

Annual Snapshot

2016/17



Our Members

Our members are at the centre of everything we do.





SBC PARTNERS

Our Members

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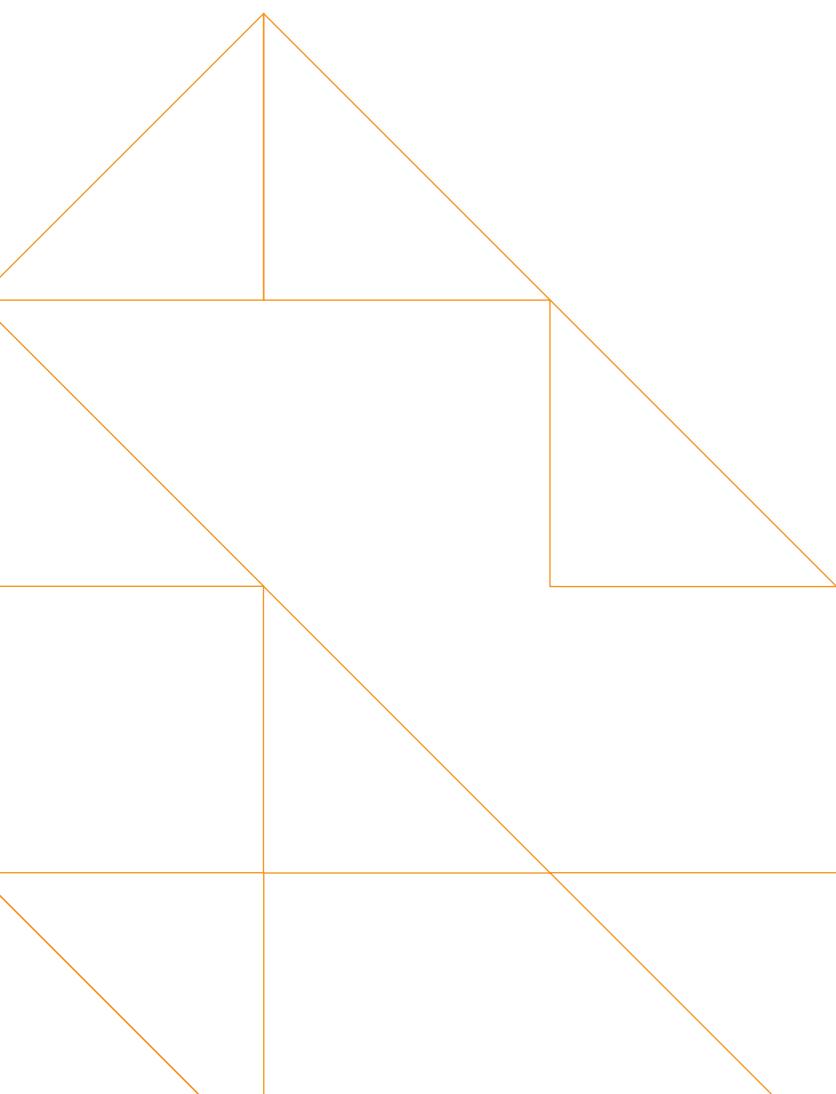
29% of New Zealand's
private sector
GDP

91 member
organisations,
up from 85 last year

\$72 billion
collective
turnover

128,303 full-time jobs
That's 9% of New
Zealand's workforce

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A MESSAGE FROM
SBC ADVISORY BOARD CHAIR AND TOYOTA CEO

Alistair Davis

We live in extraordinary times. The global economic, social, political and environmental forces shaping New Zealand businesses are, at times, astonishing — but for all the volatility, there is a lot of certainty.

In the past 12 months, the momentum to tackle climate change and adopt sustainable business practices has grown.

The historic Paris Agreement came into force late last year and continues to be a key lever to curb emissions.

And work on the Sustainable Development Goals (SDGs) is accelerating, with business, governments, the UN and civil society banding together to protect the environment and eradicate poverty.

Forward-thinking companies around the world get it.

In New Zealand, the Sustainable Business Council and its members realise the Paris Agreement and SDGs make the transition to a low emissions economy inevitable.

They know the US position on climate change is a temporary speed bump. And they understand the private sector has a leading role to play in advancing New Zealand's environmental and social performance, alongside its economic performance.

This year I've seen more business leaders step-up and take visible action. They are innovative, ambitious and focused on ways to accelerate the transition to a low emissions economy. Many are integrating the SDGs and sustainability into their reporting.

The SBC's role as a thought leader and sustainability advocate is more important than ever. In the last year its membership has expanded to include 91 organisations - a testament to the relevance of its work.

Still, more needs to be done.

Now is the time for the business community to grow its ambition and lift its game. At the COP22 negotiations in Marrakech there was strong recognition that business has many of the answers; it can create momentum with investment, innovation and science based targets. We must accelerate our work to ensure our environment is properly valued and no New Zealander gets left behind.



AN UPDATE FROM THE EXECUTIVE DIRECTOR

Abbie Reynolds

The momentum behind sustainability is growing in New Zealand and best practice is continuing to evolve, led by our members. To stay relevant, our work also needs to evolve. And it has. Here's what we have focused on this year:



Growing great leaders

The business community needs leaders who can navigate a rapidly changing business context. And New Zealand needs leaders who can mobilise others to make progress on climate change, inequality and the Sustainable Development Goals. Sustainability leadership brings those needs together - and has been a priority in our Climate Action work and Future Leaders Programme.

Cross-sector collaboration

Business is the world's greatest economic force, responsible for wealth creation and investment – but it alone cannot eliminate poverty and reduce emissions to keep global warming to within two degrees. SBC has been piloting new models of cross-sector collaboration, which we think could increase our impact.

Sustainable Development Goals

We are aligning our work programme with the Sustainable Development Goals (Global Goals), with a special focus on Goal 17 - Partnerships for the Goals. The Global Goals present an opportunity for businesses to align their strategies with a global framework for sustainability. But they also present challenges. By using the goals to shape our own work, we can act as a testbed and share our experiences with members.

Member Commitments

Members tell us that our Member Commitments, and the fact we review performance against them every two years, gives us credibility. What we've seen from our most recent review is the value members get from the one-to-one feedback. It's a benchmark for their sustainability performance and helps them understand where they can go further.

Mainstreaming sustainability

The New Zealand Stock Exchange has for the first time introduced non-financial disclosure requirements, adding impetus to the mainstreaming of sustainable business practices. We are delighted the NZX adopted many of our recommendations - and listed companies are now encouraged to report on non-financial matters, or explain why they haven't.

New technologies

SBC is seeing more members attend its events than ever, following the introduction of new livestreaming and webinar technologies. We will continue to embrace new innovations that help our members connect and learn, whilst reducing their travel time and emissions.

OUR PURPOSE

Helping businesses be the best for New Zealand and the world

Following the lead of our members, SBC has adopted a 'purpose-led' approach. This has helped us be clear about what we should work on, and how.



Build member capability



Advise, help and support members



Mainstream sustainability



Make sustainability easy



Conduct practical work programmes



Deliver solutions that make change



Encourage other businesses to be sustainable



Collaborate and achieve more together



Connect to international best practise



Celebrate members with great storytelling



Work in new and better ways

Pre-election Brief

Late last year, SBC asked its members what sustainability issues they want to work with the incoming government on.

13 CLIMATE ACTION



Transition to a low emissions economy

SBC members want to work with the government to develop a long-term vision for the transition to a low emissions economy. They also want the government to provide greater clarity on climate change policy, so investment and innovation decisions can be made with certainty.

1 NO POVERTY



Leave no one behind

SBC members want to make sure no New Zealander is left behind on the journey to a socially, environmentally and economically prosperous New Zealand. They want to work with government on social sector initiatives, which provide affordable housing and connect young people to training and work.

14 LIFE BELOW WATER



15 LIFE ON LAND



Strengthen NZ Inc

SBC members know New Zealand's reputation as a clean, green and socially equitable society is important to their business. They understand business success is underpinned by the NZ Inc brand. They want to see the public sector consistently evaluate all potential environmental and social outcomes when making decisions.

8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

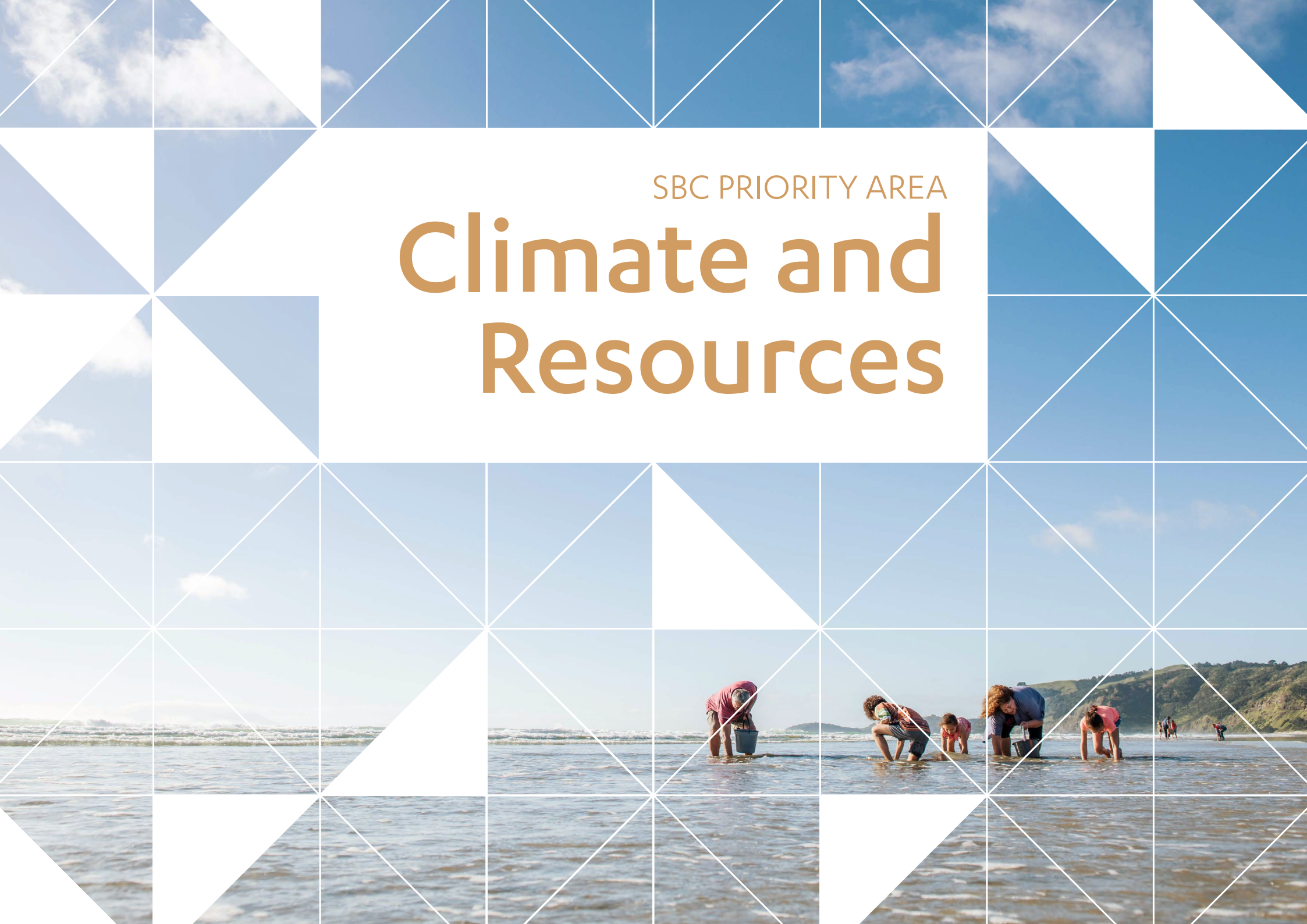


Back business to be sustainable

SBC members put sustainability at the core of their business. They want to see government incentivise innovation and remove barriers, so companies can more readily adopt sustainable practices. They also want to see a strategic approach to government procurement, which integrates sustainability.

SBC PRIORITY AREA

Climate and Resources



Climate

SBC members tell us their most important Sustainable Development Goal is Goal 13 - Climate Action. And their top sustainability priority is the transition to a low emissions economy.

Goal 13 is too big for any one sector to tackle on its own – so cross-sector partnerships and collaboration are our focus.

We established a Climate Vision Group to bring leaders from government, business, civil society and academia together to develop a shared long-term ambition for a low emissions economy. And we helped set up a number of Climate Action Groups, to deliver ‘quick wins’ that reduce emissions through energy efficiency, low carbon transport and carbon certification.

Everyone involved in these projects has embraced the collaborative process we have been piloting. It has helped us learn what works well for members, and what doesn’t work so well. And these are lessons we can take into future work.

One key insight is that leadership is more important than ever. SBC is focused on fostering great leaders who take action and increase their influence amongst peers, suppliers and customers. We are also encouraging leaders to work together, to make ambitious commitments that will limit global warming.

13 CLIMATE ACTION



17 PARTNERSHIPS FOR THE GOALS



Freight

The transport sector made up 17 per cent of New Zealand's greenhouse gas emissions in 2014, with freight contributing 2.9 Mt CO_{2-eq}

Members of the SBC Freight Efficiency Group are working together to reduce emissions from the distribution of goods and services. They know their procurement decisions can have a positive impact outside of their businesses and in the supply chain. Last year the group published the Sustainable Procurement Guidelines for Freight, helping businesses form proactive partnerships that will reduce emissions and create greater efficiencies.

To further that work, SBC also organised three freight sector workshops with EECA. 160 stakeholders from the rail, road and sea freight industries listened to international expert Sophie Punte describe business partnerships, which have made the sector competitive and environmentally sustainable.

Attendees also discussed the opportunities and barriers the sector faces while transitioning to a low emissions sector. SBC will be sharing its insights with a number of government agencies soon.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



17 PARTNERSHIPS FOR THE GOALS



Electric Vehicles

SBC members are amongst the first businesses in New Zealand to order electric vehicles through a new joint procurement scheme.

SBC worked with the All of Government procurement team at MBIE to come up with the model, which will see the public and private sector team up to buy EVs. It's hoped that aggregated demand will attract new models to the New Zealand market.

SBC members are embracing the opportunity to lower emissions from their vehicle fleets, with many purchasing EVs.

Four members have gone further, receiving funding from the EECA EV Contestable Fund. Their projects will install more charging infrastructure, develop car sharing schemes and trial new rubbish trucks and parcel delivery vehicles.



13 CLIMATE ACTION



17 PARTNERSHIPS FOR THE GOALS





SBC PRIORITY AREA

Social Impact

SOCIAL IMPACT

From Welfare to Work

SBC's Welfare to Work pilot wrapped up last year, having helped nine single parents find full-time work in Auckland.

The project gave us some important insights into the challenges young job seekers face, especially the most excluded and disadvantaged.

We learnt that every company taking part has a different approach to recruitment and employment. And that SBC members get better employment outcomes when they tailor their recruitment processes for particular age groups or audiences.

The next phase of the Social Impact programme is already underway, following a co-design workshop with members and stakeholders. A package of supports and approaches to build member capability is being designed. SBC is focusing on building a strong relationship with the government, developing a candidate pool that our members can access. We are also broadening our approach to involve more members, particularly those operating in the regions.

1 NO POVERTY



8 DECENT WORK AND ECONOMIC GROWTH



THE STATS

\$246,000

average cost of teen parents on a benefit in their lifetime

31%

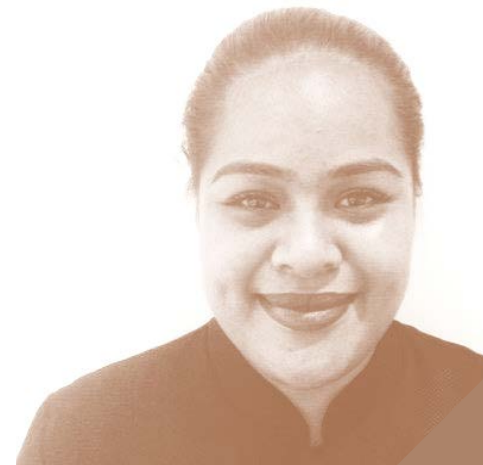
of all social welfare claimants are Māori

45%

of Jobseeker (HCD) beneficiaries have a mental health condition

60%

of all young people on a benefit before the age of 24 will stay on a benefit for life



Peresia Mona was employed by SKYCITY through Welfare to Work. "It builds your confidence and gives you a fresh start, so you can be a role model for your child."

SBC PRIORITY AREA

Sustainable Leadership



SUSTAINABLE LEADERSHIP

Future Leaders Programme

This year's Future Leaders Programme is focused on the Sustainable Development Goals, also known as the Global Goals.

The goals put the business community at the centre of global efforts to eradicate poverty, raise living standards, combat climate change and improve environmental protections.

The goals provide a framework for companies to connect to sustainability at a global level. They also help companies tap into new markets and meet the needs of society.

As a result, a growing number of companies around the world are using the goals to shape their strategies and actions.

In response, 26 Future Leaders from 24 SBC member companies are researching five Global Goals – #7 Affordable and clean energy, #9 Industry, innovation and infrastructure, #11 Sustainable cities and communities, #12 Responsible consumption and production and #13 Climate action.

The participants will make recommendations on how each goal can be progressed in New Zealand – and those recommendations will inform the next 12 months of SBC's work.

The programme has been developed with the leadership training organisation Catapult. Its expertise is at the heart of our approach.

The participants are using this learning process to deepen their own leadership skills – with new tools and behaviours that will increase their capacity to succeed.

It is an exciting time to be in business – sustainability is increasingly being seen as a core leadership capability.





SUSTAINABLE LEADERSHIP

The Business Case for Sustainability

Leading New Zealand businesses put sustainability at their core to reduce costs, minimise risk, build trust and drive growth.

TALENT ATTRACTION

66% of NZers would rather work for a company with strong values, even if paid less

REDUCED COSTS

45% potential reduction in operating costs via improved supply chain

BUSINESS GROWTH

4x Companies see four times average sales growth compared to competitors

CUSTOMERS

83% of NZers stop buying products if they hear a business is unethical

MARKET VALUE

10.7% increase in asset value attributable to sustainability

SBC PRIORITY AREA

Consumer decision-making



Holding a mirror to our assumptions about consumers

SBC's early work on consumer decision-making showed us that consumers want business to make it easy for them to do the right thing. And it indicated that if businesses want to build trust, they must tell an authentic story.

To build on these insights, SBC has curated a series of events to showcase the latest research on consumer behaviour and trends in New Zealand. We have heard from a wide range of experts, who've challenged our assumptions about what consumers are thinking and doing in 2017.

They told us trust is the most important driver of reputation - and can be built if companies focus on transparency, credibility and reliability. They warned us that companies lose trust if customers think they are pushing their own agenda, over the interests of consumers.

We also learnt about the difference in consumer attitudes between generations. Millennials (also known as Generation Y) expect businesses to be more transparent on issues like sustainability and the treatment of their staff and communities.

SBC is now looking at the World Business Council for Sustainable Development's 'Good Life 2.0' playbook. We want to use this ground-breaking document to help New Zealand businesses inspire their customers to live a life that is more sustainable and rewarding.

The playbook is not designed to help companies sell sustainability measures or products – but rather rethink the picture of the world they paint in their advertising. It will be challenging and rewarding work.



Events

Members tell us they value our events. And this year we wanted to make them more accessible to those outside the main centres.

We also wanted to engage with more members, no matter their role or level of understanding of sustainability.

We've held more events than ever. And we've enhanced our regional reach and member convenience by live-streaming our events. We've also expanded the themes and topics we discuss, by launching a 'Brilliant Basics' series that covers some of the fundamentals, like stakeholder engagement and reporting. Our new 'TechTalk' webinars on topics like electric vehicles are also proving popular.

In the coming 12 months we will continue to provide great events with inspiring speakers, that connect to international best practice and foster fellowship amongst members.



SPEAKERS

Mark Wilson

Group CEO of UK Insurance company Aviva, Mark Wilson, told us why capitalism and sustainability are not mutually exclusive – and sustainability is a growing business imperative.



Sir Jonathon Porritt

Forum for the Future Founder, Sir Jonathon Porritt, discussed the urgency of action against climate change. And how businesses can navigate sustainability in the face of massive global political shifts.



Theo Spierings

Fonterra CEO, Theo Spierings, is talking about the value of partnerships.





2016/17

Financials

Transparency is a central principle of sustainability, so we think it's important that our members know how we spend the membership fees they pay us.

INCOME	\$852,000
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Salaries	\$317,000
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Projects	\$342,000
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Administration	\$53,000
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Events and engagement	\$88,000
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Research and communications	\$52,000
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TOTAL EXPENDITURE	\$852,000*
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*SBC Financials as at May 2017

The Last Word

Peter Bakker, President and CEO of World Business Council for Sustainable Development

When I wrote for SBC 12 months ago, I discussed the importance of moving from formulation to implementation of the recently-agreed Paris Agreement and Sustainable Development Goals (SDGs).

Though the period since then has seen its fair share of surprises, increased collaboration in key areas and the arrival of the essential building blocks for the establishment of sustainable business has continued the development of a clear path forward.

The *Better Business, Better World* report, launched at the World Economic Forum in January, outlines the value of sustainable business opportunities for the first time in black-and-white. It says these opportunities, which span four key systems, could yield at least US\$12 trillion in business value by 2030, while generating up to 380 million jobs.

Similarly, the recommendations of the Taskforce on Climate-related Financial Disclosures clearly define a new path forward for sustainable business. In time, these recommendations will completely overhaul our understanding of fiduciary duty, while establishing new parameters for corporate governance.

At WBCSD, we are working to help sustainable business take full value from

the SDGs. In March, we published the CEO Guide to the SDGs.

Our guide makes it easy to understand what the SDGs are about and details how each company can engage with them. We have also released a CEO guide for the Circular Economy, a \$4.5 trillion opportunity that moves away from the traditional “take-make-dispose” economic model, to one that is regenerative by design.

It is more important than ever that we work closely with our members and Global Network partners, such as the Sustainable Business Council.

With 91 members across 11 sectors, the SBC offers a unique national platform for rallying cross-sector collaboration. Its seafood company members, for example, have shown real leadership - working together on marine environment protection plans and technology innovations. SBC has also led the way in the social impact space, working with companies to actively recruit young New Zealanders who may otherwise have difficulty finding work.

These successful collaborations, coupled with new, game-changing resources, prove that despite some unpredictability worldwide, much optimism remains as we move forward.



Our Advisory Board

Many thanks to our Advisory Board for their hard work, ideas, time and enthusiasm

Alistair Davis
SBC Chair
Toyota CEO



Karen Fifield
Chief Executive
Wellington Zoo Trust



Mike Cronin
Managing Director
Corporate Affairs
Fonterra Co-Operative Group Ltd



Future Leaders Programme Alumni Representatives

Kat McDonald
Sustainability Leader
Opus International Consultants



Captain David Morgan
SBC Deputy Chair
Chief Flight Operations
& Safety Officer
Air New Zealand



Mark Drury
Executive General Manager
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Richard Gordon
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Meridian Energy



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Guy Waipara
General Manager
External Relations
Meridian Energy



Malcolm Rands
Founder
Ecostore



Jacqueline Robertson
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Deloitte



Mike Sang
CEO
Ngāi Tahu Holdings Group



Our Team

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Debbie Bougen
Executive Assistant



Kate Alcock
Climate and Resources
Manager



Robert Perry
Sustainable Leadership
Manager



Alison Herft
Member Engagement
Manager



Renée Graham
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Manager



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