

Sustainable Business

An initiative of BusinessNZ



Heewon Kang, BusinessNZ

02 August 2011

BusinessNZ
The voice of business



Business NZ

The voice of business



76,000 MEMBERS



www.businessnz.org.nz

BusinessNZ
The voice of business



The Big Picture

UNSC – still the most important global challenge

OECD – Green Growth Strategy

BIAC's view on GG: Business and Industry Advisory Committee to the OECD has been actively involved in the development of the OECD Green Growth Strategy since 2009. It underlines the crucial role of private sector for green growth to realise its full potential. Also, it highlights the importance of innovation, entrepreneurship and investment .



Green Growth

“green growth is about fostering economic growth and development, while ensuring that the quality and quantity of natural assets can continue to provide the environmental services on which our well-being relies. It is also about fostering investment, competition and innovation which will underpin sustained growth and give rise to new economic opportunities”

- OECD definition of Green Growth.



NZ Green Growth

1. Green Growth Advisory Group chaired by CEO of BusinessNZ, Phil O'Reilly due to produce a report by the end of 2011.
2. Three policy focus areas:
 1. Leveraging greater value in international markets from clean green brand
 2. New technologies – including clean technologies - in productive sectors
 3. SMEs moving to lower carbon economy while sustaining productive growth



What is Sustainability to Businesses?

- Business done well, making the best and most responsible use of resources.
- Continuing growth with competition and innovation.
- Sustainability involves both a healthy economy and a healthy natural environment.



BCG special report on Sustainability – “Embracers seize Advantage”

- Annual Sustainability and Innovation Survey of global corporate leaders by the Boston Consulting Group and MIT Sloan Management Review
- Interviewed wide range of businesses and management experts including Rio Tinto, Shell, Sears Canada, Pepsico American Foods, Aspen Skiing Company, Clorox, Siemens, and HSBC.
- Asking questions: How fast are businesses adopting sustainability-driven management? How are the terms of competition changing? How are the management practices transforming as a consequence?



“Embracers seize Advantage” – Key findings

- Surprisingly, companies invested more in competing on sustainability in the face of the economic downturn. – 60% of the companies increased their sustainability spending in 2010.
- Gap between the “Embracers” and the Cautious Adopters”
- All companies – both camps- see the benefits from improving resource efficiency and waste management.
- All companies recognize the brand-building benefits of developing reputation. This benefit was rated greatest by all respondents
- While even the embracers struggle to measure financially intangible business benefits of sustainability strategies (such as employee engagement, innovation and stakeholder appeal), these companies are assigning value to intangible factors when forming strategies and making decisions.



“Embracers seize Advantage” – Key findings

- Embracer companies are implementing sustainability-driven strategies widely in their organizations and largely succeed in making a robust business case for their investment.
- Companies across all industries agree that acting on sustainability is essential in remaining competitive.
- Cautious adopters are catching up by increasing their commitment faster than the embracers – they plan to increase 24% while the embracers’ investment remain static.
- External forces – public policy, institutional investors and pension funds, employees, customers, trends towards green and accountable options.
- Seven shared traits of successful sustainability management.



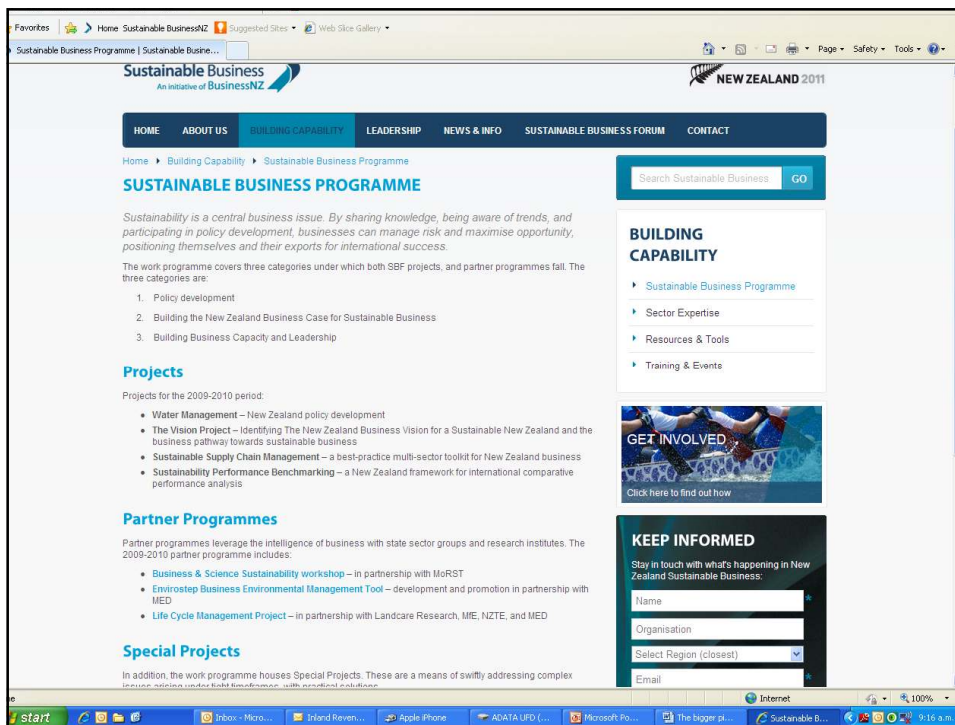
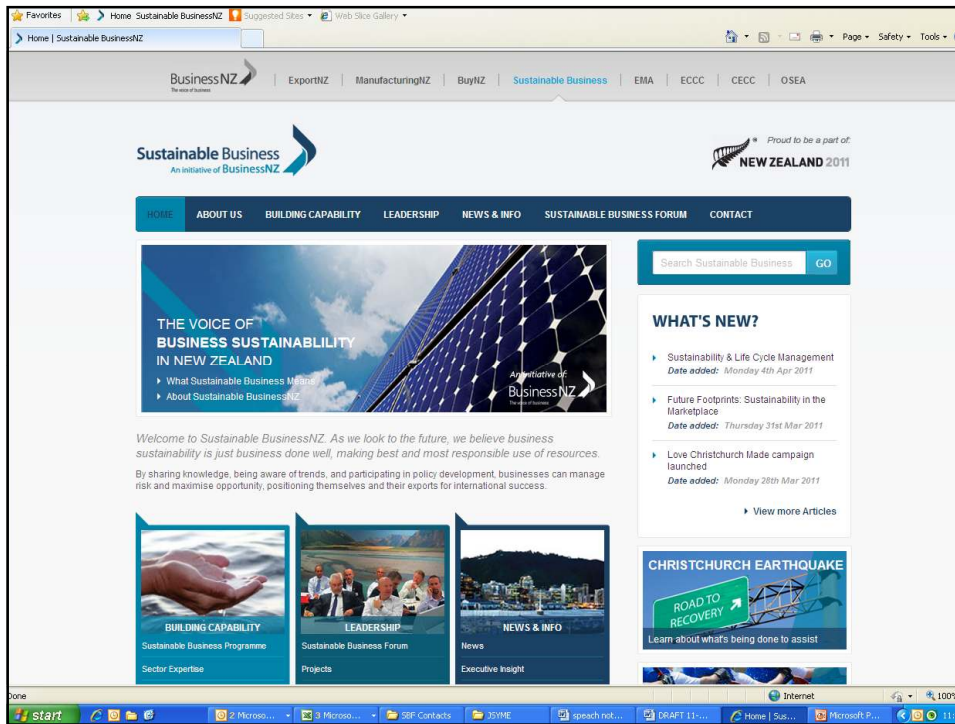
What BusinessNZ is doing?

2009 – Establishment of SBF

2011 - SBNZ: mainstream business body for sustainability policy, advocacy, training, events, news information and resources

- Projects (Performance Benchmarking and Sustainable Supply Chain Management tools, and general SB case studies and knowledge to educate and assist the wider market place and business community).
- Wider partnerships (MED procurement reform; MSI business and science innovation; DOC biodiversity; CarboNZero for small business – which are arranged to help to direct the businesses to lower cost, practical business assistance.





Way forward: SME opportunities

- Sustainable performance management through accounting tools
- Lifecycle approach – Landcare Research/ NZ Lifecycle Centre
- Supplier Questionnaire for sustainable procurement
- Regional training opportunities / workshops
- Partnerships e.g. CarboNZero



Contact Us

- Jacinta Syme – Jsyme@businessnz.org.nz
- Heewon Kang- Hkang@businessnz.org.nz
- www.sustainablebusinessnz.org.nz

