



NEW ZEALAND PILOT OF THE CORPORATE ECOSYSTEM SERVICES REVIEW

CASE STUDY: Archeus

“The ESR tool is a gem. As a small start-up business, the ESR process has helped us ask better questions of our customers, suppliers and our own business planning. It ensures that how our business may impact the environment is kept top of mind, and creates a roadmap for ways of working with nature, rather than against it.”

Georgina Langdale,
founder and director, Archeus

ABOUT ARCHEUS

Archeus is a small start-up company with a mission to create products that benefit the health of people and pets, as well as the environment around them. Archeus launched in 2013 with a handcrafted, high quality natural skin care range and recently added their Anima Vital pet care line.

Archeus aims to have a positive impact on nature through its business practice and conservation activity. Wherever possible the company aims to work with its supply chain to create a better place for biodiversity. Archeus hopes to help create a community of care, empowering people with the simple idea that giving back to nature is positive for all.

WHY ARCHEUS PILOTED THE ESR

Archeus founder, Georgina Langdale, had spent the previous 15 years working in Europe for major environmental and conservation institutions such as the Royal Botanic Gardens of Kew and the United Nations Environment Programme. This informed and influenced her thinking around how Archeus should operate as a business in today's world.

Archeus was familiar with the Corporate Ecosystems Services Review (ESR)¹ tool, due to Langdale's experience as part of the core team producing the influential TEEB (The Economics of Ecosystems and Biodiversity) study for the United Nations, and saw its potential to help guide and strategize at the start-up level.

Archeus had three key business areas that it knew would benefit from being put through the ESR lens. Firstly, Archeus wanted to seek more information on how its suppliers were growing raw ingredients (in this case medicinal plants) and identify potential risk in the supply chain. The next key area was selecting the native New Zealand plant that would be the focus of its conservation activity; and finally, it wanted a checklist to help guide its land purchase decisions.



HOW ARCHEUS USED THE ESR PROCESS

From the outset, Archeus saw the ESR tool as a central component to its business planning and strategy activity.

Information gathering was largely done by desk research (which involved studying sector priority ecosystem trends and issues), speaking with key suppliers, and face-to-face engagement with stakeholders such as iwi, Department of Conservation and landowners. Regular calls with the other companies participating in the pilot programme were also an extremely useful part of the process.

The ESR merged seamlessly into the overall business planning and development for Archeus. It provided a framework with which to identify areas that required further exploration and create an awareness of potential risks and opportunities to each aspect of the business it was applied to. Information gathered during the ESR process has also proven useful in helping underpin the marketing direction and company action around environmental and conservation matters. It acted as a 'compass' at times in a start-up's development where the range and quantity of decisions to be made can be overwhelming and can create potential for going inadvertently 'off-track'.

“Don't expect to know everything about every thing. You have to use your business sense and ethical judgment to make the information you can gather work in a meaningful way for your business and the ecosystems you rely on.”

- Georgina Langdale, founder and director, Archeus

SCOPE OF ASSESSMENT

Archeus used the ESR tool to help guide decision-making and risk management around three distinct aspects of its business:

Supply chain: The company used the ESR as a filter in scoping ingredient selection and suppliers. It also ran packaging decisions through the tool.

Conservation activity: The ESR was used as a 'sense check' tool to help select the appropriate species of plant for the plant conservation activity Archeus would establish and undertake.

Land acquisition and management: the Archeus growth strategy is built around developing a production system that goes from 'farm to face'; growing raw ingredients, manufacturing products and enhancing biodiversity friendly habitats as part of its own land-management practice. It was felt that the ESR could be a useful tool for helping identify and locate potential land to buy for this purpose.

PRIORITY ECOSYSTEM SERVICES

The ESR enables the company to prioritise a few key ecosystem services by evaluating the degree of the company's dependence and/or impact on a range of ecosystem services.

The priority ecosystem services identified for Archeus were:

Provisioning – Medicinal resources were selected as Archeus products are made from plant ingredients. Raw materials were also looked at with regards to packaging. Maintenance of genetic diversity was selected as a priority for Archeus conservation activity.

Regulating – Maintenance of soil fertility was selected as this is a factor in supply chain impacts and a key priority for Archeus land management.

Supporting – Habitats for species was selected as this aspect is a priority for Archeus land management and key for conservation activity.

Cultural – Spiritual experience and sense of place were selected as a priority for Archeus conservation activity and for locating Archeus in a region that adds sense of place to the company ethos.

TRENDS, RISKS AND OPPORTUNITIES

The ESR guides an analysis of the conditions or trends in the ecosystem services prioritised, as well as drivers of environmental change that significantly influence those trends. The ESR then helps evaluate how trends can impact the company, either positively or negatively.

Provisioning - There is growing demand for natural and organic ingredients for the skin care industry and this is placing pressure on availability of raw ingredients (especially certified ones). Paper and cardboard is increasingly available from Forest Stewardship Council (FSC) accredited forests.

Regulating - Increasing demand for raw ingredients can lead to risks around soil depletion. An increase in production of raw ingredients using pesticides or clearing of habitats can lead to a further decline in pollinators.

Habitat or supporting - Habitats for biodiversity are impacted by intensification of agriculture and other land-based practices. There are opportunities to take steps to limit impacts via careful selection of suppliers and the development of biodiversity-friendly land management practices.

Cultural - The decline of native species can also mean the loss of the cultural stories that have built up around those species. As a company that is based on centuries of herbal wisdom there are many opportunities to factor an awareness of cultural importance into its business practice.

STRATEGY AND NEXT STEPS

Archeus responded to the risks and opportunities outlined above in a number of ways:

- The company seeks to source natural ingredients and packaging materials that have some form of certification such as certified organic, biodynamic, 100% pure therapeutic grade, FSC. This does not provide much information about impacts on ecosystem services, but can act as a proxy for ensuring that ingredients are not grown in an ecologically harmful way and that packaging materials come from sustainably managed plantations.
- The company aims to build direct links with growers over time in order to share information about the benefits of an ecosystem services approach. It is already finding a positive reception to this from suppliers ranging from printers to organic tea plantations.
- Archeus has purchased land in Hawke's Bay and will use some of the land to establish its own plantings of some of the medicinal plants it uses. This enables it to know exactly what its impacts are on soil and habitats, as well as secure supply of those ingredients.
- In addition, Archeus is approaching its business practice with a view to contributing to creating thriving habitats for biodiversity by working with stakeholders such as DOC, Nga Whenua Rahui, iwi and landowners to create opportunities for habitat improvement via conservation activities, particularly with its Raukawa Conservation Project.

the right track. The process acted as a connector and sense check on business decisions that traditionally would not have been linked, and as a result may have unwittingly created unsustainable ecological impacts which would have run counter to the company ethos.

At Archeus, the ESR is thought of as a tool for 'mindful management' and its use has surfaced three tips for other companies:

- **Don't be afraid to 'think small'**. Try the ESR approach on one discrete area of your company to get a feel for how the tool can be used.
- **Don't underestimate the ESR's potential for building meaningful relationships** with a broad range of stakeholders. It really helps you ask great questions.
- **Engage as many people in your organisation as you can.** This is a powerful method of showing how connected every aspect of your business is to nature and can transform business thinking.

"I believe the ESR process is an essential tool for developing a business in an ecologically sustainable way."

- Georgina Langdale, founder and director, Archeus

OUTCOMES AND ADVICE

The ESR process created value far beyond the 'cost' of the time taken to do it, as it created a foundation for the company's thinking and decision-making. It has been invaluable in helping a small start-up company start out on

www.archeus.co.nz

ABOUT SBC ECOSYSTEM HEALTH PROGRAMME

The Sustainable Business Council (SBC) is an executive-led group of companies that catalyses the New Zealand business community to have a leading role in creating a sustainable future for business, society and the environment. Ecosystem Health is one of the priority areas in the SBC work programme, with projects that aim to help members understand their dependencies and impacts on the ecosystem and how this affects their business strategy and resource use.

www.sbc.org.nz



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