Sustainability governance maturity matrix: How equipped is our organisation?





This matrix provides a practical diagnostic tool for directors, to work alongside their executive management team and sustainability managers, to assess the level of maturity by which sustainability has been integrated into their organisation, and to identify critical steps for improvement.

	Stage 1 (basic)	Stage 2	Stage 3	Stage 4 (advanced)
PURPOSE	The organisation has a clear statement of purpose that drives improvement across environmental, social and economic outcomes.	The organisation has embedded sustainability into its core purpose, strategy and everyday decision-making.	The organisation can show it will create value for the environment, people, communities and New Zealand Inc. over the next 5-10 years.	The organisation shows inter-generational thinking when developing its integrated strategy and outcomes.
BOARD OVERSIGHT	Board members are aware of its sustainability issues; understand the impacts of the organisation, and why sustainability is important to the organisation.	The Board has agreed its composition to understand and oversee its sustainability issues.	The Board can exercise informed oversight by accessing advice and capability on sustainability risks from external experts or advisory groups. Director experience and expertise in material sustainability issues serve as a criterion for future candidates. Sustainability has been integrated into the Board charter and, where appropriate, committee charters such as strategy, risk, audit and remuneration.	The Board is inclusive and diverse in its composition. The Board has core competencies and capability on material sustainability issues to help the organisation achieve its direction and strategic outcomes.
STAKEHOLDER ENGAGEMENT	The organisation has identified its stakeholders and has processes to engage with stakeholder groups.	The organisation has formal stakeholder engagement processes to understand and respond to their needs and interests.	The organisation publicly communicates stakeholder needs and interests, and how their strategy and work programmes respond. The organisation bases its stakeholder engagement around recognised standards such as AA1000 and the GRI Standards.	The organisation has a process to identify, monitor and report on the quality of relationships to prepare for the future needs and concerns of key stakeholders that are important to its business.
STRATEGY AND PLANNING	The organisation has a standalone sustainability strategy which is well-communicated, and implemented across the organisation.	The organisation's corporate strategy is informed by a materiality process and stakeholder engagement.	Sustainability is integrated into the organisation's corporate strategy, business planning, and everyday decision-making and budgeting processes. The organisation is influencing its value chain.	Sustainability drives the organisation's long term strategic objectives and outcomes, and shapes business planning processes and value chain partnerships year on year.
REPORTING	The organisation publishes a standalone sustainability report or has sustainability information on its website. The Board has worked with management to determine what sustainability information it would like to receive (e.g. KPIs and outputs).	The organisation's report is publicly available and uses a recognised reporting framework (e.g. the GRI Standards, the <ir> Framework). Reporting data has been subject to an Internal Audit for data collection processes and controls.</ir>	The organisation publishes an externally assured integrated report, which demonstrates how it creates value over time and the impact on capitals. Disclosures use relevant sector-based or issuespecific reporting frameworks such as CDP. The Board receives sustainability performance reporting, which is used to facilitate improved oversight.	The organisation has produced an externally assured integrated report, which has been made publicly available for at least three consecutive years. It clearly demonstrates effectiveness of the organisation's strategy, and how integrated thinking creates value. The organisation's internal and external performance reporting is aligned.
LEADERSHIP AND ADVOCACY	The organisation undertakes internal communications so staff are aware of sustainability risks, priorities, actions, progress and outcomes.	The organisation provides publicly available information on sustainable business activity (e.g. annual report and information on its website).	The organisation demonstrates a leadership role via media communications on sustainability issues, practices and achievements.	All levels of the organisation, including the Board, take a collaborative leadership role on material issues in their communities; and are actively engaged in regional, national or international programmes or policy.

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