to reduce our impact on the planet.

The draft Strategy builds on a wide range of existing policies. It will sit alongside existing high-level Scottish Government policy frameworks, which have the aim of reaching net zero by 2024 and restoring our nature. These strategies include Scotland’s National Strategy for Economic Transformation , the Fairer Scotland Action Plan, the National Transport Strategy, Green Industrial Strategy and the National Planning Framework. It will also support and complement the new Scottish Biodiversity Strategy and Scottish National Adaptation Plan while referring to the upcoming Circular Economy strategy and new Climate Change Plan. It refers to the Agricultural Reform Programme and the set of existing Marine policies and plans. The Strategy provides an overarching framework for environmental policies, and for the interaction of environmental policies with other policy areas. We aim to promote policy coherence across these strategies and polices, with the objective of supporting more stable and predictable policy making to achieve the government’s policy goals effectively while minimising impacts on communities and business.

Purpose/ aim of action and desired effect

The draft Environment Strategy has a vision of One Earth. One home. One shared future.

By 2045:
By restoring nature, ending Scotland's contribution to climate change
and tackling pollution, our country is transformed for the better - helping to secure the wellbeing of our people and planet for generations to come.

The draft Environment Strategy has 8 outcomes in support of that vision. These include:

* Scotland’s biodiversity is restored and regenerated
* We have ended Scotland’s contribution to climate change
* We minimise pollution and waste in our environment
* Scotland’s net zero, nature positive and circular economy thrives within the planet’s sustainable limits.

Two outcomes describe the positive transformations in our society and economy that will support these goals, while creating wider benefits for Scotland’s prosperity and wellbeing:

* Scotland’s society is transformed for the better by living sustainably, in harmony with nature.
* Scotland’s global environmental impact is sustainable.

The draft Strategy also sets out two cross-cutting outcomes, that inform policies across all of government, including:

* We build Scotland’s resilience to climate change and other global environmental risks.
* These transformations are achieved through a just transition and support climate and environmental justice.

The draft strategy presents pathways towards each of the outcomes of the strategy. These set out the existing policies in each area, and set out priorities for future policy development.

Options (considered so far/ still open)

Two options were considered in the development of the draft Environment Strategy. These options include:

* Option 1: The position taken in the draft Environment Strategy
* Option 2: Doing more and sooner”, this option would be more ambitious and aims to meet the aims much sooner than those set out in the draft strategy**.**

A ‘do nothing’ scenario was not considered, as the Environment Strategy was placed on a statutory basis by the Continuity Act 2021, with Section 47 requiring Scottish Ministers to prepare and publish an environmental policy strategy.

The consultation responses will help determine the option that is taken forward on the Environment Strategy.

Sectors/ Groups affected

As a cross-cutting strategy, all sectors of the economy are potentially affected by the policies covered within the draft Environment Strategy and the policy priorities that are set out. The draft Strategy applies across Scotland and does not specifically target sections of society, but does benefit society as a whole, including businesses. However, we believe that there is likely to be an overall positive impact on all affected groups and sectors and there will be minimal negative impact on businesses and individuals.

Section 2: Engagement and information gathering

Engagement approach

Internal SG engagement/ engagement with wider Public Sector

Internal SG engagement

In the development of the draft Environment Strategy a series of engagement sessions were completed colleagues across the Scottish Government to summarise key existing policies while also identifying proposals and priorities to guide future policy development across the breadth of government.

As we continue to develop the draft Strategy, we will continued to work closely with colleagues across the Scottish Government to develop these proposals and priorities. Following the publication of the final Environment Strategy, we will continue to work with these teams to monitor the implementation of the Strategy.

UK/ Devolved Administrations

There is regular contact between the Scottish Government and the UK Government and other Devolved Administrations on many of the policy areas covered by the draft Strategy. This covers policy coordination in many areas where cross border flows or impacts are important, consideration of the interaction of reserved and devolved powers, and learning from policy approaches that have been effective. The closest comparable strategy is the 25 Year Environmental Plan required by the UK Environment Act 2021, although this has a somewhat different scope from our draft Strategy.

Wider Public Sector

To assist the development of the draft Strategy we have worked very closely with public bodies, including NatureScot and SEPA, as well as local authorities through our relationship with COSLA. Public authorities and local authorities will help play a key role in the implementation of the Environment Strategy and monitoring and reviewing the delivery of the Environment Strategy.

International

Through our research, we have been able to learn from experience of effective policy approaches in other countries. We have also benefited from developing thinking in international fora such as the International Panel on Biodiversity and Ecosystem Services, which draw on expertise from individual countries

Business / Third Sector engagement

As referenced above, during the development of the draft Environment Strategy we had initial discussions with a number of business groups to understand the possible implications on businesses from the Environment Strategy. During these sessions, business representatives thought that a framework for environmental policies could be useful to aid policy cohesion, understood the role of the Strategy in setting priorities for future policy making and thought that a Partial BRIA would be useful to inform their understanding of potential impacts and thus their response to the consultation. We have sought to add clarity to the Strategy draft about its scope and role, and potential opportunities for and impacts on business. We have also drafted this Partial BRIA to inform business consideration of the consultation draft.

We have also worked with policy teams in the Scottish Government to understand the potential impacts from policies, regulations and schemes on business and investment.

We will also continue to work with businesses during the consultation period and encourage the relevant policy teams to work with businesses, where necessary, following the publication of the Environment Strategy to assess the impact of individual policies, regulations and schemes within policy areas on businesses.

Public consultation

This draft Partial BRIA has been produced to help inform the formal consultation for the draft Environment Strategy.

We are aware that there may be other impacts, either positive or negative, which have not yet been identified, we would therefore be grateful for any feedback on this draft BRIA during the consultation. We will consider any feedback provided during the consultation to confirm our view of whether a BRIA should be formally completed for the strategy. In addition, any feedback received during the consultation will also be considered in the final publication of the Environment Strategy. A series of workshops will also be conducted during the consultation period to help inform the final Strategy and whether a formal BRIA should be completed.

The consultation can be accessed via [Citizen Space](https://consult.gov.scot/environment-forestry/draft-environment-strategy/) with the consultation opening on 3 July and closing on 29 September . The consultation asks for any further information or evidence that should be considered in the accompanying Partial BRIA.

Other stakeholders

In addition to those stakeholders mentioned above, we have also met a large number of environmental NGOs, academics and charities while developing the draft Environment Strategy.

Section 3: Costs, impacts and benefits

Quantified costs to businesses

As referenced in the draft Environment Strategy, businesses have a pivotal role in supporting the economic transformations needed to tackle climate change, nature loss and pollution. As part of our wider approach to economic development, we are committed to nurturing purposeful businesses. There will also be benefits to businesses through ensuring that individuals are equipped with the green skills needed to secure these jobs and help transition to net zero and supporting increased business and investment opportunities.

Industries directly reliant on natural capital, excluding non-renewable resource sectors such as oil and gas, have been estimated to support around £40 billion[[1]](#footnote-2) of economic output – representing around 14% of Scotland’s economy.

In addition, the cost of not tackling the crises could also cause a cumulative effect of different environmental shocks (e.g. water shortages and pollution, impacts from extreme weather, soil health decline, and biodiversity loss) and the interaction with climate change. The Green Finance Institute (a UKG backed organisation) estimated that damage to the natural environment, both domestically and internationally, could lead to a 6-12% reduction to GDP in the years ahead - larger than the hit to GDP from the global financial crisis or Covid19. The Global Risks Report 2025[[2]](#footnote-3) found that extreme weather events are anticipated to become even more of a concern than they already are, with this risk being top ranked in the 10-year risk list for the second year running. Biodiversity loss and ecosystem collapse is second over the 10-year horizon.

We envisage that the existing policies and future policy priorities set out in the draft Environment Strategy will bring many positive impacts to businesses, especially green industries and businesses, including:

* Creating new market opportunities[[3]](#footnote-4).
* Reducing costs through energy and resource efficiency and cutting waste.[[4]](#footnote-5)
* Boosting competitiveness and innovation by responding to increasing demands from customers, investors and export markets for ethical and sustainable business practices[[5]](#footnote-6).
* Strengthening resilience to disruptions in international supply chains and fluctuations in energy and commodity prices[[6]](#footnote-7).
* Reducing exposure to climate[[7]](#footnote-8) and nature-related risks[[8]](#footnote-9).

However, we are aware that some of the policies and priorities described in the draft Strategy, which while being beneficial to businesses, could also introduce some potential implications and costs. For example, despite the opportunities that the draft Strategy can bring in creating new market opportunities and increasing export markets, there is a risk that the draft Strategy could also impact international competitiveness.

In addition, there is also a risk that the draft Strategy could potentially introduce some implications and additional costs to businesses through the consideration of cumulative impacts on business. We will, therefore work in partnership with businesses to understand the opportunities offered by these economic transformations, as well as potential barriers, including costs, to ensure potential implications and costs are mitigated against.

There is already significant action underway to help businesses to capture the benefits from embracing sustainable business practices, including grants, tools and advice. We will also look to build on these approaches by exploring further opportunities to support businesses to benefit from the policies and priorities mentioned in the draft Environment Strategy.

Other impacts

*Scottish firms’ international competitiveness*

The draft Environment Strategy helps Scottish businesses internationally. For example, it can help increase market access and export opportunities around the world by having stronger environmental credentials which will enable them to meet tougher import regulations and requirements more easily.

As referenced above, there is a risk that the policies and priorities in the draft Strategy could potentially impact on the international competitiveness of businesses. Therefore, the Scottish Government will have an important role to play in creating an enabling environment by helping to ensure that sustainable choices are affordable and practical for businesses, and providing the certainty needed to build business and investor confidence. We will do this by working in partnership with businesses to understand the opportunities offered by these economic transformations, as well as potential barriers, including costs. This approach is at the heart of our [New Deal for Business](https://www.gov.scot/news/delivering-a-new-deal-for-business/) commitment.

Benefits to business

Small business impacts

*Investment*

Financial institutions are increasingly favouring low carbon and climate resilient companies, which as a result of the draft Strategy is likely to give Scottish businesses an advantage. Projections show that over the next 10-15 years, the Highlands and Islands region stands to benefit from a generational investment of over £100bn[[9]](#footnote-10), driven by the generation, transmission and distribution of renewable energy.

However, as referenced above, it could also potentially make Scotland less attractive to investment through any potential implications on businesses through changes to policy, or through uncertainty about regulatory changes. We will work in partnership with businesses to understand the opportunities offered by these economic transformations, as well as potential barriers to investment in the implementation of policies and priorities. We will also ensure that the role of the Strategy is clear, and in the policy priorities seek to promote policy coherence and stability.

*Workforce and Fair Work*

There will be a positive impact on workforces through the draft Strategy through our just transition to a net zero, nature positive, circular economy which will create new high-value jobs in green industries, and our support for green skills will help to equip people with the skills needed to access these jobs. These green skills will help equip people to secure high-value jobs in green industries, as part of our just transition.

Industries directly reliant on natural capital, excluding non-renewable resource sectors such as oil and gas, support at minimum around 260,000 jobs in Scotland, directly and indirectly. Agriculture, fish and timber provision, whisky and beer production, tourism, and electricity provision are just some examples of the sectors reliant on natural capital.

It will also support quality jobs and fair work by creating significant new opportunities for high-value jobs in green industries. Our approach to a just transition is also committed to providing job security for those in industries that will play the biggest part in the transition.

However, we will continue to explore the impact of the draft Strategy on businesses to establish whether any of the policies, regulations and schemes that will respond to the priorities set out in the Environment Strategy could result in higher costs for businesses, which could lead to the number of staff they employ being reduced.

Climate change/ Circular Economy

The draft Strategy sets out a holistic framework for delivering Scotland’s role in tackling nature loss, climate change and pollution. As stated in the draft Strategy, we will achieve the vision by supporting positive changes in our economy and society that will transform our country for the better. Our outcome of ending Scotland’s contribution to climate change describes our ambition for ensuring Scotland plays its full role in the global effort to tackle the climate emergency. By delivering this outcome, we will deliver our unwavering commitment to achieve a just transition to net zero emissions by 2045. The delivery of this outcome also means reducing Scotland’s carbon footprint, including emissions that are embedded in the goods and services we import.

Tackling climate change will help create enormous new opportunities for Scotland’s economy and communities. It will support new green industries, businesses and jobs and help to tackle poverty and inequalities, by pursuing a just transition. There will also be many health and wellbeing benefits, from cleaner air, warm homes and safer streets to supporting active lifestyles and healthy, sustainable diets.

We will grow a circular economy that boosts efficiency, cuts waste and builds Scotland’s resilience to disruptions in global supply chains. We will move from our linear ‘take, make, waste’ economy to a circular economy is key to improving our global environmental impact. The forthcoming Circular Economy Strategy will build on this by identifying priority sectors and systems where action is needed, giving a clear direction of travel for businesses.

The benefits of adopting circular economy approaches to manufacturing include higher quality products and lower production costs. Zero Waste Scotland[[10]](#footnote-11) estimate that Scottish manufacturers could benefit from potential growth of remanufacturing from its current value of £1.1bn to nearly £1.7bn with the addition of 5700 new jobs.

Competition Assessment

This section considers the impact of a regulation or policy on competition between producers, wholesalers, retailers and importers in the Scottish Market. A number of businesses and markets across Scotland will benefit from the draft Environment Strategy, including through new market opportunities and boosting competitiveness and innovation by responding to increasing demands from customers, investors and export markets for ethical and sustainable business practices.

However, there is a possibility the draft Strategy could negatively impact on the competitiveness of Scottish businesses, as any changes to policies or uncertainty about policy intentions could introduce some implications and additional costs on businesses and investment, especially if there is divergence from the UK Government which could act as deterrent on competition. We will work with businesses to consider the potential impacts on competition in the implementation of policies and priorities.

The individual policies, regulations and schemes within policy areas that follow the publication of the Environment Strategy will be assessed for their impact on businesses, and a Competition Assessment will be carried out where appropriate.

Consumer Duty

The draft Consumer Duty Impact Assessment can be viewed in the “Related” section on the [Citizen Space page](https://consult.gov.scot/environment-forestry/draft-environment-strategy/).

Section 4: Additional implementation considerations

Enforcement/ compliance

The Strategy covers existing policies and future policy priorities for the future, and therefore does not involve any new enforcement or compliance issues for business. Enforcement or compliance issues will be addressed in the design of policies that respond to the policy priorities set out in the Strategy.

The Initial Monitoring Framework highlighted some areas where additional work is needed to identify robust measures of progress. We intend to review and further develop the Monitoring Framework in order to address these areas. As part of this, we will reflect updates to the Strategy’s outcomes since the initial Framework was published. We will also take account of ongoing and planned work to develop nature restoration targets and circular economy targets. We look forward to working with stakeholders and public bodies as we take this forward.

UK, EU and International Regulatory Alignment and Obligations

Internal Market/ Intra-UK Trade

We will continue to work with colleagues in the UK Government and the Devolved Administration to ensure that any proposals that arise from the draft Environment Strategy avoid any potential impact of divergence. We will also encourage individual policy areas to consider the potential impacts of divergence on policies, regulations and schemes, where necessary.

International Trade Implications

We will continue to advocate to the UK Government to fully consider environmental impacts and opportunities during the negotiation and implementation of trade deals, and within WTO multilateral discussions.

Scotland’s [Vision for Trade](https://www.gov.scot/publications/scottish-government-vision-trade/) commits to striving to ensure our approach to trade helps to improve Scotland’s overseas environmental impact by promoting a shift towards environmentally sustainable consumption and production.

There is a risk that the policies and priorities in the draft Strategy could potentially impact on the international trade. Therefore, we will work with businesses to ensure that sustainable choices are affordable and practical for businesses, and providing the certainty needed to build business and investor confidence. We will also work with businesses to understand the opportunities offered by these economic transformations, as well as potential barriers, including costs.

EU Alignment consideration

The Continuity Act provides Scottish Ministers with regulation making powers to help meet the Scottish Government’s commitment to align with future developments in EU law, where appropriate.

To ensure the draft Strategy continues alignment with the EU, we will:

* consider the implications of strengthened EU action on due diligence requirements for tackling global deforestation and forest degradation,
* explore opportunities for introducing or strengthening standards for priority products identified through the forthcoming Product Stewardship Plan,
* engage with the UK Government to explore opportunities for aligning with the new EU Ecodesign Regulation, which forms the cornerstone of the EU’s approach to improving product sustainability, and
* work with the UK Government to understand the implications of new mandatory reporting requirements in the EU for Scottish businesses exporting to Europe, including the Corporate Sustainability Reporting Directive.

Legal Aid

No impact on legal aid is expected. However, individual policy areas will consider any policies, regulations and schemes that follow the publication of the Environment Strategy for legal aid impacts, where necessary.

Digital impact

No digital impact is expected from the draft Strategy. However, policy areas will consider any individual policies, regulations and schemes that follow the publication of the Environment Strategy for potential digital impacts, where necessary.

Business forms

No impact is expected. However, policy areas will consider any individual policies, regulations and schemes that follow the publication of the Environment Strategy, where necessary.

Section 5: Next steps and implementation

Recommendations/ preferred options

Two options were considered in the development of the draft Environment Strategy. These options include:

* Option 1: The position taken in the draft Environment Strategy
* Option 2: ‘Doing more and sooner”, this option would be more ambitious and aims to meet the aims much sooner than those set out in the draft strategy**.**

A ‘do nothing’ scenario was not considered, as the Environment Strategy was placed on a statutory basis by the Continuity Act 2021, with Section 47 requiring Scottish Ministers to prepare and publish an environmental policy strategy.

We have decided to take the option of the position taken in the draft Environment Strategy. However, following the conclusion of the public consultation, Scottish Government Ministers will consider the views expressed and decide on the next steps and the option taken in the final version of the Environment Strategy.

Implementation considerations/plan

The final version of the Environment Strategy will be published alongside the analysis of the consultation and response to the consultation. In addition, Scottish Ministers must have due regard to the strategy when making policies (including proposals for legislation).

Where policies are designed to respond to the priorities set out in the draft Strategy, it is important that there is full consideration with businesses to assess and review the potential impacts on them. This will be essential in mitigating any implications and costs to businesses through the consideration of potential cumulative impacts on business.

It is important that we understand the possible impacts of the policy priorities set out in Strategy, including cumulative impacts, looking ahead to implementation in individual policy areas. We will engage with business stakeholders, to understand the potential impact of the draft Strategy, and what mitigating measures might be needed such as in the guidance on the duty on Ministers to have due regard to the Strategy, once it is finalised and adopted.

Post implementation review

As referenced above, as we work to deliver our vision and outcomes, tracking and reporting progress will be vital for informing improvements in our approach. We published an [Initial Monitoring Framework](https://www.gov.scot/publications/environment-strategy-scotland-initial-monitoring-framework/) in 2021, to identify the set of high-level indicators we will use to monitor progress towards each outcome. These indicators were chosen to provide a strategic and accessible overview of progress – signposting, where relevant, to more detailed indicators set out in the individual strategies and plans that sit within the Environment Strategy framework. We launched a [website](https://data.gov.scot/environment/) in 2022 to report on the status and trends of indicators and explain what this tells us about our progress towards each outcome.

The Initial Monitoring Framework highlights some areas where additional work is needed to identify robust measures of progress. We intend to review and further develop the Monitoring Framework in order to address these areas. As part of this, we will reflect updates to the Strategy’s outcomes since the initial Framework was published. We will also take account of ongoing and planned work to develop nature restoration targets and circular economy targets. We look forward to working with stakeholders and public bodies as we take this forward.

Individual policies, regulations and schemes that follow the publication of the Environment Strategy will also be assessed and reviewed for their impacts on businesses where appropriate. We will work in partnership with businesses to understand the potential impacts.

Declaration

The Cabinet Secretary or Minister responsible for the policy (or the Chief Executive of non-departmental public bodies and other agencies if appropriate) is required to sign off all BRIAs prior to publication.

The Consumer Duty also requires that the Cabinet Secretary or Minister responsible for the policy (or the Chief Executive of non-departmental public bodies and other agencies if appropriate) to confirm that they are content that officials have considered the impact on consumers as required by the [Consumer Scotland Act 2020](https://www.legislation.gov.uk/asp/2020/11/notes/division/2/1/2/1/3) in completion of the Consumer Duty section of this BRIA.

I have read the Business and Regulatory Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options. I am satisfied that business impact has been assessed with the support of businesses in Scotland.

I am also satisfied that officials have considered the impact on consumers as required by the [Consumer Scotland Act 2020](https://www.legislation.gov.uk/asp/2020/11/notes/division/2/1/2/1/3) in the completion of the Consumer Duty Impact Assessment. The Consumer Duty Impact Assessment can be accessed on [Citizen Space](https://consult.gov.scot/environment-forestry/draft-environment-strategy/).



Signed:

Date: 26/06/2025

Minister's name: Gillian Martin

Minister's title: Cabinet Secretary for Climate Action & Energy

Scottish Government Contact point:

1. [Natural capital - importance to the Scottish economy: research - gov.scot](https://www.gov.scot/publications/importance-natural-capital-scottish-economy/) [↑](#footnote-ref-2)
2. [Global Risks Report 2025 | World Economic Forum](https://www.weforum.org/publications/global-risks-report-2025/digest/) [↑](#footnote-ref-3)
3. [Green business opportunities and net zero | McKinsey](https://www.mckinsey.com/capabilities/sustainability/our-insights/accelerating-toward-net-zero-the-green-business-building-opportunity) [↑](#footnote-ref-4)
4. [FSB | Net zero for small businesses](https://www.fsb.org.uk/resources/article/net-zero-for-small-businesses-MCZRWRZSEL4NHGTO5VJW2GRIBSGQ#:~:text=money%20through%20efficiency-,Many%20of%20the%20actions%20that%20contribute%20to%20net%20zero%2C%20such,and%20improve%20your%20bottom%20line.) [↑](#footnote-ref-5)
5. [Profits with Purpose.ashx](https://www.mckinsey.com/~/media/McKinsey/Business%20Functions/Sustainability/Our%20Insights/Profits%20with%20purpose/Profits%20with%20Purpose.ashx) [↑](#footnote-ref-6)
6. <https://www.british-business-bank.co.uk/business-guidance/guidance-articles/sustainability/net-zero-how-being-carbon-neutral-can-help-your-business-grow#4-security-and-resilience> [↑](#footnote-ref-7)
7. [Climate and business | WWF](https://wwf.panda.org/discover/our_focus/climate_and_energy_practice/what_we_do/climatebusiness/#:~:text=Reducing%20energy%20use%20and%20emissions,a%20business%20with%20strong%20values.) [↑](#footnote-ref-8)
8. [Beyond risk: why nature-related disclosure will give businesses the edge - UNEP-WCMC](https://www.unep-wcmc.org/en/beyond-risk-why-nature-related-disclosure-will-give-businesses-the-edge) [↑](#footnote-ref-9)
9. [workforce-north-a-shared-mission-to-grow-and-expand-our-workforce-april-2025.pdf](https://www.skillsdevelopmentscotland.co.uk/media/x1inshgw/workforce-north-a-shared-mission-to-grow-and-expand-our-workforce-april-2025.pdf) [↑](#footnote-ref-10)
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