



Strategy 2023 - 2027

Business, people and nature thriving together

Businesses from all sectors, ambitious for a sustainable New Zealand



We are the Sustainable Business Council

The Sustainable Business Council (SBC) is a CEO-led membership organisation with over 130 businesses from all sectors, ambitious for a sustainable New Zealand. Our members represent more than \$118 billion of collective turnover, 33% of GDP, and nearly 190,000 full-time jobs. SBC is a division of BusinessNZ with its own Advisory Board. Our network gives our members unparalleled access to capability building, influence, and the ability to take large-scale collective action.

We also host the Climate Leaders Coalition. The Coalition has nearly 100 signatories. Formed in 2018, the Climate Leaders Coalition has a mission of having New Zealand business CEOs leading the response to climate change through collective, transparent and meaningful action on mitigation, adaptation and transition.

The SBC membership is united by the core principle that embedding sustainability in company strategy creates long-term value, while also positively contributing to the environment, economy, and society.

Businesses that do not embrace sustainability are increasingly falling short of the expectations of customers, employees, investors, and regulations. Companies can no longer get away with promises and vague commitments. Society and our planet demand real action.

OUR STRATEGY

The SBC strategy is comprised of three pillars:

- Leadership in Sustainability
- Action on Climate and Nature
- Thriving People

The SBC offer is underpinned by a suite of services that support members to achieve their own sustainability objectives. Members agree to commitments to join SBC, which are monitored. Through the Leadership in Sustainability pillar SBC provides members with a range of capability-building services, across the ESG agenda. All levels of our member organisations engage with us in this pillar.

Building on that foundational support to members, we run two priority programmes, which are interconnected: Action on Climate and Nature, and Thriving People. These programmes are more in-depth and include further capability building, collaborations, and thought leadership. We apply more focus and resources to the delivery of these programmes. Sustainability professionals, senior executives and board directors tend to engage with us in these programmes.

We also lead a select number of high-impact focus projects, which currently support the Action on Climate and Nature programme. These projects are advocacy, and occasionally large-scale, high-impact

collaborations. We apply SBC's most senior resource to these high-impact priorities. Senior executives and CEOs tend to engage with us on our delivering high-impact initiatives. Through these programmes, we leverage our members' collective influence to achieve meaningful system change.

LOOKING OUT TO 2030

Our vision is a *New Zealand where business, people, and nature thrive together*. In pursuit of that vision, our purpose is to *Mobilise New Zealand's most ambitious businesses to build a thriving and sustainable future for all*.

When we look ahead to 2030, we know we will be successful when our members:

- Reduce emissions in line with national and international requirements;
- Prepare for and adapt to a changing climate;
- Place people and communities at the core of their business decision-making; and
- Balance economic, environmental, and social outcomes in their business models and value proposition.

Each of our three strategic pillars also has specific outcomes identified in this strategy.

A call to action

The first version of this strategy was written in the early stages of the Covid-19 pandemic in 2020. It was a time of great uncertainty. The toll of the disease worldwide from early variants on an unvaccinated population was devastating. Economies were shuttered as lockdowns were used to suppress the virus.

Three years on, the Covid-19 pandemic has become endemic, and has left behind an economic crisis. Supply chains were crunched during the Covid years and inflation has soared. This economic picture has been exacerbated by other global events, like Russia's war on Ukraine.

Against this backdrop of difficulty, in early 2023 New Zealand endured several catastrophic weather events within weeks. The first caused widespread flooding in Auckland. The second, Cyclone Gabrielle, destroyed communities throughout the East Coast of the North Island. Subsequent weather compounded the damage. These storms were disasters and took the lives of New Zealanders.

They also caused billions of dollars of economic damage, both in terms of destroyed infrastructure and lost business. Communities may need to move entirely or take a generation to recover.

These last three years are a grave reminder that while we will always face economic and geopolitical

challenges as a society, they are now occurring within a rapidly changing climate and a natural world under pressure. We are already living in a world more than one degree warmer than it was a century ago. These one in a hundred-year weather events now arrive at paradigm-defying frequency.

Collectively we must urgently reduce the emissions that warm the planet and exacerbate the climate crisis, while also adapting to a climate that has already, and will continue to change.

There are many real reasons to be optimistic that we can achieve this.

A future that is economically vibrant, resilient, and sustainable for us all, is within reach. However, we have to make practical and future-focussed choices as individuals, as businesses, and as governments to create that reality. We must work together, seek broad agreement, and stay the course.

When it comes to the role of business in this transition, businesses around the world, and here in New Zealand, are re-inventing themselves. They are finding ways to provide their goods and services while respecting the limits of our planet. They are working with communities to meet shared aspirations. And they are providing meaningful, productive, and increasingly flexible jobs for people.

Despite the challenging economic context, businesses must remain committed to this transition or be left behind. They have no other choice. Trade partners, customers, regulation, and investors are all demanding more sustainable and stakeholder-centric approaches to value creation.

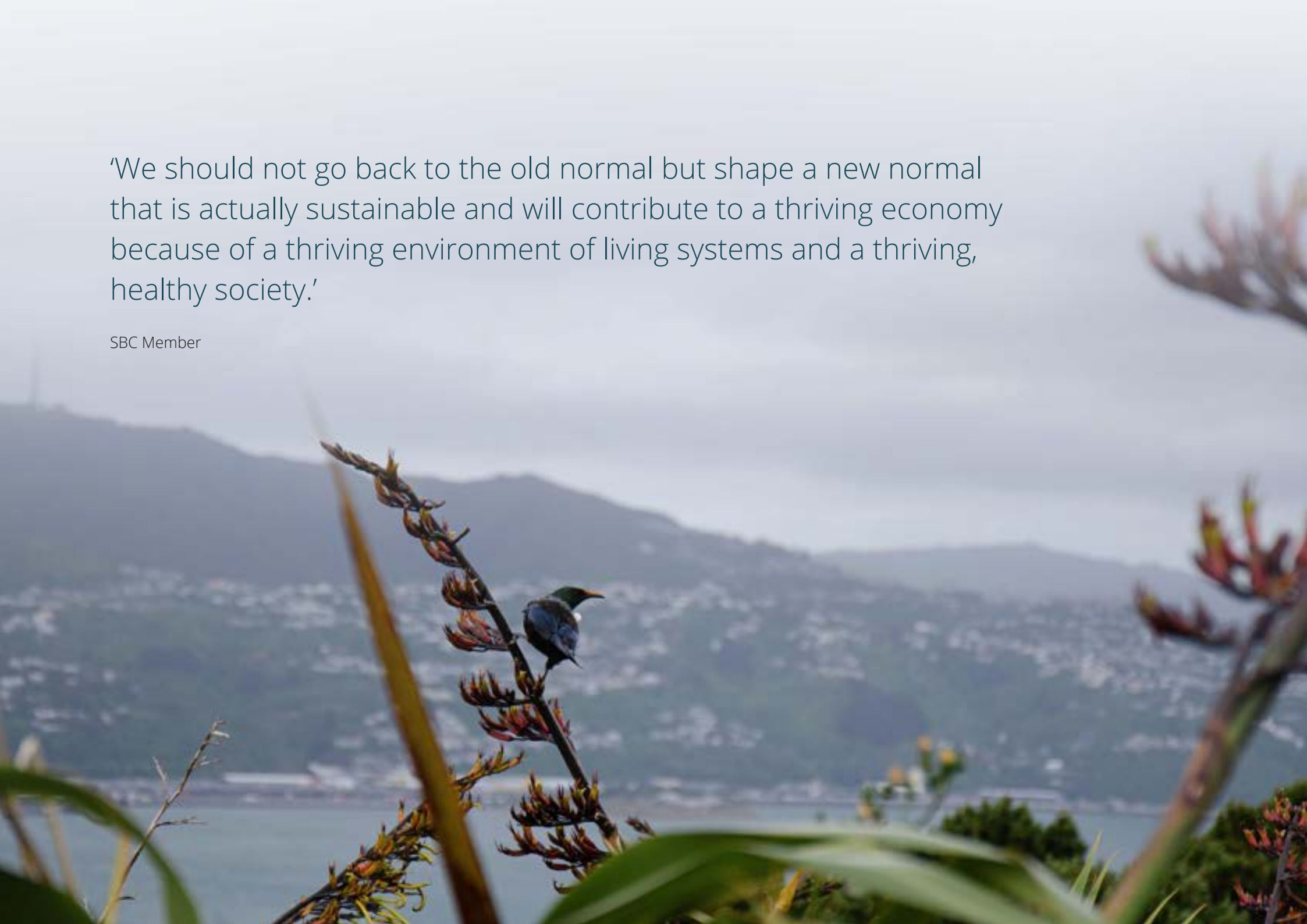
In Aotearoa New Zealand, the Māori economy is thriving, with its intrinsic focus on the relationship between people and nature, which provides us all inspiration and direction.

Green technologies in renewable energy, zero emissions transport, and the digital economy are advancing at pace, and becoming affordable in ways never previously imagined. New infrastructure and communities are being designed to live with nature, rather than in opposition to it.

The members of the Sustainable Business Council want to demonstrate leadership toward that future, and are united by a vision of a **New Zealand where business, people, and nature thrive together.**

'We should not go back to the old normal but shape a new normal that is actually sustainable and will contribute to a thriving economy because of a thriving environment of living systems and a thriving, healthy society.'

SBC Member



Our strategy

SBC/CLC VISION

A New Zealand where business, people and nature thrive together.

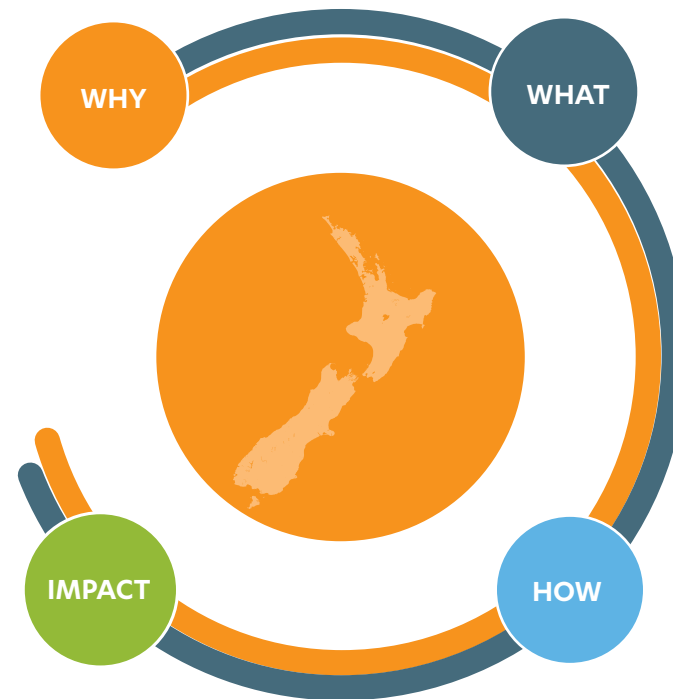
PURPOSE

To mobilise New Zealand's most ambitious businesses to build a thriving and sustainable future for all.

BY 2030

New Zealand businesses are:

- Reducing emissions in line with national and international requirements;
- Preparing for and adapt to a changing climate;
- Placing people and communities at the core of their business decision-making; and
- Balancing economic, environmental, and social outcomes in their business models and value proposition



LEADERSHIP IN SUSTAINABILITY

Supporting members to be ambitious on sustainability and encouraging other businesses to go further.

ACTION ON CLIMATE AND NATURE

Accelerating the transition to a future that is zero emissions, resilient, and nature regenerative.

THRIVING PEOPLE

Members are contributing to a just transition and acting on the most material issues facing society.

MEMBER SERVICES

Capability building, collaborations, peer-to-peer learning, events, storytelling, communications.

MEMBER REPRESENTATION

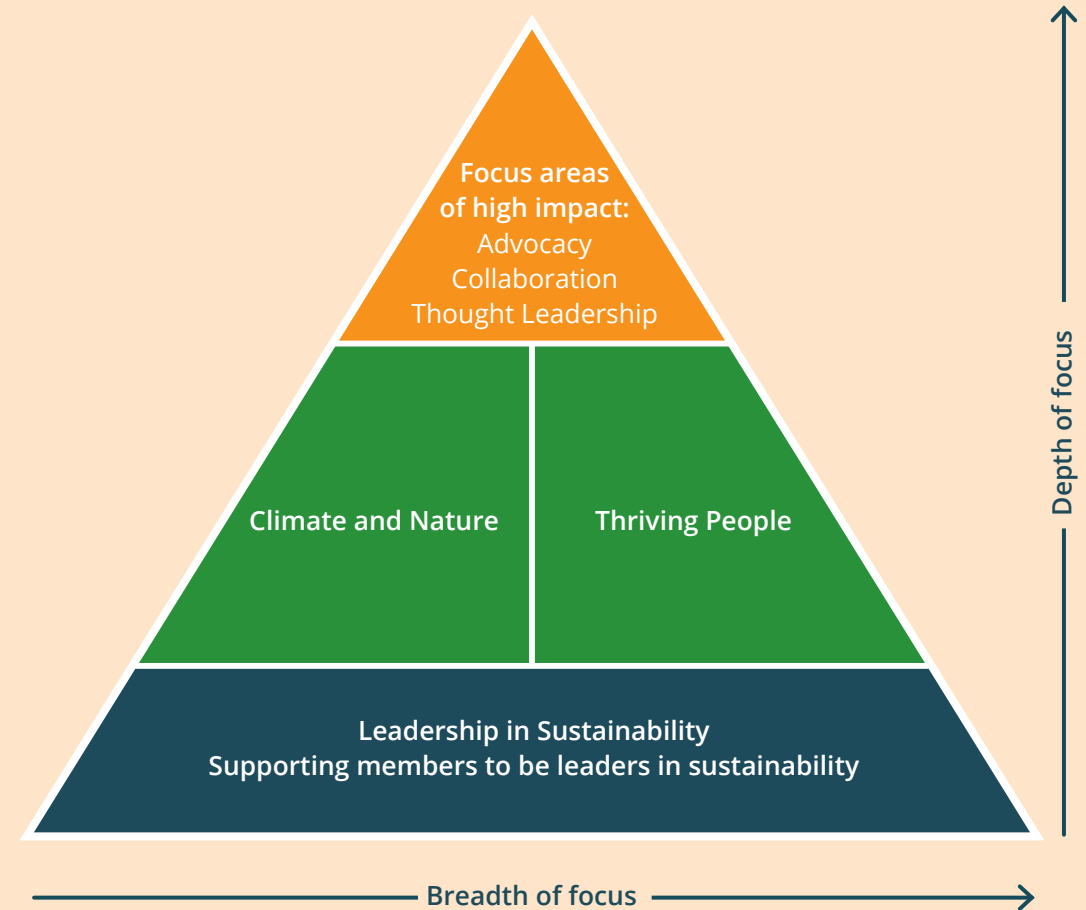
Partnerships, advocacy, media engagement, international engagement, thought leadership.

Our priorities

SBC is a leadership organisation. We foster leadership in two interconnected ways. Firstly, we support our members to lead sustainable businesses and secondly, we foster the collective leadership of our members to advance a more sustainable New Zealand.

We lay a platform for business ambition through our membership commitments and the Climate Leaders Coalition, and support our members to show ambitious leadership in business sustainability. Our members are at the forefront of sustainability, and inspire other organisations to take further action. We also partner with the BusinessNZ network to enhance the capability of sustainability in their wider network.

We also work alongside organisational leaders (CEOs, Executives, Directors, and Sustainability professionals) and their teams to deliver leadership on behalf of our membership, through our high-impact projects, thought leadership, and advocacy. In other words, we leverage the collective influence of our members and their leaders to create impact in our priority areas of focus, which are climate and nature, and thriving people.



Pillar 1: Leadership in Sustainability

Supporting members to be ambitious on sustainability and encouraging other businesses to go further

We inspire businesses to lead by creating a community of positive change, supporting members to go further, and celebrating their leadership and success. We are a catalyst for change, supporting members to align strategy with shared value creation for society. Our members lift the level of ambition for sustainable business practice in New Zealand and inspire more businesses to take action.

Our work is underpinned by member commitments, which set out minimum levels of sustainability activity required to be part of SBC. We also review our members' sustainability performance and reporting to ensure they are taking action.

We provide a range of leadership and professional capability-building opportunities to develop sustainability professionals and other professions and leaders that are required to integrate sustainability across organisations (such as Directors, CEOs, CFOs, and sustainability professionals.)

As New Zealand's partner to the World Business Council for Sustainable Development (WBCSD), we showcase member leadership on sustainability on

the international stage, as well as highlight global trends and best practice for our members to learn from.

Upholding the principles of Te Tiriti o Waitangi is an integral part of being a New Zealand business. We recognise we have much to learn from Māori knowledge, mātauranga, and a holistic approach to the guardianship of people and nature. We also have the opportunity to work in partnership with Māori and iwi business.

Our service offering:¹

- Setting member commitments and monitoring performance
- Reviewing member sustainability performance and reporting
- Capability building and Leadership programmes
- Direct member engagement and advice
- Representing members on the World Business Council for Sustainable Development (WBCSD)
- Member collaborations where there is sufficient demand

Outcomes:

- SBC members are all pursuing and meeting their member commitments by their deadlines, demonstrating their commitment to minimum standards.
- SBC members have sustainability strategies in place and are reporting on their progress, demonstrating their leadership in sustainability.
- Sustainability talent is being grown and developed in New Zealand, so SBC members are able to access the people they need to drive their sustainability commitments.
- SBC communicates the success of its members to inspire other businesses to take meaningful sustainability action.

¹ We recognise there are many social and environmental challenges facing New Zealand, and our members all have different material issues. These include the loss of biodiversity, pollution, deforestation, waste, circular economy, and many other social issues. When these fall outside our core programmes (action on climate and nature and thriving people), we can:

- Guide and introduce members to relevant partners acting in those areas;
- Provide members with advice on specific matters or capability-building services (defined annually, based on most material issues);
- Explore member collaborations or external partnerships if there is sufficient demand (and resource).

Pillar 2: Action on Climate and Nature

Accelerating a just transition to a future that is zero-emissions, resilient, and nature regenerative

SBC works with members to promote business leadership and action on climate change. This includes enabling members to measure, report on, and reduce their emissions, particularly on New Zealand's key transition opportunities. We also support our members to build the resilience to adapt to a changing climate and provide or seek sustainable sources of finance.

Our members fundamentally recognise that mitigating emissions and adapting to a changing climate will take an all of economy effort, and as such, government policy and the engagement of the public is essential to success.

Using the collective voice of members, we engage the government and other stakeholders on viable pathways to a zero-emissions future. We do this in conjunction with the Climate Leaders Coalition.²

Additionally, we recognise that to restore the health of the planet, we must invest in nature, including biodiversity, water ecosystems, forests, and soil. This is particularly critical in New Zealand, as so much of our economic success relies on nature, including agriculture and tourism.

Nature is impacted by climate change, and it can also provide solutions to climate change.

The relationship to the natural world is intrinsic to te ao Māori, and we can learn a great deal from tangata whenua about how to contribute to a zero-emissions and nature regenerative future.

Our core activities in climate:

- Advocacy on climate policy (mitigation, adaptation, and transition)
- Collaborations between members on core issues (e.g. agriculture R&D, transport, freight)
- Capability building of members (mitigation, adaptation, and transition)
- Thought leadership on transition pathways and priority actions for government and business
- Climate Leaders Coalition secretariat

Our core activities in nature:

- Education and advice on emerging frameworks (e.g. Taskforce on Nature-related disclosures and implementation)

- Supporting members to engage on nature issues with executives and boards
- Showcasing best practice on nature amongst membership

Outcomes

- SBC members are collectively demonstrating meaningful progress in reducing emissions, leading out on the ambition set out in the Climate Change Response Act, Emissions Budgets, the Emission Reductions Plan and the National Adaptation Plan.
- SBC members, and their leaders, are identifying and advocating for policies that will enable businesses to transition toward a net-zero economy and support society to adapt to a changing climate.
- SBC members are collaborating to enact sector pathways and other initiatives that enable a just transition to a zero-emissions economy and a climate-resilient future.
- SBC members understand new approaches to regenerating nature and are taking action.

² In 2018, leading business CEOs committed to climate action worked with SBC to establish the Climate Leaders Coalition (CLC). From 2020, CLC and SBC have aligned their visions and strategies to maximise impact, while maintaining their own distinct identities and purpose. The Coalition provides a forum for leaders committed to climate action, and together SBC and CLC collaborate on advocacy, capability building, and collaboration. The SBC provides the secretariat for the CLC.

Pillar 3: Thriving People

Members are contributing to a just transition and acting on the most material issues facing society

The best businesses are good for people, the planet, and prosperity. This requires businesses to support the well-being of their employees and to positively impact their communities and broader society.

Our society and economy are facing a number of challenges – from the ongoing economic impacts of Covid-19, to growing inequality and the cost of living. These challenges are compounded by our transition towards a zero-carbon economy and the impacts of climate change which will necessitate further change and adaptation.

We support members to understand the social and economic changes underway in society, particularly as they relate to decarbonising the economy and the impacts of climate change.

We encourage members to prioritise a focus on a just transition to a zero-carbon and climate-resilient future.

We also provide members access to insight into the latest thinking with respect to social sustainability, and a platform for collaborative action, to enable them to positively contribute to a better New Zealand.

Our core activities

- Capability building on social sustainability frameworks and a just transition
- Direct member engagement on emerging issues, trends, and frameworks (e.g. WBCSD's action agenda on inequality, cost of living)
- Thought leadership on emerging issues in social sustainability and a just transition
- Collaborations and partnerships to drive collective action on relevant social sustainability issues.

Outcomes

- SBC members are contributing to a just transition, particularly for their employees and communities.
- SBC members are supported to deliver their material social sustainability objectives.





Working in partnership

The Sustainable Business Council is committed to working in partnership with others. We recognise that we can only achieve our aspirations through collective action.



ON A MISSION TO REDUCE
EMISSIONS IN NEW ZEALAND

CLIMATE LEADERS COALITION

The Climate Leaders Coalition (CLC) was launched in July 2018 to promote business leadership and collective action on climate change. After revising its strategy in 2020, CLC now shares SBC's vision of a New Zealand where business, people and nature thrive together. Its mission and purpose are:

- Mission: CEOs leading the response to climate change through collective, transparent, and meaningful action on mitigation and adaptation
- Purpose: to build irreversible momentum in New Zealand towards a zero carbon future.
- The CLC steering group and SBC Advisory Board have decided to align strategically to maximise impact, while preserving the identity and purpose of each entity. CLC is a sub-brand of SBC, with its own Steering Group.
- Under the guidance of the CLC Steering Group, SBC is responsible for the deliver of CLC's annual work plan.
- Where appropriate, the two brands share some services including administration, communications, events, thought leadership, advocacy and partnerships.



BUSINESSNZ

SBC was set up to build a strong, collective voice on sustainability, providing leadership and best practice. SBC is a division of BusinessNZ and is governed by the BusinessNZ Council, with ring-fenced finances and an Advisory Board elected by the SBC membership. The Advisory Board is responsible for setting and implementing the SBC strategy. We will maximise the strengths and opportunities of the BusinessNZ network.

This includes:

- Working in partnership with BusinessNZ leadership to ensure sustainability is embedded into advocacy and policy;
- Providing thought leadership into BusinessNZ and regional networks;
- Collaborating with other BusinessNZ brands; and
- Working in partnership with regional business organisations to accelerate sustainability capability.



WBCSD

The World Business Council for Sustainable Development's vision is to create a world where more than 9 billion people are all living well and within the boundaries of our planet, by 2050. To achieve this vision WBCSD focuses on six work programmes to achieve systems transformation. Within this framework, SBC has chosen to focus on Climate & Energy, and People. Our members can also collaborate within the other work programmes. As a member of WBCSD, we draw on the network's resources and connect our members to some of the world's leading sustainable businesses. We showcase New Zealand's innovations and leverage our international credentials to accelerate global progress toward the UN Sustainable Development Goals.



MĀORI BUSINESS

Upholding the principles of Te Tiriti o Waitangi is an integral part of being a New Zealand business. We recognise there is much to learn from the te ao Māori concepts of mātauranga and kaitiakitanga for us to develop a holistic approach to the guardianship of people and nature. We will actively listen to the voice of Māori businesses within SBC to best understand their needs and how we can work in partnership to further business sustainability. We will work with our Māori business members to understand how we can best work in partnership, including how we can embed Te Ao Māori across our work and ways of working. In turn, we will actively seek more Māori businesses to join us. We will also look for opportunities to partner with iwi and other Māori organisations that are committed to sustainable business and a transition to a zero-carbon future.



GOVERNMENT

Our members are ambitious about creating a thriving and resilient New Zealand. We engage with the government to ensure the conditions are right for business to be sustainable and zero carbon. We partner with governments, including the Climate Change Commission (CCC) and the Climate Change Chief Executive Board, to develop pathways that encourage businesses to accelerate their transition to a zero-carbon economy. Several government agencies are associate members of SBC, and we work to increase the impact of these relationships. This includes the Ministry for the Environment, the Energy Efficiency and Conservation Authority, Waka Kotahi and New Zealand Trade and Enterprise. We also work in partnership with relevant central government and local government organisations. This includes the Infrastructure Commission, Ministry for Business, Innovation and Employment, Ministry of Transport, Ministry for Primary Industries and Treasury.



OTHER SUSTAINABILITY ORGANISATIONS

Creating large scale change requires organisations working both individually and collectively towards common goals. Our focus will always be to complement the work of other sustainability organisations and to actively look for areas to collaborate where each organisation can add value. We positively collaborate with the Sustainable Business Network (SBN), the Aotearoa Circle, the Centre for Sustainable Finance Toitū Tahua, and other like-minded organisations. Opportunities for collaboration include specific partnerships to deliver projects, supporting or highlighting their work, and referring members and stakeholders to them where that fits with their purpose.

‘Through the ability to partner with member organisations and support key industry initiatives, we are a keen supporter of SBC and its ability to bring together and support organisations to progress sustainability objectives collectively across Aotearoa.’

– SBC Member



‘SBC continues to show great leadership in the sustainability space, with great staff and dedication to showcase emerging best practice.’

– SBC Member

Measuring our impact

As well as working with, and for, our members we actively look to collaborate and partner with organisations that can enable us to achieve our vision.

The strategy is being implemented from March 2023 supported by, and in collaboration and partnership with, our members, our team, our Advisory Board, our key stakeholders, and government.

The strategy is supported by annual work plans, outlining our deliverables and performance indicators for the year ahead. Under the outcomes of this strategy KPIs will be agreed on an annual basis and reported on an ongoing basis, including via our annual snapshot reports.

As opportunities arise, we will continue to evaluate them based on the breadth and depth of our focus areas, and a decision-making framework, which sits alongside this strategy and considers the following principles:

- Their fit with our strategy, its priorities and outcomes;
- Whether they will deliver maximum possible impact for our membership within our pillars of work;

- Whether we have the resources to pursue the opportunity, and if it is the best use of those resources relative to other priorities; and
- Whether we are best positioned within the ecosystem to pursue this opportunity rather than any other organisation.

If a group within our membership wishes to collaborate on an issue, and members are willing to dedicate additional resources to it, SBC will convene and manage the collaboration.

Together we can help build a thriving and sustainable future for all New Zealanders.

Welcome to the SBC Annual Council Meeting 2022



'SBC is a professional body providing invaluable aid to business to enable them to interpret, respond and link into government initiatives, while also providing clarity and tools to enable business' next steps on their sustainability journey.'

– SBC Member

Businesses from all sectors, ambitious for a sustainable New Zealand





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