Building a business case for nature

Starting out

For organisations starting to think about investing in nature

August 2025

Workbook

Healthy people, healthy organisations and a healthy planet all rely on thriving nature - over half of the world's economic output ($44 trillion of economic value[1]), and many organisations in Aotearoa New Zealand, depend on nature and its ecosystems.

The **Business Case for Nature Toolkit** has been developed for organisations that are starting to think about, or have already begun, investing in nature. This Toolkit provides step-by-step guidance to explore the drivers (the 'why') and the approach (the 'how') to develop a compelling business case for investment in nature.

How to use this Toolkit

Read the *SBC / thinkstep ANZ / Kaitiaki Collective Nature Guide* on why organisations should invest in nature.

Check you are in the right place: is your organisation currently investing in nature-related solutions, actions or strategies?

Not yet

Use the *Building a business case for nature: Starting out* workbook.

This workbook is for organisations considering an initial investment in nature.

You are currently here

Use the *Building a business case for nature: Workbook guidance* to help you complete each workbook step.

This document contains links to useful resources and examples, and a glossary of terms used.

Yes

Use the *Building a business case for nature: Scaling up* workbook.

This workbook is for organisations seeking to grow or consolidate their investment in nature.

Use the *Building a business case for nature: Making the case* template to develop the Outputs from each step of your completed workbook into a recognised business case format.

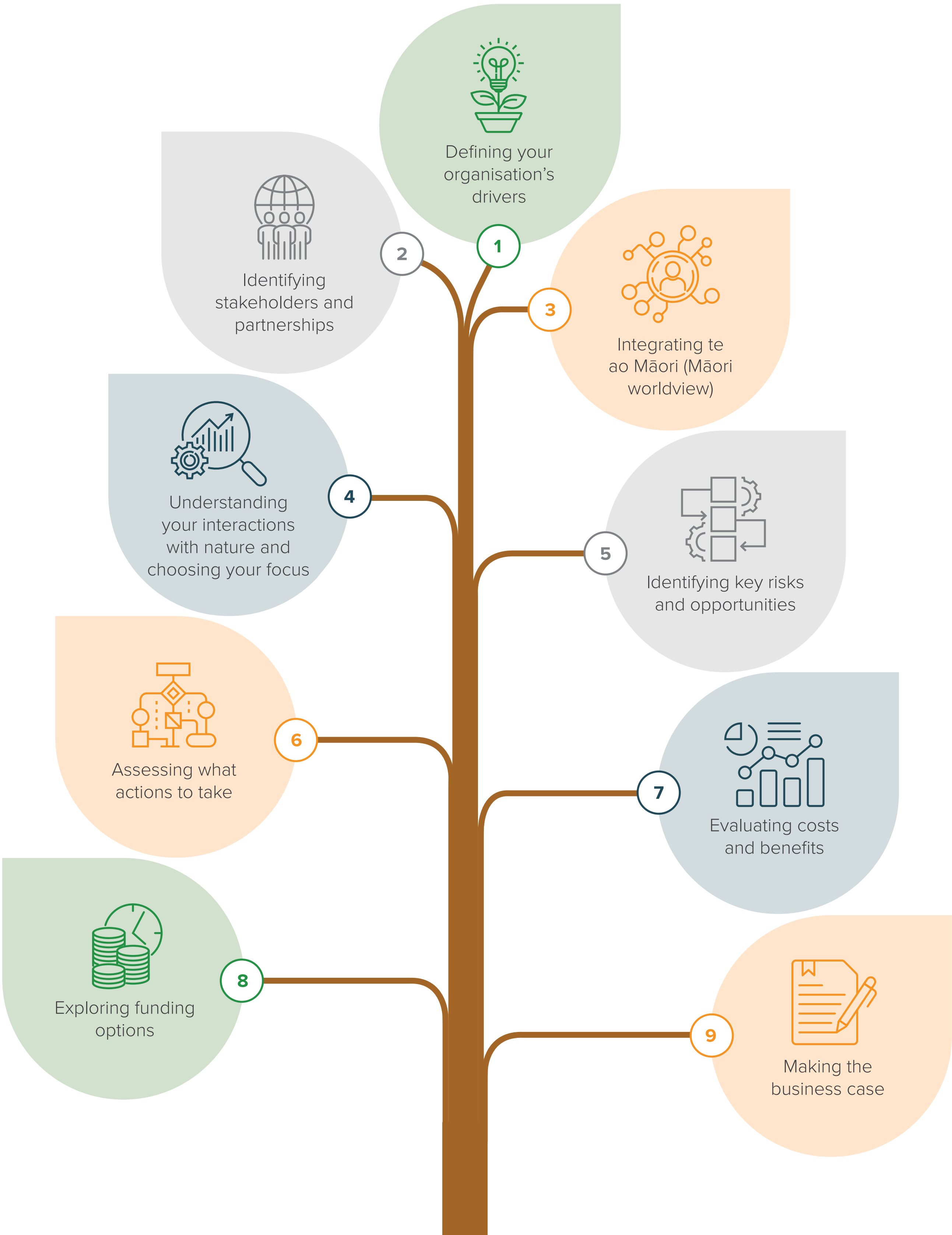
Present this proposal to your board and/or senior leadership team to secure strategic commitment and investment.

(1) World Economic Forum (2020) Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy.

Navigating this document

This workbook is intended for subject matter experts and professionals across sustainability, environment, procurement, risk and finance within your organisation. It will:

- Deepen your understanding of what it means to invest in nature, why it matters, and how it can bring added benefits to your organisation.
- Provide a range of examples to illustrate how investing in nature generates value in different ways to organisations and communities.
- Offer a step-by-step guide **(as shown in the infographic below)** to develop a business case for investment in nature, that aligns with your organisation's current initiatives and strategic objectives.



1. Defining your organisation's drivers

The first step is to identify what is motivating your organisation to consider investing in nature - the 'why' that is fundamental for developing and presenting a compelling business case. There are many potential drivers for investing in nature, which generally fall into the following categories:

- **Risks and opportunities** - the potential for exposure to harm or loss, or the circumstances that enable an organisation to gain benefits, due to its nature-related activities.
- **Costs and benefits** - the resources, money, or effort needed for the chosen actions, weighed against the gains that could result from the investment.
- **Regulatory and trade requirements** - the laws, regulations, standards and other rules set by governments or regulatory bodies that an organisation must comply with.
- **Moral and ethical obligations** - the duty that an organisation (and/or person) feels they should fulfill based on conscience, rather than legal or contractual requirements.
- **Social licence to operate** - the community's acceptance or approval of an organisation's activities, projects or operations.

These are often linked, resulting in interconnected drivers. For example, drivers might include regulatory requirements and moral obligations, balancing short term costs with long term benefits, and a desire to enhance your organisation's social licence. Identifying the most relevant drivers for your organisation will help you prioritise key considerations when developing your business case.

Below are some examples of why organisations might want to invest in nature. Identify the relevant drivers for each using the definitions and the Glossary in the Workbook guidance (if needed):

Examples:

- *"As an exporter to Europe, we must comply with EU expectations to minimise our impact on climate and nature. We need to explore what initiatives to implement to meet these expectations, and how we demonstrate their value to our organisation."*
- *"We want to show our organisation's proactive commitment to valuing nature, which will help to enhance brand reputation and customer loyalty, maintain relationships with the community and our existing clients, and attract new clients."*
- *"We want to align with Te Mana o te Taiao - Aotearoa New Zealand Biodiversity Strategy 2020 and go beyond compliance with the Resource Management Act 1991 (RMA) by investing in nature. This will also help us stay ahead of compliance requirements and avoid potential fines."*
- *"We understand that by investing in nature now we are protecting not just our environment but our longer-term access to the resources that our business needs to remain operating, competitive and resilient in the future."*
- *"As our operations impact and depend on a regionally significant waterway, it is important we contribute to keeping it clean. It is both the right thing to do and demonstrates to the communities around the river that we are responsible operators."*
- *"We want to invest in nature as we have seen how other companies have gained a competitive advantage by aligning with consumer preferences for sustainable products and practices."*
- *"Investing in nature helps mitigate risks associated with climate change and biodiversity loss. By preserving natural ecosystems, organisations such as ours can reduce the likelihood of disruptions to our supply chains and operations."*

Workspace

Follow the prompts in the boxes below to apply your thinking. Once you're ready, use the worked examples in this workbook as guidance to complete the *Building a business case for nature: Making the case* template.

Action

Identify your organisation's key drivers to invest in nature.

Output

With these drivers identified, write your organisation's 'why' for investing in nature. This is the first step in building your business case and will be integral through each of the subsequent steps, including final presentation to your board and/or senior leadership team.

2. Identifying stakeholders and partnerships

Developing a business case for nature will require support and input from a range of internal and external stakeholders and experts. The success of your business case will be influenced by how effectively you secure project buy-in from the right people at the right time. Involving stakeholders in discussions and decision making can help accelerate the project and foster advocates as their understanding of the benefits of investing in nature increases.

As internal and external stakeholders have varying perspectives, roles and responsibilities, they require tailored engagement approaches based on their interest in, or influence on, the business case. A RACI Matrix can be used to clearly define who is Responsible, Accountable, Consulted, and Informed at each stage of the project.

Stakeholder roles can be broken into:

- **Responsible:** those involved in performing the work. They must complete the task, achieve the objective, or make the decision. Multiple individuals can share this responsibility.
- **Accountable:** the individual who 'owns' the work. They must approve the completion of tasks, objectives, or decisions and ensure responsibilities are assigned for all related activities. Success requires only one person to be Accountable, meaning ultimate responsibility rests with them.
- **Consulted:** those who must provide input during the project, and before outcomes are finalised. They should be kept up to date throughout the project.
- **Informed:** those who need to be updated on progress or decisions. They do not need to be formally consulted or directly contribute to the task or decision.

This will help you determine how, when and why you might engage these stakeholders, to set clear expectations for both you and the stakeholder regarding their ability to influence or contribute to the desired outcome.

RACI Matrix Example - internal stakeholders

Task	Responsible	Accountable	Consulted	Informed
Identify your organisation's key drivers to invest in nature	Sustainability Lead	Sustainability Lead	Senior Leadership, Operations, Finance, Risk teams	HR, Risk teams
Identify stakeholders and potential partnerships including integration of te ao Māori, and choose the focus area	Project / Sustainability Manager	Sustainability Lead	Operations, Finance, Risk teams, Communications and Engagement	Senior Leadership
Identify risks and opportunities and assess what actions to take	Project / Sustainability Manager	Sustainability Lead	Finance, External Experts, Risk teams	Senior Leadership
Evaluate costs and benefits and explore funding options and metrics	Project / Sustainability Manager	Sustainability Lead	Finance team	Senior Leadership
Make the case - monitor and report progress to leadership	Project Manager	Sustainability Lead	Finance, Risk teams, Communications and Engagement	Senior Leadership

Opportunities for partnership

Depending on your organisation's readiness, there may be opportunities to work collaboratively with other organisations to achieve shared nature goals, leverage resources and drive innovation. A collaborative approach can enhance impact, reduce costs, and foster a culture of environmental stewardship across industries.

You may be aware of local or region-specific community groups, nature-focused action groups or organisations that you can consider working with. Additional resources are mentioned in our *Building a business case for nature: Scaling up* workbook.

Workspace

Follow the prompts in the boxes below to apply your thinking. Once you're ready, use the worked examples in this workbook as guidance to complete the *Building a business case for nature: Making the case* template.

Actions

Create a list of stakeholders who can influence and support your business case. Consider the following:

- Are there any existing stakeholder lists that might be relevant to this project?
- Identify crucial internal teams, such as risk management, strategy and finance teams, subject matter experts (SMEs), project sponsors, procurement or communications personnel.
- Identify key external stakeholders, such as representatives of markets that you do business with, iwi, consultants (e.g. experts in biodiversity, water or afforestation), project partners, conservation groups (e.g. WWF or The Nature Conservancy), government agencies (e.g. Department of Conservation, Ministry for the Environment), regional and local councils, Non-Governmental Organisations (NGOs) or industry groups.
- Plan engagement: identify how, why and when you will involve these stakeholders in the development of your business case and grow their support.

Output

A RACI matrix identifying who is Responsible, Accountable, Consulted and Informed as a framework to map your internal and external stakeholders.

A Stakeholder Engagement Plan (SEP) will likely be required as this builds upon your RACI matrix by detailing the purpose, timing and methods of engagement. It also determines key messages for consistent project communications, identifies risks and opportunities, establishes media protocols, and defines desired outcomes. For more information and link to a template SEP, refer to the *Building a business case for nature: Scaling up* workbook and *Workbook guidance* document.

Conversations with stakeholders

Engaging in timely and appropriate conversations is critical. You may have already identified stakeholders for your organisation's climate response efforts - this is a good place to start. Then consider whether additional stakeholders should be included as you develop the case for your investment in nature.

3. Integrating te ao Māori (Māori worldview)

Te ao Māori highlights the significance of the relationship between nature and people. It's a holistic worldview centred on interconnections, rooted in customary values (tikanga) and traditional knowledge (mātauranga). Through considering the principles of te ao Māori, organisations can identify nature-related opportunities that respect Māori relationships with local ecosystems, waterways and landscapes.

Your organisation's approach, relationship with iwi and hapū and position on Te Tiriti o Waitangi (The Treaty of Waitangi) will shape how te ao Māori is integrated into your nature-related activity or project. In particular, the maturity of the relationship with iwi / Māori will influence the level of detail in the business case process / content over time. In the early stages of the relationship, you might only provide information and/or content at a simpler level. As the relationship grows, so will the level of engagement and the complexity in mātauranga applied to the business case.

It's therefore important that organisations take a long-term, holistic approach to building relationships with iwi and hapū to integrate te ao Māori into nature activities. At the outset, take the time to understand:

- What relationships does your organisation currently have with iwi and hapū?
- Is there a wider strategy to engage/partner with iwi and hapū?
- Is it a good time to approach iwi and hapū about this work?
- Do you have teams that specifically work on relationships and partnerships with iwi and hapū?

You will also need to consider the ability of iwi and hapū to contribute to this piece of work, given availability of representatives or resources. Provision of a pūtea (fund or sum of money) will enable representatives to be appropriately compensated for their time and involvement.

Key considerations when seeking to integrate te ao Māori

- Tikanga and mātauranga vary across Aotearoa New Zealand. This is due to iwi and hapū norms in each region being informed by the diversity of historical experience and whakapapa. If your organisation operates nationally, local relationships will help you understand the impacts on nature at each location.
- If incorporating mātauranga is important to your organisation, begin by forming relationships with iwi / hapū in the relevant area. Be open and authentic in your approach and in time, Māori may share generational knowledge of the environment your organisation operates in.
- Take an intergenerational view and understand the aspirations of iwi / hapū and how planned investment aligns and supports these aspirations, as well as the barriers that currently exist for iwi / hapū when it comes to realising these.
- If you already have good relationships with iwi and hapū, work in partnership to incorporate mātauranga into your nature strategy. Remember that much of this knowledge is valuable intellectual property owned by iwi and hapū. Sharing of this knowledge is something that should be explored collaboratively and with care.

How is te ao Māori different from a western lens?

- Māori see nature as a set of humanised characters (atua or gods). Elements of nature such as rivers, mountains and other landmarks are part of family lineage, so there are strong connections between humans and nature. Pūrakau (stories) communicate mātauranga (knowledge) to effect whakapapa (genealogy) and as a vehicle to pass knowledge on through time.
- The exchange and incorporation of knowledge is known as mōhiotanga. The enlightenment of how to use that knowledge in your context is known as māramatanga.
- Māori have interacted with nature in a local context for generations, and this knowledge is often passed on through oral histories. This knowledge is highly valued by iwi and hapū, and while it can be valuable to your organisation, it is not yours to own.
- For a fuller explanation of te reo Māori terms and concepts, refer to the Glossary in the *Workbook guidance*.

Workspace

Follow the prompts in the boxes below to apply your thinking. Once you're ready, use the worked examples in this workbook as guidance to complete the *Building a business case for nature: Making the case* template.

Action

Consider the questions raised in this section and answer them as they relate to your organisation.

Output

Looking at your answers, think about how you would approach iwi and hapū for this kaupapa (initiative), the timing, correct tikanga (protocols), who should be involved and who is responsible.

4. Understanding your interactions with nature and choosing your focus

Nature is a complex system. At the beginning of your nature-positive journey it can feel challenging to fully understand how your organisation interacts with nature. Through examining different parts of your organisation and addressing knowledge gaps, you can map how your organisation impacts and depends on nature. This will enable you to clearly define the focus of your business case and better manage these aspects in the future.

Begin with manageable steps - you don't need to map out your organisation's entire interaction with nature right away. Further detailed guidance on materiality assessments can be found on page 6 of *Building a business case for nature: Workbook guidance.* But initially, use your knowledge and internal experts to determine a specific part of the organisation or process to focus on, starting with something achievable. A great starting point is your nature-related 'why' statement. This will help you understand where you can have a positive impact on both your organisation and nature, ideally with the biggest return on investment.

On pages 18-22 of this workbook there are illustrative examples from different sectors that are intended to help you consider their application to your organisation. The examples include:

- situations that inspired organisations to consider investing in nature
- the 'why' driver for each organisation
- examples of impacts and dependencies on nature from different industries
- the focus area organisations chose to seek support for
- risks and opportunities identified
- the value identified in addressing the need to invest in nature.

Workspace

Follow the prompts in the boxes below to apply your thinking. Once you're ready, use the worked examples in this workbook as guidance to complete the *Building a business case for nature: Making the case* template.

Actions

- Identify where your organisation interacts with the natural environment (impacts and dependencies). These are areas where your organisation interacts with or relies on natural resources. **Impacts** refer to how your organisation affects the environment (e.g. waste, water pollution, noise, run-off, soil quality), while **dependencies** are what your organisation needs from nature to operate (e.g. water, soil, clean air, pollination).
- Consider focusing your organisation's efforts on a specific location or region - as nature is complex and varies by location, it can be beneficial to narrow your focus to areas where your business interacts most with nature or where you have the most information.

Note: for some organisations, your impacts and dependencies on nature may have already been identified as 'nature-related risks'. If so, work with internal experts such as your environmental advisors or risk manager to understand how your potential focus areas align with or address existing business and risk management strategies.

Refer to the *Building a business case for nature: Workbook guidance* for help to describe impacts and dependencies on nature and determine the focus area.

Output

A summary of the focus area selected, based on your organisation's impacts and dependencies on nature and explaining how this focus area correlates with your previously-created organisational 'why' statement.

5. Identifying key risks and opportunities

Having established your key interactions with nature and chosen your focus area, you can now consider the associated risks and opportunities. Concentrate on the aspects of nature that your organisation depends on or impacts the most. For instance, if water is essential for your operations, consider how factors like water quality or availability might impact processes or production. Making these connections will help you identify the risks and opportunities that could be addressed through actions, and any knowledge gaps.

When identifying the initial risks and opportunities, you can also explore the 'value' of investing in nature for your organisation, including market opportunities, enhanced reputation, and long-term sustainability. The risks and opportunities identified will be unique to each industry and organisation.

Here are some methods to help you identify risks and opportunities:

- Talk to your internal team. Internal resources, including identified key stakeholders, can assist in confirming your interactions with nature and identify potential risks and opportunities that could arise.
- Assess your resource management obligations. Do you currently have, or anticipate having, any resource management obligations? Consider licences to operate in New Zealand that relate to your interactions with nature. Reviewing these obligations and their conditions will help you clearly set out the impacts that might need to be managed and highlight the areas of nature your organisation depends on.
- Review your corporate risk register. Check for previously identified key risks and opportunities for your organisation. Determine if any of these are related to your interactions with nature.
- Use the *ENCORE* tool, which enables organisations to assess their dependencies and impacts on nature. While it may provide more detail than you need, it can offer valuable insights to help you identify risks and opportunities if you are unsure where to begin. For further guidance, refer to the *Building a business case for nature: Scaling up* workbook.

Actions

- Identify the key risks and opportunities specific to your industry and within your selected focus area (location, part of the organisation, etc). Refer to the industry examples on pages 18-22 for guidance.
- Summarise any potential knowledge gaps. What information is missing? What do you need to understand better? Consider whether you need more time to review available guidance, decide on an initial organisational focus, or explore areas likely impacting or dependent on nature in more detail.

Outputs

- List of relevant risks and opportunities associated with your key interactions with nature.
- High level statement describing the value of investing in addressing your organisation's knowledge gaps, related to your focus area.

6. Assessing what actions to take

By this stage you have identified your organisation's drivers (motivations), areas where you need more information about your organisation's interactions with nature, key stakeholders, and the risks and opportunities which come from your impacts and dependencies on nature. You also understand the value of addressing these areas.

Now it's time to translate this information into actionable steps, through identifying the potential tasks needed to achieve your goals. Possible activities within your organisation's focus area could include:

- Resource efficiency - e.g. installing advanced irrigation systems to save water, or redesign products or processes to use fewer raw materials and/or transition to circular solutions.
- Capability building - e.g. offering training programmes, workshops or certifications focused on frameworks such as the Taskforce on Nature Related Financial Disclosures (TNFD).
- Developing partnerships - e.g. collaborating with NGOs, research institutions and/or working with local community groups on initiatives such as pest management.
- Regenerative action and engaging others - this also provides opportunity for partnerships/collaboration, staff volunteering/engagement, tree planting, urban greening, investing in or supporting habitat or wetland restoration projects.
- Supply chain engagement and management initiatives - e.g. engaging suppliers to shift towards more natural biodegradable materials and/ or reducing unnecessary packaging.

Watch out for greenwashing

Greenwashing is when an organisation shares untrue actions or statements to appear more environmentally responsible than they actually are. So how do you avoid this while still being able to showcase your sustainability achievements?

We have several videos to help you, search for them *here.*

Actions

- Understand the tasks needed to address your prioritised risks and opportunities.
- Consider the potential trade-offs associated with investing in this initiative. You may need to develop a cost-benefit analysis comparing this investment to other investments (more on this in the next step).
- Develop a timeline that outlines key milestones and deadlines for completing these tasks.
- Determine what types of effort might be needed to deliver your initiative and support your 'why' statement.
- Decide if this effort is internal, external or both. What investment, time commitment and resources will be required?
- Summarise any potential knowledge gaps. What is missing?

Outputs

- A list of the tasks required to address your organisation's knowledge gap and implement your proposed actions, with time frames.
- A plan of the investment required to complete these tasks (for example: the budget for this work and how much staff time will be required).

7. Evaluating costs and benefits

As part of assessing what actions to take you will need to determine the costs and benefits of all proposed activities.

Start by considering how this investment in nature aligns with your organisation's long-term strategy and investment objectives, which can be found in your published business plan or annual report. Additionally, review relevant organisational policy direction (e.g. environmental) and practices (e.g. risk appetite) to support the framing of the investment.

This step is critical to the business case process and for securing endorsement for the investment you are seeking. After confirming alignment, you will need to identify:

- The costs associated with developing and delivering any proposed activities, which can be categorised as follows:
  - **Direct Costs:** these are expenses directly associated with a specific project or activity, including materials, staff costs, and equipment.
  - **Indirect Costs:** these are overhead or administrative expenses incurred by the organisation but not directly linked to a specific project, such as utilities, rent, and office supplies.
  - **Fixed Costs:** these costs remain constant regardless of the level of activity, such as core salaries for project staff and lease payments for equipment.
  - **Variable Costs:** these costs vary with the level of activity or production, for example raw materials and additional staff time or overtime.
- The positive outcomes or gains from the planned investment in nature, which can include:
  - **Tangible Benefits:** these are measurable and quantifiable advantages, such as increased revenue, cost savings (including input costs), and improved productivity.
  - **Intangible Benefits:** these are non-quantifiable advantages, such as enhanced customer satisfaction, improved brand reputation, and boosted employee engagement.

Depending on the scale of the investment, you may want to quantify intangible benefits to support formal cost-benefit analysis (CBA) of investing in nature. Intangible benefits can be difficult to accurately quantify. Proxy data can be used where it is closely linked to the intangible benefit e.g. for enhanced customer satisfaction (intangible), you could use customer satisfaction surveys (quantitative proxy indicator).

Alternatively, conducting a multi-criteria analysis (MCA) might be sufficient to demonstrate that your initiative has been evaluated against a clear set of criteria reflecting your organisation's strategic objectives.

If you have a good understanding of costs and benefits of a proposed investment in nature, return on investment (ROI) can also be a valuable tool for building a compelling, evidence-based business case that secures buy-in and efficient use of organisational resources.

Workspace

Follow the prompts in the boxes below to apply your thinking. Once you're ready, use the worked examples in this workbook as guidance to complete the *Building a business case for nature: Making the case* template.

Actions

- Identify the main costs and benefits for your organisation associated with investing in nature.
- Assign monetary values to these identified costs and benefits, including intangible impacts where proxies are available.
- Select the most suitable decision making framework for your organisation. For instance, do you require a formal cost-benefit analysis, or will a multi-criteria analysis be sufficient?

Outputs

- A comprehensive list of all identifiable costs and benefits related to your proposed investment in nature initiative/s.
- An indication of the monetised impacts of all tangible and intangible costs and benefits.
- A completed cost-benefit or multi-criteria analysis, as required.

8. Exploring funding options

By this stage, you have refined the focus area for your business case, identified the tasks for which you are seeking investment, estimated the costs, and outlined the benefits that investing in nature could bring.

Now, it's time to explore your funding options by looking at overall costs, identifying potential funding sources and establishing clear success metrics. A range of funding options are outlined in the industry examples on pages 18-22.

In this workbook, we have encouraged you to engage internally with finance and risk teams, as well as senior leadership to understand your organisation's drivers. This includes summarising the value of the investment compared to the opportunity cost, and the potential return on investment. By evaluating the costs and funding options, your organisation can make informed decisions that align with strategic goals, mitigate potential risks and capitalise on opportunities.

If your nature project requires significant financial investment and you need to provide detailed costs in your business case, refer to our *Building a business case for nature: Scaling up* workbook. This resource provides examples of how to justify the investment and provides ideas for leveraging external funding sources.

Actions

- Using the costs you have identified, identify potential funding sources (including where you might reallocate internal resource to support the initiative).
- Define what success for your organisation looks like. This could be proxy indicators initially, such as 'area of land replanted', 'water quality indicators for freshwater health' or 'number of pests trapped', before developing more direct indicators to monitor over time.
- Identify the specific risks related to implementation of your chosen activities or nature project, and how these will be mitigated (to prevent them occurring) or managed (if they do occur).

Outputs

- An estimated cost for implementation.
- A funding plan.
- A statement outlining what success will look like for your organisation's nature-positive efforts.
- A plan detailing who, how, and when key stakeholders or organisation sponsors will be involved.
- A risk assessment for the proposed investment in nature.
- Key indicators to track progress and a plan for monitoring and reporting these indicators.

9. Making the business case

Now that you have completed the steps in this workbook, you have all the necessary elements to build your business case for nature ahead of presenting your investment proposal to your organisation's board and/or senior leadership team.

If you haven't already, refer to our *Building a business case for nature: Making the case* template. This template will help you cohesively present the Outputs identified at each step in this workbook.

The template will also guide you on the right language and approach for presenting the business case and seeking approval to proceed. The precise format and level of detail should align with your organisation's established processes and the scale of the investment being sought.

If you have read this document and feel you need to build a more comprehensive case, refer to our *Building a business case for nature: Scaling up* workbook.

Below are four examples from different sectors, with key takeaways aligned with each step in this workbook. These examples are intended to help you consider their application to your organisation as you complete your Actions and Outputs.

Horticulture

I manage an organisation in the horticultural industry (primary sector) that operates across Te Waipounamu (the South Island). Over the past few years, we have experienced decreased crop yield, particularly in Otago, but the cause is unknown.

Our ‘why’

We have a dependency on nature for clean water, suitable climate, and fertile soil to produce consistently high-quality crops. Understanding whether issues such as soil degradation, climatic extremes or a combination of both are the cause, and determining how to address them, will benefit our organisation, our growers, and our environment.

Focus area

Given our extensive operations in rural areas, we do not have the resources to investigate every site. As Otago has experienced the greatest crop yield impact, we will focus on increasing our understanding of the problem and potential solutions there. Our goal is to apply these insights or model across our other sites in future.

Risks and opportunities

Decreasing crop yield poses a nature-related risk to our business, affecting our revenue (financial risk), our relationships with stakeholders (reputational risk), and potentially impacting on the local ecosystem (environmental risk).

There are opportunities to hire experts and upskill staff to better understand these risks. This could enable us to implement interventions or management techniques that preserve or enhance soil quality or reduce soil degradation.

Value in addressing knowledge gap

Addressing this knowledge gap could increase crop output and productivity, resulting in increased profit and long-term viability. Additionally, it could improve our social licence, as buyers may prefer to purchase from environmentally conscious suppliers.

Actions to take

After applying the RACI framework, we convened a workshop with our key stakeholders (identified as ‘Responsible’ in the RACI output) to discuss potential actions to address our risks and opportunities. These actions included engaging a soil expert, conducting a high-level climate assessment, and implementing internal training for staff.

Costs and benefits

It was agreed that a cost-benefit analysis would be appropriate, and everyone contributed by identifying the required investment and the expected impacts from the investment. Using Step 3 of the NZ Treasury Guide to Social Cost Benefit Analysis: Identifying the costs and benefits (linked in the *Workbook guidance*), we agreed that the key costs would include paying for soil and assessment recommendations, climate assessment, and internal staff time for training. The benefits discussed included increased crop yield through improved soil health, lower long-term costs due to reduced soil degradation, upskilled staff who will be more prepared to respond to environmental changes, and an enhanced reputation for our organisation.

Funding options

- Apply for grants from government programmes supporting sustainable farming practices or biodiversity initiatives.
- Partner with research institutions for co-funded studies on soil and climate impacts.
- Explore private sector funding opportunities, such as sustainability-focused investors or corporate sponsorships.
- Leverage existing operational budgets to allocate resources toward initial assessments and pilot programmes.

Manufacturing and industrial process

I manage manufacturing and industrial processes at multiple sites across Aotearoa New Zealand. We have resource consents to discharge contaminants into nearby water bodies. Regulatory fines pose a significant financial and reputational risk to our business, and our internal team lacks expertise at some sites to appropriately manage this risk.

Our 'why'

A key driver for investing in nature is to reduce our organisation's impact on water pollution, ensuring compliance with current and upcoming regulatory requirements and improving our reputation within the community.

Focus area

Our main industrial process is in Nelson, but due to its complexity our team there does not have capacity to manage the resource consent requirements. By investigating and piloting a solution at one of our smaller sites in Rotorua, we can gain valuable insights and apply those learnings to our main site next year. This will better manage the risk through reducing the risk of non-compliance.

Risks and opportunities

Failing to meet our consent conditions poses risks of statutory non-compliance and increasing compliance costs. Additionally, if we are not perceived as effectively managing our environmental process and consequently adversely impact nature, we risk losing community support for our activities. There may be interventions that not only reduce impacts on water bodies but also provide wider environmental / nature benefits too. There are opportunities associated with addressing this knowledge gap including increasing water quality outcomes and enhancing our social licence to operate.

Value in addressing knowledge gap

Through increasing our understanding, we can achieve better regulatory and statutory compliance, thereby improving our social licence to operate. Additionally, reducing compliance costs could provide further value, potentially increasing productivity and profit. Biodiversity enhancements around water bodies would benefit pollinators, improve soil quality, and help protect against pests and diseases.

Actions to take

We started by investigating what potential interventions we could apply to our Rotorua site, and identified a range of options including constructing wetlands, riparian planting and operational changes to reduce contaminant discharge.

Costs and benefits

We recognised that an MCA would be helpful for evaluating and prioritising the costs and benefits of the various options. Using the *Building a business case for nature: Workbook guidance* MCA tools, we set out criteria that included cost-effectiveness, regulatory compliance and water quality improvements.

During a subsequent workshop with our key stakeholders, we assigned weightings to each of the criteria and scored the options. We determined that riparian planting was the most balanced and favourable option due to its cost-effectiveness, ability to reduce contaminants entering the receiving water body (supporting compliance efforts), and high visibility, which aligns with community expectations for environmentally responsible practices. Additionally, it is technically straightforward and scalable, making it a manageable pilot project for the smaller Rotorua site, even with limited expertise.

Funding options

- Research government grants and incentives where funding may be available for businesses trying to improve their environmental performance.
- Investigate industry partnerships or funding. In New Zealand, organisations like Green Connect or Sustainable Business Network assist with connecting organisations, providing valuable resources, and offering expertise.
- Leverage existing operational budgets to allocate resources toward staff training and upskilling.

Finance and Insurance

I operate within the financial services industry, with a particular focus on insurance offerings across New Zealand. Recently, there has been an emerging pattern related to claims tied to environmental shifts and ecological changes which are impacting agricultural and rural sectors within our coverage.

Our 'why'

Healthy ecosystems are critical for industries we provide financial advice and products for, such as insurance policies for agriculture, forestry, and tourism. For example, biodiversity loss, fewer pollinators or poor soil health reduces productivity and increases risks for our clients. We need our staff to better appreciate the areas that we are concerned with, and to gain greater understanding of these impacts so we can better manage risk effectively.

Focus area

Claims data shows that areas with intensive farming are seeing bigger losses due to causes such as lower crop yields, pest outbreaks, and erosion. Canterbury is a key region for us because many of our potentially affected clients are based there. We will initially focus on gaining an understanding of the link between biodiversity loss and financial risk in this area.

Risks and opportunities

Biodiversity loss increases claim payouts and could damage our reputation if we do not address these challenges. Conversely, there is an opportunity to encourage sustainable practices among clients, which could reduce future claims and improve ecosystem health.

Value in addressing knowledge gap

Learning more about biodiversity risks will improve how we price premiums and how we can promote more environmentally conscious practices with our clients. This will assist with building stronger relationships with clients while also supporting nature.

Actions to take

Using guidance from frameworks like TNFD, we identified the following actions for investment:

- Host a workshop for employees on biodiversity and ecosystem risks, led by ecological experts or environmental consultants.
- Arrange field visits to farms or rural areas that are experiencing biodiversity challenges. Enable clients to share their experiences with biodiversity challenges and discuss potential solutions. This will help employees appreciate first-hand the direct impacts of nature loss on insured properties.

Costs and benefits

Costs include consultancy fees and staff training. Benefits include improved risk profiling (fewer claim payouts), stronger customer loyalty, and positioning the organisation as a sustainability focused insurer. We expect that this initiative may be developed further for our wider portfolio, once key staff are upskilled.

Funding options

- Leverage existing operational budgets to allocate resources toward staff training and upskilling.
- Research collaboration funding, including potentially partnering with universities or research institutes to support scientific research on environmental challenges.

Case study - Fonterra

This case study from Fonterra outlines why and how they invested in nature through the Living Water programme.

Our 'why'

Dairy farming is central to Aotearoa New Zealand's economy, and Fonterra recognises that it can also impact nature. In particular, lowland freshwater ecosystems are being impacted by high levels of nutrients, sediment, effluent, and other contaminants.

Risks and opportunities

New Zealanders expect to be able to swim, fish, and gather kai in our lakes, rivers, and streams, and healthy water is critical for resilient farms and businesses. Therefore, freshwater quality has long been a sustainability focus for Fonterra.

Partnering to address knowledge gaps

In 2013, Fonterra partnered with the Department of Conservation to respond to the farming and freshwater challenge. This 10-year partnership, called Living Water, aimed to design and trial solutions to improve freshwater ecosystems and encourage sustainable farming in five catchments from the Wairua River in Northland to the Waituna Lagoon in Southland.

Benefits

Some positive changes were seen immediately, such as increased natural habitats created through plantings, while other changes will take longer to materialise.

You can read more about Living Water *here.*

Retail and construction

I run a business that relies on multiple supply chains to deliver products to our stores and sites. Recently, we've faced disruptions in these supply chains due to several factors, including extreme weather events impacting our logistics and product availability.

Our 'why'

Our dependency on consistent and timely product delivery has been challenged by environmental factors, prompting a need for improved supply chain resilience.

Focus area

We noticed that our logistics were particularly affected by freight options reliant on the road network. Consequently, we've decided to focus on our retail outlets that depend solely on this transport method (as opposed to ferries or rail). Therefore, we are assessing our operations in Northland (Kaikohe and Kaitaia) as a starting point.

Risks and opportunities

Supply chain disruption is a risk which might increase over time. Many of the products we source could be impacted by climate change and extreme weather events, beyond just supply logistics. We should explore sustainable supply chain management practices to mitigate these risks. Additionally, this review might reveal further opportunities to improve our overall practices.

Value in addressing knowledge gap

We anticipate a more stable and predictable supply chain, which will improve the reliability of product availability and resilience of our operations. This change may allow us to offer a product line that reflects these improvements, potentially at a price premium.

Actions to take

Our procurement team had already mapped our supply chain across different Tiers for business purposes. We used this to identify which of our top suppliers deliver by road to our Northland operations. We identified the need to collect product delivery data in relation to disruption to supply from extreme weather events, to enable us to assess the most vulnerable transport routes. When thinking about sustainable supply chain management and identifying environmental risks associated with our key products, we were able to use some initial work completed around modern slavery in our supply chain. We also completed an initial review of the TNFD guidance, which provided additional guidance on supply chain mapping and data collection.

Costs and benefits

We have allocated a budget to our procurement manager to start collecting this information, as they have the best understanding of our supply chain. The TNFD guidance highlights the benefits of taking these actions, such as improved supply chain resilience through diversifying suppliers to reduce dependence on high-risk regions or routes. Additionally, it highlights reduced long-term costs from fewer supply chain disruptions and lower compliance risks.

Based on this information, there is sufficient evidence to demonstrate the value of the project without needing a formal cost-benefit or multi-criteria analysis.

Funding options

- Leverage existing operational budgets to allocate resources toward staff training and upskilling.
- Bank loans - many New Zealand banks offer business loans and lines of credit that can be used to finance the upgrading of your supply chain. Some banks also provide specific loans for sustainability or disaster preparedness. Contact your organisation's bank to enquire how they can assist.

About us

Developed by *Beca* on behalf of the *Sustainable Business Council* (SBC), this **Business Case for Nature Toolkit** aims to support organisations across Aotearoa New Zealand in building a compelling business case to secure approval for investment in nature-related initiatives.

SBC is a CEO-led membership organisation that mobilises over 130 ambitious Aotearoa New Zealand businesses to build a thriving and sustainable future for all.

SBC connects businesses, partners, and sectors to create impact that no single business could achieve alone, and delivers impact by championing members to be at the leading-edge of sustainability - and in doing so, inspire other businesses to take action.

Beca, one of Asia Pacific's largest independent advisory, design, and engineering consultancies, is a member of SBC. Beca's environmental, ecological and sustainability specialists have contributed to the **Business Case for Nature Toolkit**, with inputs from across Beca's wider capabilities including in te ao Māori.


Sustainable Business Council
Global Network
Beca