

Helping New Zealand businesses create sustainable value through good governance

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The Sustainable Business Council (SBC), in association with KPMG New Zealand (KPMG), are helping boards and executive management improve their understanding of sustainability and drive strategic responses to the rapidly changing economic and environmental, social and governance (ESG) challenges facing organisations today.

The practical “Creating Sustainable Value from Good Governance” guidance was launched today, in response to the director community wanting to go further in embracing sustainability within their organisations, their communities, and the wider NZ Inc.

At a special business leaders breakfast held at KPMG’s offices in Auckland, 60 CEOs and directors heard from keynote speaker Sir Jonathon Porritt (Founder of ‘Forum for the Future’) and directors Jane Taylor (Chair of NZ Post) and Rob Campbell (Chair of SKYCITY Entertainment).

Climate change, plastic waste, the future of work and rising inequality are among a growing number of sustainability challenges that can affect company reputations and financial performance if left unaddressed.

“Sustainability matters to me because it is fundamental to business success. To survive and grow over the long term, organisations must create value for the business and for society” says Jane Taylor.

Responding to the need for greater transparency

Growing investor, regulator and consumer expectations are placing greater scrutiny on business performance and the transparency of decision-making in relation to sustainability risks. Overseas, sustainability is already central to a board’s role and responsibilities. Here in New Zealand momentum is rapidly building, following the release of the revised NZX Corporate Governance Code and the FMA’s Good Corporate Governance handbook, which now include ESG disclosure requirements.

“In our view, consideration of ESG factors is an important part of a listed company’s approach to corporate governance. It supports long-term value creation, and is another tool companies can use to communicate their strategy and broader business opportunities and challenges to investors” says Hamish Macdonald, General Counsel and Head of Policy, NZX Ltd.

Bringing strategic thinking to decision-making

“Corporate governance has always been a way to bring new thinking to decision-making” says Robert Perry (Sustainable Leadership Manager - SBC). Leading organisations are embedding sustainability in an integrated way to navigate new challenges and to foresee and adapt to changing sustainability risks in order to maximise long-term value for the organisation and society.

“Embracing sustainability helps organisations shape strategy, manage risk and ensure long-term viability and business growth”. Robert encourages organisations navigating their way through the complexities of sustainability to access the guide.

The role of boards in sustainability is a sentiment echoed by Erica Miles (Director – Sustainable Value, KPMG). “Boards have a key role, and indeed a responsibility, to bring sustainability risks and opportunities to the forefront of corporate strategy thereby ensuring their organisations are proactively responding to the needs of all their stakeholders” says Erica Miles.

You’ll find a copy of the guide ‘Creating Sustainable Value from Good Governance’ at www.sbc.org.nz/resources/guides or www.kpmg.com/nz/sbcguide

SOURCE: KPMG and SBC

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About the Sustainable Business Council

The Sustainable Business Council is a CEO-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. A division of BusinessNZ, it represents 103 member businesses, including some of New Zealand's largest companies. Its membership accounts for almost a third of private sector GDP.

www.sbc.org.nz

About KPMG New Zealand



KPMG is focused on fuelling New Zealand's prosperity. We believe by helping New Zealand's enterprises succeed, the public sector do better and our communities grow, that our country will succeed and prosper. KPMG is one of New Zealand's leading professional services firms, specialising in Audit, Tax and Advisory services. We have 825 professionals who work with a wide range of New Zealand enterprises – from privately owned businesses, to publicly listed companies, government organisations, and not-for-profit bodies. We have offices in Auckland, Wellington, Christchurch, Hamilton, Tauranga, Timaru and Ashburton.

