

Sustainable
Business Council

wbcsd Global Network Partner



Sustainable Business Council Annual Snapshot

2015/2016

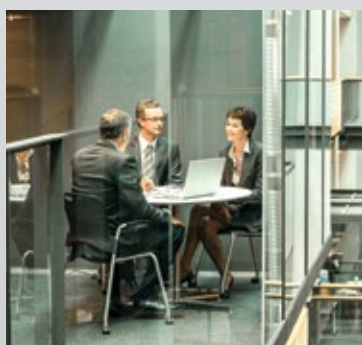


Table of contents

Message from Mark Wilson	1
Foreword from Peter Bakker	2
Message from Alistair Davis	2
Key Statistics and SBC Members	3
Update from Abbie Reynolds	4
SBC Strategy	4
SBC Advocacy	5
Priority Areas	5-9
Events	10
SBC Team and Advisory Board	10



The Sustainable Business Council (SBC) is an executive-led group of companies that advocates a better way of doing business, one which creates a sustainable future for New Zealand. We provide a platform for collaborating on business solutions and enable our members to be leaders in sustainable practice. We do this because businesses can only be successful in the long term when people live well and within the limits of the planet.



The WBCSD is a CEO-led organisation of forward-thinking companies that galvanizes the global business community to create a sustainable future for business, society and the environment.

Together with its members, the council applies its respected thought leadership and effective advocacy to generate constructive solutions and take shared action.

Message from Mark Wilson

CEO Aviva Group and UK New Zealander of the year 2016



My home town of Rotorua is famous for the natural wonder of its geothermal springs. One spring, Tikitere or “Hell’s Gate”, is the only home of certain species of live corals. They can thrive there because it contains a unique balance of nutrients and exists at exactly the right temperature. Any change to that ecosystem – and they will be destroyed forever.

There’s a lesson there for us: that we should always have at the forefront of our minds how delicate and finite the world’s resources are, how easy it is to upset or exhaust them and also of our duty as stewards to maintain what we have inherited. In other words we must act sustainably. That’s true as private citizens, as policymakers and certainly as business leaders.

My company, Aviva, has NZ\$650 billion in assets under management and we champion sustainable business and long-term thinking.

We’ve put a lot of energy and thought into issues around sustainability because it is the right thing to do. But also because it is just good business – for our 33 million customers, our shareholders and society as a whole.

I am crystal clear what I am in business to achieve: a greater positive impact, year on year, on the lives of our customers – and society as a whole. Making a profit is essential, but we will only create long term value for our shareholders if we create wider social value.

Society is our marketplace. If society doesn’t function well, then business is at risk. That means being sustainable isn’t just a moral project. It’s a business imperative.

It follows that our activities must benefit society today – but must also continue to have a positive impact in the future and on our future markets, otherwise those markets might dry up. That is why at Aviva one of our company values is to “create legacy” or, as I call it, being a good ancestor.

Good ancestors make responsible, sustainable choices and those decisions still stand up in the long term – in 10 or 20 or even 50 years’ time. Aviva has been in business for a remarkable 320 years because our good ancestors made long term investments, managed long term risks – and created legacy. We’re a long term business and we’re in business to create long term returns.

And the cost of not being sustainable comes with a price tag we simply cannot afford. Take climate risk. We look at weather events costing us money – and the trend is pretty clear. If we don’t tackle it environmental shocks are going to get more frequent and more intense. Mark Carney, the Governor of the Bank of England, has cited data that shows that insurance losses from weather related events have increased from an annual average of NZ\$14 billion in the 1980s to around NZ\$70 billion over the past decade.

Our own data bears that out. Once-in-a-century events cost us around NZ\$200 million per event – and we had two such events in Canada in a single year – 2013.

While research we sponsored last year estimated the value at risk – roughly speaking the decline in value of global assets – if temperatures rise by 6 degrees to be NZ\$20 trillion for investors and NZ\$60 trillion for governments.

Those are stark figures – and they explain why we’ve been major contributors to the debates around the UN Sustainable Development Goals and the Paris Climate Change Treaty. A lot of the talk has been about what governments must do. But our key message has been that it’s going to be business that delivers real and lasting change.

Take this one example. The Sustainable Development Goals have some fine aspirations for the NZ\$215 billion of overseas development assistance. But we’ve got to do much more to mobilise the NZ\$425 trillion of capital in the financial markets – and get it invested in high-performing, resource-efficient and environmentally-friendly sustainable technology and infrastructure. We’re trying to illuminate a stadium with a candle at the moment – when there’s a huge set of floodlights towering above the grandstands. We’ve just got to flick the switch – and that means action by governments and regulators, to incentivise business to be able to do so.

Anyone in business knows about the bottom line. Here is mine: any business model that doesn’t embed sustainability is not worth the paper on which it’s written. Not being sustainable is just unsustainable.

Foreword from

Peter Bakker

President & CEO, World Business Council for Sustainable Development

2016: Business is ready to move from ambition to implementation



2016 is a crucial year to build on the success of 2015 in which we saw the adoption of the Sustainable Development Goals (SDGs) and the Paris Agreement, COP21.

On the SDGs' front, their launch last September defined a clear and comprehensive agenda for global development towards 2030,

representing an unprecedented opportunity to put society on a truly sustainable and equitable pathway.

For its part, the Paris Agreement is a major step forward by all governments of the world to safeguard the future of life on our planet. The agreement heralds a new relationship between governments, business and other non-state actors to work together to accelerate the transition to a thriving, clean economy with equitable access to sustainable development for all.

As we at WBCSD have long argued, it is now recognized that business has a leading role to play as the world embarks upon this vital journey. In fact, forward-looking companies are not only integrating sustainability at the core of their strategy, decision-making, and disclosures; as long-standing masters of innovation, they are also ideally positioned to become the implementation partner of choice on both of these fronts.

However, business cannot act alone. Current market and regulatory conditions are not enough to drive global progress at the speed that is required if we are to ensure a safe and sustainable future. Success

also depends on governments regulating in favor of this innovation, which will put new technologies and products onto a level playing field with conventional ones.

Put simply, the SDGs and the Paris Agreement signal the need for a deep change in the way our economies work, and in the way our energy, mobility, urbanization, food and other systems contribute to planetary and societal well-being. Neither business nor government actions alone will be enough to deliver this transformation. We only stand a chance of realizing our goals if we all work together: government, cities, business, civil society and individuals.

The WBCSD is proud to have in SBC, with its leading 86 member companies, such a dedicated partner organization in New Zealand to scale the much-needed business solutions for a sustainable world. As partner of our Global Network, SBC is part of an alliance of more than 60 CEO-led business organizations worldwide, encompassing some 5,000 companies. These partners, fueled by their expertise and passion for the sustainability agenda, have an integral role to play in creating awareness, promoting action, and advocating for an enabling environment.

I commend SBC for continuing to emphasize that sustainable business lies at the heart of sustainable development. It is the only option for building a safe and resilient world where prosperity is shared and poverty is made history. I look forward to ever-closer collaboration between the WBCSD and SBC to accelerate this transition to a sustainable world – as fast as we can.

Message from

Alistair Davis

SBC Chair



We are in a time of unprecedented change. As environmental, social and economic challenges become clearer, so do the opportunities for business to respond. In my first year as Chair of SBC, I have seen members being curious, ambitious and dedicated to transforming the way we do business.

It has been another strong year for SBC.

Membership has continued to grow and SBC's voice keeps getting stronger among the wider business community, with government and the public. That's only possible because you – our members – continue to be highly engaged with the projects and events that SBC runs, and by being generous with your time and energy.

SBC's work on climate change is a great example of how, by working together, business can increase its influence. Through the SBC platform, members have been clear about our long-term goal of net zero emissions. We came together with a strong voice around the COP21 meeting in Paris and then again on the government's broader approach to climate, including the Emissions Trading Scheme. Most

importantly, businesses are working together to define and shape our own path towards a low emission future.

Earlier this year, we said goodbye to Penny Nelson after four years providing strong leadership at SBC. We welcomed Abbie Reynolds as the new Executive Director in March and she is already making an impact. During the year we also undertook a review of the SBC Advisory Board so we could ensure it is effective in the future. The results showed we have a dedicated group of business leaders committed to SBC's success. Looking ahead we plan to progressively align our work plans with the UN Sustainable Development Goals. We also will increase our focus on how sustainability issues are impacting consumer decision making, and developing best practice in communicating sustainability stories to our customers.

Sustainability is a broad church and we have embarked on a long journey. Each of you, as members, are pushing forward on many fronts. Thanks to all of you who have helped SBC continue to be an organisation that is supporting us to create the right environment for sustainable businesses to thrive.

Key Statistics

5 priority areas. 9 workstreams

SBC Members turnover 31% of NZ private sector GDP

12 of New Zealand's 15 industry sectors represented across SBC membership

Membership increased from 79 to 85 members

A trusted voice to represent business to Government

SBC Members



Update from Abbie Reynolds

Executive Director, SBC



We live in extraordinary times. Advances in technology continue to accelerate the pace of change; and we wonder what this means for the future of work; and for our business models. Millennials are starting to make their influence on business and society felt; and they are demanding that we do better. We are starting to experience the impacts of climate

change; and we now understand the scale of the change we need to make to contain it.

None of this is news. We're hearing about it from commentators, politicians, media and social media.

What we're not necessarily hearing about are the trends that should give us reason to feel optimistic. So here are four trends I've been seeing.

Sustainability is mainstreaming. I've been meeting with all our members, and you are consistently telling me that you're seeing signs that sustainability is mainstreaming in New Zealand. You talk about what you're seeing from other businesses, what you're hearing from your kids and how the conversation has changed. And you're telling me that this happened over the last six to twelve months.

The opportunity in story-telling. I'm hearing story after story of the significant things you are doing, every day, to make things better for your people, your communities and your environment; the simple tool to help bridge the gender pay gap; the biggest food recovery programme in New Zealand; the programme to address domestic violence.

And what has surprised me is how few of these stories are widely known. It requires commitment and boldness to keep up the momentum on sustainability. And it helps to have some cheers from the sideline, and to get some recognition for your contribution. We have a fantastic opportunity to work together on this, with the work Liz Read is leading on Consumer Decision-Making.

We're raising the floor. Through the member review process we've undertaken this year, we've seen real progress since our last review two years ago. There is wider breadth and discussion of sustainability and what it means to the business. We're seeing much more detailed discussion in areas such as ethics, stakeholder engagement, partnerships and collaboration, and some great exemplars in areas such as health and safety, waste, diversity, emission reductions and decoupling environmental impacts from growth.

The business case is proven. During our review of the business case for sustainability we spoke to a number of senior leaders. Many of them told us they no longer needed to make a business case for sustainability; that their business accepted that was just the way they did things.

We may live in extraordinary times, but there is much to be optimistic about. The pace of change may mean that the sustainability goal posts continue to shift. But we will keep working on the areas that keep SBC members at the front end of the curve.

There is no other time I would rather be leading this organisation.

Thank you for your warm welcome and encouragement. I look forward to working with you.

SBC Strategy – Influence, Ignite interest, Impact

In September 2015, world leaders adopted the Sustainable Development Goals (SDGs) and committed to 17 goals that aim to eradicate poverty, promote equity, fuel inclusive growth and protect the environment. Business contributed to development of the SDGs. And the SDGs cannot be delivered without business.

This is an historic opportunity for us to connect business strategy to global priorities. It is also an opportunity for business to adopt a common framework to address sustainability challenges. This means that businesses would be able to align their long term goals, strategy and operations with the efforts of government, NGOs, other

businesses, and the wider community to jointly improve outcomes for New Zealand.

SBC's work in five priority areas of Climate and Resources, Ecosystem Health, Consumer Decision-Making, Sustainable Leadership, and Social Impact, are well aligned to the SDGs. We will use the SDGs to provide a high level context and frame for this work. We will begin to develop supporting resources specifically for the SDGs as we know a number of SBC members are already working towards one or more of goals. We also expect to play an advocacy role to raise awareness of the SDGs.



SBC Advocacy

SBC uses advocacy to enable the right conditions for sustainable businesses to thrive. We work closely with other divisions of BusinessNZ, government, academics and NGOs to create an environment that supports all sustainable businesses.

Over the past year SBC has represented sustainable business on a number of key issues across central and local government, across other business sectors, with foreign offices and academia. This has included: -

NZX paper We had great feedback and support from members for our submission to the NZX on their review of the [corporate governance reporting requirements within the NZX Main Board Listing Rules](#). We advocated for better disclosure on listed companies non-financial performance.

ETS submission We were able to create a unified sustainable business voice in our submission to the Ministry for the Environment (MfE) on the [New Zealand's Climate Change Target Discussion Document](#) and our submission to MfE on the [Emissions Trading Scheme Review](#). The submission provided SBC members' views on principles for action on climate change, opportunities for action beyond the ETS, and a business view on what an ideal ETS looks like.

Electric Vehicle Partnership Programme SBC members worked closely with senior officials from Ministry of Transport, Ministry of

Business Innovation and Employment, IRD and Treasury to shape the contents of a package of measures to accelerate electric vehicle uptake. This included joint procurement with government, a contestable fund, and the review of Fringe Benefit Tax on low emission vehicles as part of an employee's remuneration package.

Natural Resources Sector CEO's Forum This forum is made up of senior leaders from SBC and BusinessNZ, and the various government departments that have responsibility for the natural resources sector. The aim of the forum is to share information on work being done by business and government, and look for collaboration opportunities. Topics include agriculture, freshwater, aquaculture and fisheries, and climate change. Volker Kuntzsch, CEO of Sanford, jointly chairs the group. We continue to play a key role in shaping the agenda and discussion at these biannual meetings.

BusinessNZ – joint papers As well as making submissions, we have undertaken wider advocacy work through our relationships with BusinessNZ, such as the [Business NZ Climate Survey](#) and [Brief](#). We did this work in the run up to COP21 in Paris because business leaders had identified it was an area where business and government could work together to accelerate the shift to a low-emission economy in New Zealand.

SBC Priority Area

Sustainable Leadership

Today's marketplace is changing faster than ever before. There is no 'business as usual' anymore. Disruption is our new normal. Business leaders need new and different skills to negotiate this environment, and to identify and exploit the risks and opportunities it presents. SBC provides leaders with tools to influence and lead business in this context.

Members asked us to focus on helping them to engage better with stakeholders; prioritise material issues; report on sustainable business practice in a transparent, balanced and accountable way; and understand international trends and how they may affect business in New Zealand. Members also wanted SBC to provide a learning and networking platform for leaders that enabled them to extend their skills in influencing and delivering sustainable outcomes.

Towards the end of 2015 we completed our first Leadership for Sustainable Value leaders' programme supported by SBC members Fonterra, Westpac, Auckland International Airport, Air New Zealand, Aecom, Vector, New Zealand Post and strategic partner, the

The business case for sustainability

With the increasing focus on sustainability by New Zealand business, we wanted to ask the question 'Why would businesses continue to have a focus on sustainable business practices?' A group of senior SBC members has been working with SBC to capture the changing business case for sustainability. The work draws on the latest international thinking and the experiences of a number of our leading business leaders here in New Zealand. They provided insights about how they are thinking and talking about sustainability, where they are seeing the value turn up, and identified some of the drivers behind the shift towards more sustainable business practices. You can see the Business Case for Sustainability at www.sbc.org.nz/resources



SBC Sustainable Leadership Governance Group

Department of Conservation. We had a talented and passionate group of leaders participate. The programme was focussed on the role of a 'change agent' for sustainability leadership; building sustainability into core business strategy and working with executive teams and boards; and creating a compelling sustainability narrative that creates change through storytelling. The programme received great feedback and was delivered by international experts Alexandra Stubbings, Nick Main and Rosie Walford.

Other highlights:

- An SBC paper on sustainability reporting and disclosure, endorsed by members, and used to influence NZX on corporate reporting requirements.
- Materiality and stakeholder engagement workshops with Australian sustainability expert Jo Cain.
- Integrated reporting breakfast with Paul Druckman, CEO of the International Integrated Reporting Council (IIRC), who discussed the value of transparent, balanced and connected reporting on financial and non-financial issues.

SBC Priority Area

Climate & Resources

Climate change is on the agenda in ways we've never seen before, and the level of ambition is growing. We saw this reflected in the agreements reached in Paris at COP21. When we asked SBC and BusinessNZ Major Companies Group members about their current activity to address climate change, we found that two-thirds of respondents have emission reduction targets in place, and 61% already have initiatives to reduce carbon emissions underway. We also asked what their expectations were from Government at COP21, and used the feedback to develop a Business Brief which received significant media coverage, and gave Government a strong business mandate to negotiate an ambitious climate agreement.

We are harnessing this ambition in SBC's climate work. We have brought together businesses to identify opportunities to move further and faster together. We have groups working on specific actions that business can take in transport, energy efficiency, urban infrastructure and transition to a low carbon economy leadership, led by Z Energy, Mighty River Power, EECA, Auckland Council and Deloitte. Our next step is to attract more businesses to this work, so that we increase the scale of the action and impact by 2020.

We also need to take a longer term approach. So we are looking at how to create the conditions to transition to a low emissions economy as soon as possible. We have partnered with the Major Companies Group of BusinessNZ and wheretofromhere? to bring together a group of leaders from across business, government, the not for profit sector, and academia to collectively identify an ambition for New Zealand, and the pathways to get us there.

Emission reduction from transport - Freight efficiency

SBC members have been working in an area where they feel collaboration is essential to unlock efficiencies leading to emission reduction. The Freight Efficiency Working Group believes a better integrated road and rail network, with more efficient transition between the two modes, is needed. In the last 12 months they have worked closely with KiwiRail to understand their business operations, future customer service offering and opportunities to better utilise the rail network. KiwiRail is investing in rolling stock, expanded use of their land-holdings, and technological investments to make it easier to shift between road, rail and sea, allowing seamless movements around the country. Thank you to Toyota NZ, OfficeMax, Z Energy, KiwiRail, DB, CODA, EECA, New Zealand Post, Ports of Auckland, NZ Steel, OI New Zealand, The Warehouse, Countdown, Lion and La Nuova Apparellmaster for their collaboration.



Focus on climate leadership - Westpac



Karen Silk
General Manager Commercial, Corporate & Institutional at Westpac, and Chair of the BusinessNZ Governance Group for Leadership on Climate.

Climate change is real and businesses adopting a proactive approach to managing emissions will benefit as the world transitions to a low carbon environment. Those that wait run the risk of a harder and higher cost path to meet the inevitable requirements for emission reduction and mitigation.

Adopting a proactive approach at Westpac has allowed us to reduce our carbon emissions by 35% since 2008 and electricity use by 54%, enabling savings of \$4m per annum at today's prices. Transformational change requires leadership and we understand that large organisations like Westpac will have an important role to play supporting education and information sharing as well as the provision of financial support.

Earlier this year we published a report on the impact the Paris Climate Talks will have on the New Zealand economy, and have

since hosted a range of stakeholder dialogues to better understand the issues and practical opportunities for New Zealand.

Innovative financial solutions will play an important part in enabling low carbon technologies, like renewable energy and electric vehicles, to become more accessible to all New Zealanders. Today we have over \$1.3billion of funding committed to the clean technology and environmental services sector, and Westpac was the recent recipient of the INFINZ 2016 banking innovation award for facilities supporting solarcity - a fast growing business delivering solar power as a service to New Zealand consumers. We welcomed the government's package of electric vehicle (EV) measures this year with the launch of EV fleet finance, which removes the up-front capital cost to EV uptake in large commercial fleets.

Awareness of the need for change is growing and more businesses are beginning to publicly make commitments, set targets and drive action. Collaboration will enable all of us to move faster, be more effective in our problem solving and support the development of solutions to support New Zealand's migration to a low carbon society. We are up for the challenge and committed to working collaboratively with a broad range of stakeholders to meet New Zealand's transformation challenge.

Auckland Airport precinct – business collaboration on sustainability

The development of the Auckland Airport precinct has provided a unique opportunity for SBC to take a 'place-based' approach to sustainability. Rather than working together on a single issue, members are collaborating on multiple issues that are material in the Airport precinct.

Led by Air New Zealand and Auckland International Airport, this approach is enabling businesses within the precinct to have a greater impact across a range of social, environmental and economic issues for the area.

Waste has been one area of focus. An audit of the entire precinct found that over half of the waste generated came off international flights (50 flights per day on average). Prior to this project, all of that waste was going to landfill, until SBC members OCS worked

with Auckland Airport's compliance team and MPI to set up a waste transfer facility. Now items are sorted, screened to MPI specifications, and recovered for reuse or recycling where possible.

In the first three months of operation, 114,218kg of cabin waste was processed, and more than half was recycled. The facility also returns reusable items to Air New Zealand enabling the reuse of 1657 linen serviettes and tablecloths, 420 economy mugs and 233 headsets as well as metal cutlery and service trays. The new waste transfer facility now employs seven people trained specifically for the role.

Air New Zealand has been working in partnership with service providers LSG Sky Chefs to trial resource recovery from its domestic aircraft. Initial results look promising with up to 40% of the waste now recoverable.

BusinessNZ becomes carbon neutral



BusinessNZ, New Zealand's leading business advocacy body, and parent organisation to SBC, demonstrated its commitment to climate change mitigation by undertaking CarboNZero^{Cert}™ certification in 2015. This demonstrates our commitment to measuring, reporting and reducing our carbon footprint.

There is business value in managing and reducing carbon emissions. Through the process of understanding our emissions we have been able to identify a number of areas where we can be more efficient and make financial savings.

SBC Priority Area

Ecosystem Health

New Zealand is a nation of exporters that rely on our natural resources and our clean, green, healthy brand. As New Zealanders our sense of identity and wellbeing is also closely linked to our natural environment. So how do we increase exports while reducing their environmental impact? And what role does business have in understanding, managing and enhancing this 'natural capital' we rely on?

Both internationally and locally, businesses are increasingly focussed on understanding their dependencies and impacts on the natural environment. Some may be dependent on the 'natural capital' of clean water or the 'ecosystem services' provided by bee pollination. By understanding and managing these dependencies and impacts, businesses can lower operational risk, gain better access to capital and improve brand and reputation.

A new tool to support this approach, the Natural Capital Protocol was launched in July 2016 in London. It introduces a common global standard for how businesses account for 'natural capital'.

SBC is introducing the Natural Capital Protocol approach to measuring, valuing and accounting for natural capital in business planning by building on the work members did using the ecosystems services review tool.

SBC sees incorporating a natural capital approach to business planning as an area of opportunity for business in the near future.

We want to see natural capital accounting and the ecosystem services approaches become business-as-usual within New Zealand's largest organisations.

The value we get from natural capital



SBC Priority Area

Consumer Decision-Making

Kermit was right when he said it's not easy being green. But is business helping?

Chances are, if you're reading this you consider yourself a reasonably conscious consumer. But let's test that.

If you're a fitness fanatic, when was the last time you asked your sports shoe retailer to tell you about the comparative sustainability credentials of the two pairs of trainers you were tossing up between buying? And were they able to tell you?

The last time you took your beloved out to dinner, did you consider whether the restaurant participates in a social enterprise scheme redistributing its leftovers to communities in need? If it didn't, would it have been enough to sway you away from that eatery to one that does?

If your KiwiSaver scheme was achieving financial performance in the top quartile but you discovered it was investing in an off-shore coal mining corporation, would you transfer your savings to another, more sustainable, scheme?

Like most Kiwi consumers, it's highly likely these choices have never exercised you. Kermit was right. It isn't easy being 'green'.

Brands and businesses generally know a lot about their consumers. Knowing what's important to customers is fundamental to being a successful and sustainable business.

So do New Zealand consumers really care about whether or not the products and services they buy are economically, environmentally and socially sustainable? And if two products are functionally the same and being sold at the same price, but made and marketed by companies with vastly different sustainability profiles, will consumers opt for the more sustainable choice?

Confusingly, there are two answers to these questions. The first answer is, no, the evidence would suggest not. The second answer is, if sustainable brands did a better job of sharing their stories, they probably would.

Late in 2015, SBC kicked off a project to find out whether there's a role for business in influencing consumer decision-making towards sustainable choices and how SBC might help.

When it comes to sustainable consumption, businesses increasingly want to have a better understanding of consumer behaviour and how to interact with consumers on sustainability in a credible way. That's why SBC identified this as a priority area.

The project has involved interviews with a number of SBC member companies to find out what they know about consumer decision-making, whether they influence consumers towards more sustainable choices and what works. As well, research companies with relevant insights have been consulted. Local academic research and international studies have been investigated too.

So what have we learnt about consumers?

Right now, most New Zealanders aren't hard-wired to make sustainable consumption choices in their everyday lives. Conscious consumption isn't a social norm.

Consumers can't see the negative effects of their own unsustainable consumption, so they don't see the need to change their behaviour. This means they place low importance on sustainability credentials when making decisions about the brands, products and services they buy.

Conscious consumption relies on knowing how, it being affordable, and it being easy to do without sacrifice. If consumers cannot achieve functionality and affordability, they won't choose the sustainable option eg. "If I can't buy a hybrid car that delivers all the features I need in a car I won't buy a hybrid", or "I would buy free-range pork but I just can't afford it".

Consumers increasingly expect brand owners to 'do it for me' – they assume brands will have sustainability built into their products and services, so they don't have to be responsible for making the right choice.

Sustainable brands don't necessarily have a competitive advantage, but if you're not sustainable, you risk being found out. Having said that, many consumers don't trust the sustainability claims that brands make anyway!

And about businesses?

Few businesses are offering sustainable choices that deliver on functionality and affordability.

In the main, companies are not actively engaging with consumers to influence consumption choices, and if they are it's often by way of step-out products or brands that provide sustainable alternatives at a premium price.

A common challenge within NZ businesses is the philosophical divide between the brand marketers and the sustainability champions. Until brand marketers see sustainability being demanded they don't see a compelling reason to build it in to their value propositions.

Businesses struggle to tell compelling sustainability stories that resonate and motivate consumers. Even companies with sustainability embedded into their ethos sometimes struggle to connect with consumers authentically and to build trust with consumers off the back of the great things they're doing.

Where to next?

These insights lead to two big opportunities for SBC and members.

The bandwagon is here. Get on it or get left behind. Forget about waiting for consumer demand to give you the reason to build sustainability into the way you do business. Consumers expect it of you and they expect you to be making it easy for them to make sustainable choices when they buy from you.

Tell your sustainability story better. Be sure to tell an authentic, engaging and compelling story. You need to find ways to reassure consumers that you are genuine in your commitment to delivering sustainable choices for them and that you can be trusted to make everyday conscious consumption easy for them.

SBC has an important role in helping members to realise these opportunities. Over the coming months we will be inviting members to work with us to develop a roadmap to help businesses achieve these two outcomes. We shouldn't underestimate the challenge, but with the determination of Kermit, we need to start the journey.



SBC Priority Area

Social Impact

Many SBC members are committed to making a difference for young people in New Zealand. Through this project, SBC developed relationships and resources that have supported participating businesses to bring unemployed young sole parents into the workforce. As a result, members have contributed to reducing youth unemployment and child poverty.

The two-part project focussed on workplace initiatives to remove the barriers that make it difficult for young sole parents to enter and stay in the workforce; and it explored options for providing access to affordable, flexible childcare, which is often the main barrier.

SBC worked with prospective employers to develop tools such as a discussion guide and management training that address and remove barriers to work. We also worked with each company to ensure that appropriate training and support was in place to guide sole parents through the first three months of employment, the period when most new employment relationships for sole parents fail.

The pilot project started with members Countdown and SKYCITY involving their managers in the management training, which was designed by SBC member Catapult, and was well received by participants. SKYCITY and Countdown also adopted a revised approach to recruiting, which resulted in successful, sustained employment for several sole parents. The project was rolled out to other SBC members Lion, Vodafone and Sovereign, with Work and Income NZ providing referrals into those businesses. As at the end of May 2016, nine sole parents had been employed and another eight job seekers had been referred to members, which was a success for all involved.

The proposed childcare model is currently restricted by government policy and legislation so continues to be a focus of discussion between the Ministries of Social Development and Education. In its absence, a Flexible Childcare Assistance package was made available to parents in the project, which aimed to support their childcare needs and remove this barrier to their employment.



Deloitte and SBC Social Impact project presenters at the License to innovate – breakthrough strategies for social impact breakfast event.

We have learned a lot through this project, including from the perspectives of job seekers, employers and other partners involved in the collaboration. These insights will be shared through case studies for SBC members and business more generally.

The SBC members involved in the project have a strong desire to continue their efforts to support vulnerable young New Zealanders into sustainable jobs. We expect to develop an approach that builds on the insights from this project and allows us to further reduce youth unemployment through active leadership by SBC members.

Spotlight on social impact

Social impact

SKYCITY has been a leading participant in SBC's Social Impact project which aims to increase the number of young, sole parents in work. Amanda Tolley, SKYCITY's Group Manager of Talent Acquisition and Development, says: "We've employed a group of young women with real talent and they're showing their strengths in the workplace. Our first two employees through the programme, Pola and Peresia, have been fantastic. They have stayed in their jobs at the Koru Lounge at Auckland Airport and have been praised by customers for their strong customer focus."

Amanda believes this is because SKYCITY made the effort, right from the outset, to understand their circumstances and respond to them. "Now, these two workers are looking for opportunities to progress within the business – that's a great result for SKYCITY," Amanda says.

Pola Matamua (22) and Peresia Mona (22)

Pola started her first ever job as a waiter at the Koru Lounge six months ago through the SBC Social Impact project. The transition was difficult at first; childcare became a juggle. But she says a change to set hours has been the best thing for both her and her 4 year old son; he gets to socialise with other kids and she gets to interact with her peers at work, which is one of the best things about being employed. "I love it that he's able to go to day care now, so he can interact with other kids."

When Peresia is at work her mother looks after 2 ½ year old Lazarus. Starting work again after 2 ½ years of being unemployed is a relief for Peresia. She likes interacting with people and helping out where she can. Peresia has received glowing feedback from numerous customers about her "exceptional customer service".

Events

Working with SBC members we crafted the 2015/2016 events programme based on what they wanted to see and hear, and to align with our priority areas. Highlights included speakers Jacqueline Farman (Colmar Brunton) presenting on new insights into consumer decision-making; Emmanuel Lulin (SVP Ethics, L'Oréal Paris) on how ethics is helping L'Oréal attract a billion new customers, Jo Cain (Director, Materiality Counts) on creating value from stakeholder engagement, and Paul Druckman (CEO, IIRC) on getting value from integrated reporting.

We're continuing to work with members to help guide our focus areas, and have some great events lined up in 2016/2017 including events in September with Jason Clay (SVP, World Wildlife Fund).



Getting value from integrated reporting breakfast with Paul Druckman



Creating value from stakeholder engagement workshop with Jo Cain



How ethics is helping L'Oréal attract a billion new customers breakfast with Emmanuel Lulin

SBC Team



Abbie Reynolds
Executive Director



Belinda van Eyndhoven
Manager, Projects



Kate Alcock
Manager, Projects



Jeremy Randall
Manager, Member Relations and Events

SBC Advisory Board

Alistair Davis - SBC Chair and CEO, Toyota

David Morgan - SBC Deputy Chair and Chief Flight Operations & Safety Officer, Air New Zealand

Amelia Linzey - Senior Principal – Planning, Beca Group

Guy Waipara - GM External Relations, Meridian Energy

Jacqueline Robertson - Partner, Deloitte

James Walker - National Communications and Public Affairs Manager, Countdown

Karen Fifield - Chief Executive, Wellington Zoo Trust

Mark Drury - Executive General Manager - Strategy and Growth, AECOM

Malcolm Rands - Founder & CEO, Ecostore

Mike Sang - CEO, Ngāi Tahu Holdings Group

Miles Hurrell - Group Director Co-operative Affairs, Fonterra Co-Operative Group Ltd

Richard Gordon - CEO, Landcare Research

Volker Kuntzsch - CEO, Sanford

Sum Green - Community Manager, Westpac (FLP Alumni Representative)

Lee Bint - Sustainable Building Scientist, BRANZ (FLP Alumni Representative)



Head Office:

Level 6, Lumley House, 3-11 Hunter Street,
Wellington 6011, New Zealand,
PO Box 1925, Wellington 6140

Ph: +64 496 6281

Enquiries: office@businessnz.org.nz

www.sbc.org.nz