



Strategy 2020 - 2025

Business, people and nature thriving together

Members



Associate members



We are the Sustainable Business Council

The Sustainable Business Council (SBC) is a CEO-led membership organisation with over 100 businesses from all sectors, ambitious for a sustainable New Zealand. Our members represent more than \$87 billion of collective turnover, 28% of GDP, and nearly 160,000 full-time jobs. Our network gives our members unparalleled influence and the ability to take large-scale collective action.

Our membership is united by the core principle that embedding sustainability in company strategy improves business performance and creates long-term shared value.

Research and real-world results show that businesses that have sustainability thinking at their core perform significantly better than those that do not. These companies have the backing of their communities, build customer loyalty, encourage innovation, attract the best talent, are resilient and improved financial performance.

Our businesses believe that we have an opportunity to set New Zealand on the path towards an exciting future, which is prosperous, sustainable, regenerative, zero carbon¹, and where all New Zealanders thrive.

Over the past five years we have built momentum, resulting in some significant achievements. In 2018 the Climate Leaders Coalition (CLC), launched with the support of SBC, was instrumental in achieving cross-party support for the passing of the Zero Carbon Act in 2019, by demonstrating the commitment of business leaders to acting on climate change. This legislation led to the establishment of a new Climate Change Commission to guide New Zealand's transition to a zero carbon economy.

SBC is New Zealand's representative on the World Business Council for Sustainable Development (WBCSD). 2020 was the start of the decade of action for the Sustainable Development Goals (SDGs), as well as the year of climate change action. This has now been challenged by the most significant health and economic crisis the world has faced since World War II, and this is happening as the effects of the climate crisis continue to impact.

The intent behind this strategy is to rise to the challenge of our times. It responds to the loud call from our membership for the leadership and collective action that will be necessary to ensure we reset our economy and build back better.

¹ We use the term 'zero carbon' as it is used in the Zero Carbon Act to mean all domestic greenhouse gas emissions including biogenic methane.

A window of opportunity

We have before us a brief window of opportunity to address both the economic crisis and the looming climate crisis. This will take courage, vision, and tenacity.

The environmental, social and economic challenges we face are huge and interconnected. Urgent action is needed, yet driving change is complex as no issue exists in isolation.

Climate change is the greatest threat facing people and the planet. Even in limiting warming to an increase of 1.5°C, it is expected New Zealand will continue to experience more heatwaves, drought, flooding and rising seas, impacting on food production and increasing vector borne diseases.

Climate change is just one example of the challenges facing us in our journey to rebuild a healthy planet, now and for future generations. We are seeing increasing social inequality, environmental degradation and loss of biodiversity both within New Zealand and globally.

Yet there is cause for optimism. In the past decade climate change, water quality, waste, diversity, and inequality have become central concerns for business leaders. Business has become alive to the broader risks to balance sheets, and the opportunities that exist to those companies that embrace sustainable thinking.

Businesses at the forefront of sustainability are embracing responsible practice, resilience, and regeneration. The regenerative approach aims to enhance the environment and restore the relationship between people and nature.

There is huge opportunity for businesses to better serve people and nature. And this is precisely what the businesses that belong to SBC want to achieve. We see it in the action our members have taken over the past five years to reduce their impact; and we see it now in an ambitious shift from reducing negative impact to creating positive impact for people and nature.

This strategy was developed during one of the most tumultuous and challenging times in nearly a century. During that time, we have seen businesses, individuals and communities show incredible resilience and innovation in acting collectively to adapt to the 'new normal' of a post-Covid world.

It is this energy and can-do attitude that we will harness to confront the other crisis of our times, and this is the time to act on both.



‘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.

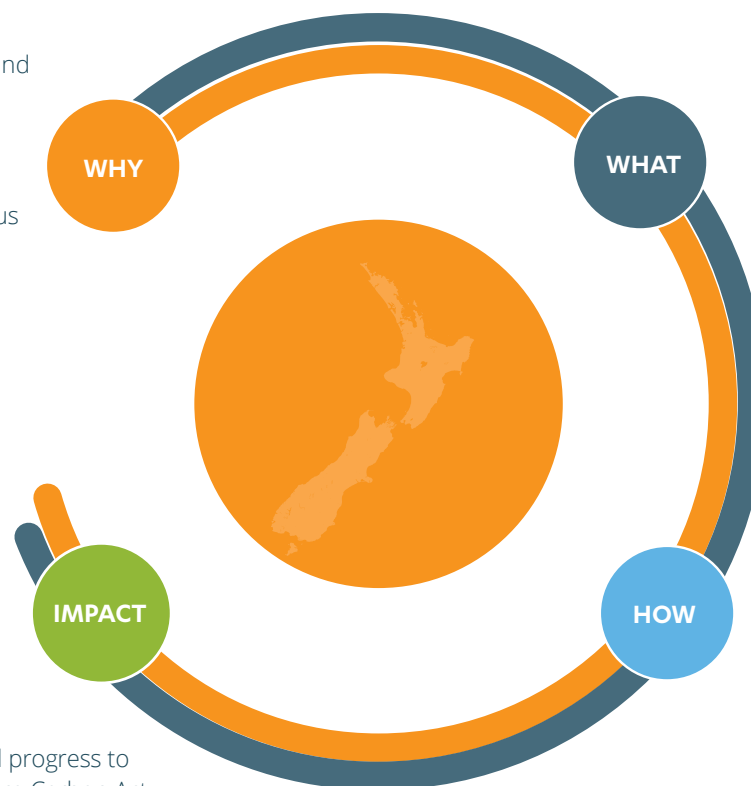
PURPOSE

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

BY 2025

New Zealand businesses are:

- Collectively demonstrating meaningful progress to reducing emissions, in line with the Zero Carbon Act
- More diverse and inclusive, creating meaningful work in a changing economy
- Actively committed to the balanced pursuit of economic growth, ecological integrity and social progress.



LEADERSHIP

Championing businesses to be at the forefront of environmental and social sustainability.

CLIMATE ACTION

Accelerating the transition to a zero carbon future where people and nature thrive.

THRIVING PEOPLE

Growing prosperous and inclusive businesses and communities.

MEMBER SERVICES

Collaborations, peer-to-peer learning, events, storytelling, communications.

MEMBER REPRESENTATION

Partnerships, advocacy, media engagement, international engagement.

Sustainability leadership is the foundation of SBC. We inspire, challenge and support our members to push the frontiers of sustainability.

Our collective vision is that by 2050 New Zealand has transitioned to being one of the world's leading sustainable countries. A country where all New Zealanders can thrive, where the natural environment is regenerated, and where the economy is dynamic, sustainable and zero carbon.

For SBC, sustainability encompasses economic, social and environmental elements. There are many ways of thinking about sustainability, and we are seeing a shift towards a framework of responsibility, resilience, and regeneration.

When we work with our members, we embrace the breadth of sustainability and emerging frameworks, challenges and opportunities. We facilitate the provision of best practice, make connections, and enable collaborations.

Our members' success also inspires other businesses to go further. Our members provide us with a credible platform to advocate for sustainability with government, in the media, and to partner with others.

However, as our members have highlighted to us, we must also prioritise. When we represent our members, we focus on climate action and ensuring New Zealanders are enabled to have meaningful

work in an enterprising, regenerative and zero carbon economy.

Our members have told us that climate change is their top priority – there is no issue which is more pervasive or more challenging. Collectively we believe a strong focus on emissions reduction will benefit a range of sustainability challenges. We now have the legislative and institutional frameworks to make real progress on climate change, but New Zealand requires business to lead on the transition to a zero carbon economy. This is essential for both business and society. The Climate Leaders Coalition provides one important platform to demonstrate this action.

At the same time, climate change and other macro trends are changing how we live and work. Together with our members, we are setting an ambition for a thriving world of work that is inclusive and regenerative. We want people to thrive – personally, professionally, and as active members of society. Our members need to be ready for this, in their key role as employers and within their communities. The provision of employment is part of the social contract, which underpins social license. Meaningful work is critical for New Zealanders to succeed and live well in New Zealand.

Taken together, we arrive at our purpose:

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

Our focus

I. LEADERSHIP

Championing businesses to be at the forefront of environmental and social sustainability

Our members have a collective vision for New Zealand to have a thriving, sustainable future. This requires leadership. We provide sustainability leadership across the breadth of social, environmental and economic sustainability issues. Our members' activity provides us with a credible platform on which to engage government on their behalf, undertake partnerships, and speak out publicly.

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. The SBC team works with our members to accelerate their ability to gain competitive advantage by lifting their environmental, social and governance performance and reporting practices.

Our members are change-makers, and we foster their leadership through capability building and peer-to-peer learning. We facilitate collaborations,

connecting companies, partners, and sectors to deliver results that no single company could achieve alone. In leading sustainability within their business, our members inspire other businesses to go further.

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.

We recognise there are many social and environmental challenges facing New Zealand and our planet, and our members all have different material issues. These include loss of biodiversity, pollution, deforestation, waste, and many other issues. When these fall outside our core focus areas (climate action and thriving people), we provide a platform for our members to collaborate with each other and with partner organisations.

OUTCOMES:

- SBC members are actively committed to the balanced pursuit of economic growth, environmental sustainability and social progress;
- Our membership has grown to 150 businesses by 2025;
- SBC members are satisfied and engaged, as measured by our annual membership survey; and
- We are a trusted voice on business sustainability with business, government, stakeholders, and the people of New Zealand.

II. CLIMATE ACTION

Accelerating the transition to a zero carbon future where people and nature thrive

Our members have led the way in setting emissions reduction targets and undertaking carbon management programmes. They recognise that climate change is interconnected with many other environmental and social sustainability issues.

In 2018, leading CEOs committed to climate action worked with SBC to establish the Climate Leaders Coalition (CLC). Signatories are committed to New Zealand reaching the ambitions set in the Zero Carbon Act and the Paris Agreement. They are measuring and reporting their greenhouse gas emissions, setting a public emissions reduction, and working with suppliers to reduce their emissions. From 2020, CLC and SBC have aligned their strategies to maximise impact, while maintaining their own distinct identities and purpose.

SBC works with members to promote business leadership and act on climate change, seeking alignment with the CLC and formalising our role as the secretariat to the Coalition. 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.

We recognise that to rebuild a healthy planet, we must restore nature, including biodiversity, water eco-systems, forests and soil. This is particularly critical in New Zealand, as so much of our economic

success relies on nature, including agriculture. We deliver a platform for members to collaborate with each other and with partner organisations on wider environmental sustainability issues.

As New Zealand introduces national carbon budgets, we will work with government to ensure business continues to shape a shared plan to transition New Zealand to a zero carbon economy. This includes ensuring we leverage positive climate outcomes from the post Covid-19 economic recovery.

The transition to a zero carbon economy will require action across a broad range of sectors, including transport, industrial heat, electricity, agriculture, forestry, waste, and water. Transition will be underpinned by the financial and insurance sectors. We will work with our members to prioritise actions across these areas, recognising that they are interrelated and will require both intra-sector and cross-sector approaches.

OUTCOMES:

- SBC members and CLC signatories are collectively demonstrating meaningful progress to reducing emissions, leading out on the ambition set out in the Zero Carbon Act; and
- SBC members are collaborating to enact sector pathways that enable the transition to a zero carbon economy.





III. THRIVING PEOPLE

Growing prosperous and inclusive businesses and communities

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

Our society and economy are changing – from the advent of Covid-19 to socio-economic polarisation to rapid technological evolution – impacting how we live and how we work. These challenges are further compounded by our transition towards a zero carbon economy which will necessitate further change and adaptation.

SBC's vision puts people at the heart of what we do, enabling them to succeed in this rapidly changing world. We are setting an ambition for a thriving world of work that is inclusive and sustainable.

We want people to thrive – personally, professionally, and as active members of society. The principles of Te Tiriti o Waitangi are integral to this, as is business fostering diversity and inclusion and ensuring no one is left behind, including in accessing learning and development opportunities.

We work to provide solutions that support business to ensure that they remain in tune with the needs, goals, and aspirations of society against the backdrop of this rapidly evolving landscape. We

showcase leadership, collaborate where shared ambition exists, and empower members to take strategic approaches to shape our changing society and economy.

We recognise that the government's policy decisions will affect the demand for, and nature of, work. We work with BusinessNZ and government to ensure policy settings enable our members to bring their communities and people with them as we transition towards a zero carbon economy.

OUTCOMES:

- SBC members are integrating ways of working that support greater diversity and inclusion within their businesses and reporting progress transparently;
- SBC members are preparing to create meaningful work in a changing economy, including in collaboration; and
- SBC members are collectively increasing their positive impact on the communities in which they work and are measuring this.



Making it happen

‘SBC’s focus should be to bring together businesses to achieve larger scale change through what can only be achieved by collaborating together.’

SBC Member



WHAT WE DO

SBC connects member businesses, partners, and sectors to create impact that no single business could achieve alone. We work with executives and sustainability professionals to maximise their positive impact for shareholders, communities and the environment. We continue to hold our members to account by asking them to fulfil member commitments. These will be reviewed to reflect this five-year strategy.

We deliver impact by championing our members to be at the leading-edge of sustainability and in doing so inspire other businesses to take action. On behalf of our members, we also work to create an enabling environment for positive action by collaborating with government and other key partners. We act on two urgent issues: climate action and ensuring New Zealanders thrive in a renewed economy.



HOW WE DO IT

Member services

We support members to be at forefront of sustainability by:

- Creating a community of like-minded businesses;
- Providing a platform for members to express their leadership;
- Celebrating sustainable business success;
- Convening impactful projects and collaborations²;
- Brokering relationships between members;
- Providing support, tools and capability building; and
- Thought leadership on best practice and emerging trends, including consumer insights.

Member representation

We act on behalf of our members on climate action and ensuring New Zealanders thrive in a renewed economy. We do this through:

- Providing a clear, consistent and reputable voice to government, the public and the media;
- Partnering with other organisations on issues that help us achieve our vision; and
- Leveraging our relationship with WBCSD.

² These will generally be funded by sub-groups of interested members.



OUR KEY PRINCIPLES

We recognise that sustainability challenges must be tackled systematically. We operate in an agile way that allows us to respond to emerging issues and member need, co-designing solutions to drive change. We are guided by the following key principles to achieve our vision:

- The economic, social, and environmental elements of sustainability are interconnected and reinforcing;
- Only by regenerating economies, communities and the environment will we be able to achieve resilience in an interconnected world;
- Businesses that have sustainability at their core are more successful over the long term, and business has a responsibility to provide shared value; and
- We are guided by the principle of kaitiakitanga and recognise our obligation to look after resources for future generations. Our actions should be practical and impactful.



TE AO MĀORI

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 guardianship of people and nature.

We will actively listen to the voice of Māori business within SBC to best understand their needs and how we can work in partnership to further business sustainability. Through a co-design process with our Māori business members we will seek 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.



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 develop a partnership model to accelerate sustainability capability within New Zealand's regions.



Who we work with

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.

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.

Over the course of 2020/21, CLC will formally become a sub-brand of SBC. CLC will retain its own steering group, with SBC providing operational support. Organisations can continue to sign-up for CLC, without being a SBC member, and vice versa.



GOVERNMENT

Our members are ambitious about creating a thriving and resilient New Zealand. We engage with government to ensure the conditions are right for business to be sustainable and zero carbon. We partner with government, including the Climate Change Commission (CCC), 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 and the NZ Transport Agency.

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 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.



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 2050.³

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 towards the sustainable development goals.



³From WBCSD website – <https://www.wbcd.org/Overview/Our-approach>



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 August 2020 supported by, and in collaboration and partnership with, our members, our team, our key stakeholders, and government.

A separate impact framework will be developed to accompany the strategy. This will contain performance indicators that allow us to measure our impact. We will report on progress on an ongoing basis, including via our annual report.

The strategy is supported by annual work plans outlining our deliverables for the year ahead.

As opportunities arise, we will evaluate them based on the following principles:

- Their fit with our vision, purpose, and focus areas;
- Whether they will deliver maximum possible impact within our focus areas; and
- If there are other organisations working on this area of work, and whether, or not, we would add value through our involvement.

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.



Join us as we help build a thriving and sustainable future for all New Zealanders.

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Layout by Tahi Design, printing by printing.com

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SBC is a division of BusinessNZ, which is CarboNZero™ certified.

Members



Associate members



**Sustainable
Business Council**



wbcsd Global Network Partner