

Business First NZ

Workshop Report:

Business and Sustainability Part 1 – An Environmental Focus

30th March 2022, facilitated by Dr Anna Berka from the School of Management

along with

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from the Massey Business School

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Executive Summary

This report summarises the recent *BusinessFirstNZ* workshop for 2022 hosted by the Massey Business School, to engage local businesses. The initiative seeks to assist business leaders to highlight business problems and seek practical solutions in their pursuit of business excellence and sustainable competitive advantage. For more information on past workshops, and a full report of the engagement between Massey Business School and local business leaders since the commencement of the initiative, please keep an eye out for the upcoming consolidated industry report – *Business First New Zealand: Advancing engagement among industry and academic communities for business prosperity in NZ.*

This face-to-face workshop, with 16 attendees, was titled “*Business and Sustainability – An Environmental Focus.*” It was facilitated by Dr Anna Berka, a Lecturer in Management, Entrepreneurship and Innovation from the School of Management. Anna drew on her interdisciplinary expertise (from management and environmental economics to environmental and biological science) to facilitate a session that helped attendees understand and bridge different perspectives on environmental sustainability and what they might mean for their organisation.

The overarching goal of the workshop was to support attendees in thinking about how they can orient themselves and their business regarding social and environmental problems and determining which issues to tackle as they advance their sustainability leadership. The workshop was broken into three smaller sessions, with Anna providing overviews before small group discussions allowed for exploration among attendees on the following areas:

- Sustainability challenges and opportunities
- The road to sustainability leadership
- Tools and resources: From understanding your impacts to a sustainability strategy

Key takeaways from this workshop included:

- Understanding relevant environmental impacts of various businesses and sectors
- Considering the sustainability challenges and opportunities within New Zealand
- Identifying relevant material sustainability issues for businesses and sectors
- Recognising and acknowledging barriers in the SME context for sustainability leadership
- Examples of tools and resources for sustainability assessment

By the end of the workshop, attendees had delved into several material issues for their sectors and considered initiatives that their individual organisations could engage with to respond to sustainability challenges and opportunities. Notably, the group suggested a follow-up session to continue the discussion on sustainability and business, which will be included later this year, with more of a social responsibility focus. Future sessions in 2022 will also focus on the Future of Work: Employees and Employers as well as Research and Internship Engagement.

1. Businesses in Attendance

Across the *BusinessFirstNZ* workshops to date, the following business have been represented:

Business	Sector	Business	Sector
Advantage	IT Support	Genoese Foods	Food Preparation
AFC Motorcycles	Powersports Products	Gillard Honey	Honey Production
Ali Arc Industries	Structural Metal Fabrication	Gropak	Agricultural Services
Avatar Honey	Honey Production	Henergy	Poultry Products
BakerAg	Agricultural Services	JR's Orchards	Apple & Pears
Betacraft NZ	Workwear	OBO	Sports Protection
Business Central	Business Development	Palliser Estate	Winery
CEDA	Economic Development	Prepack	Packaging
Carousel Confectionary	Confectionery Manufacturing	Property Brokers	Real Estate
NZ Delphiniums	Horticulture	Quest Industries	Plastic Moulding
E&T Consultants	Education & Training	Speirs Foods	Food Preparation
ExportNZ	BusinessNZ Division	Steelfort	Machinery & Equipment
FieldAir	Aviation Engineering	Tasman Tanning	Leather Products
Gallagher Fuel Systems	Fuel Dispensing Systems	Turks Poultry Farm	Poultry
Garden Barn	Garden Supplies	UCOL	Education
GasNet	Gas Delivery		

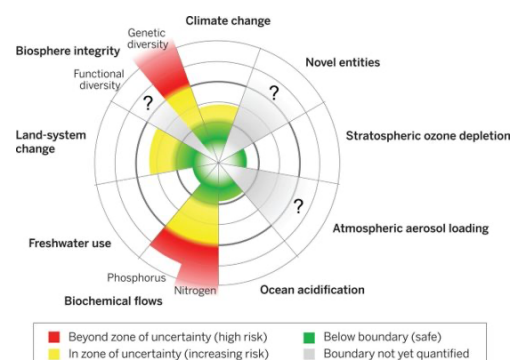
2. Workshop Overview

Dr Anna Berka, a Lecturer in Massey's School of Management, facilitated this workshop guiding attendees through consideration of sustainability challenges and opportunities for their sector and business. Acknowledging the various elements of sustainability (social, environmental, and economic), Anna leveraged her expertise in management, environmental economics, and environmental and biological sciences, to help attendees focus on the environmental management aspects.

As a large group, attendees were introduced to some key concepts before breaking into small discussion groups to consider material issues for their sector and their specific organisation. They also explored tools and resources that could help assess their business's sustainability impacts. Worksheets supported attendees to navigate various questions, as they considered the issues they have an impact on, or which issues they are most impacted by. Attendees were challenged to consider where their organisation 'sits' on the road to sustainability leadership, and what they might need to do to advance in this area. Finally, Anna presented several tools that can help businesses work through the process of identifying sustainability aspects and impacts of the organisation's activities, products, and services, and then rank them according to the significance of their impact.

2.1. Sustainability challenges and opportunities

The first part of the workshop began with a consideration of the [Planetary Boundaries Framework](#) – essentially a global environmental dashboard for sustainability assessment. Within this framework, economy is considered as a by-product of society and society exists within the environment, such that we need to meet human needs within ecological constraints. The framework is built on a field of science that looks at a global system level of tipping points and thresholds.



The idea is that if we monitor our progress in relation to how well we are taking care of critical biophysical functions, that we begin to build a society in which social and economic developments take place without degrading fundamental life support systems.

Anna also suggested attendees might like to orient their thinking about the impacts and issues that matter through sector-level strategies and reports (e.g., KPMG, MPI, MBIE/NZTE, Industry Associations), regional environmental assessments (e.g., [Horizons Regional Council State of the Environment](#)), or national environmental assessments (e.g., [OECD Environmental Performance Review 2017](#), [Environment Aotearoa 2019](#)).

Working through the Planetary Boundary dashboard for New Zealand offers a way to break environmental sustainability down into concrete problems. The next step then, is to figure out which of the problems a business can have an impact on, or which they may be impacted by – these are the **material issues** to focus on. Material issues present both challenges and opportunities. Some examples of material issues that Anna presented include:

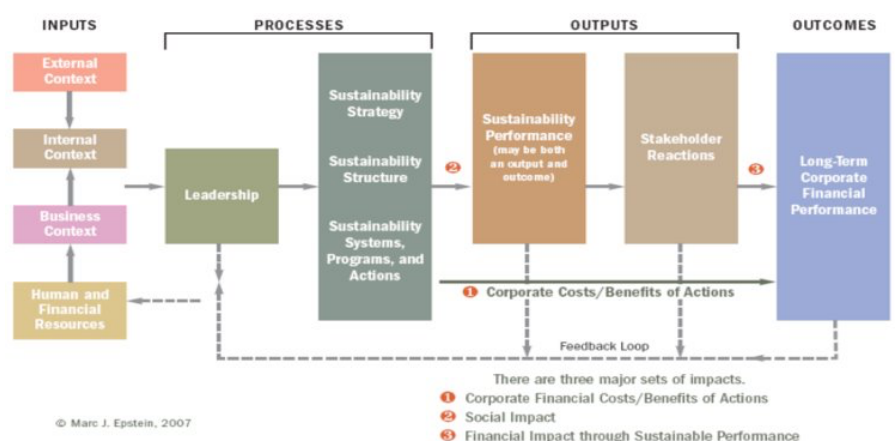
- Water use
- Packaging and labelling
- Water pollution
- Waste treatment and disposal
- Emissions
- Animal welfare
- Product quality and integrity
- Ongoing supply
- Nutrition and healthy diets
- Food safety

Here, attendees were challenged to consider the following:

1. What social or environmental issues are you most impacted by or have the most impact on?
2. What evidence do you have and use to support this?
3. What challenges and opportunities to these material issues present?

2.2. The road to sustainability leadership

After having now worked through the ‘what’ attendees began considering the ‘why’ - looking at organisational responses to environmental issues and how different organisations might evolve along that process. Anna presented a figure to help attendees consider how their business context creates constraints and opportunities and shapes sustainability goals.



The inputs are the starting conditions – they provide the starting point you are working with and will influence decisions and processes as well as the constraints your organisation might face. Once goals are developed, the business can develop appropriate processes to improve sustainability. The measures taken will ultimately have three major types of impact: the direct financial costs and benefits of the measures taken; social, environmental, and economic impacts of those measures; and through stakeholder reactions influencing long-term financial impacts. It was also recognised that this is not a

linear, step-by-step process, but continuous development and interaction of these inputs, processes, outputs, and outcomes. Ideally, there is continuous monitoring and evaluation of the measures and strategies adopted.

When thinking about sustainability leadership, the following table might help provide a bit of an overview in terms of identifying the underlying characteristics of firms that are pioneering specific sustainability practices, versus firms that are generally following the practices of forerunners:

Sustainability performance	Firm characteristics
Forerunners <i>High consistent / improving sustainability performance</i>	Extensive integration between sustainability strategy and initiatives and core business; Invest in non-proven technology, novel applications, and technology; Integration; Novel models for demand side participation; Actively engages with government on policy development; Actively engages with partners and industry stakeholders; High level leadership and internal engagement on sustainability; Long term strategy reflected in its investment policy
Fast followers <i>Average to high and climbing performance in at least one domain</i>	Invest in proven technology; Some integration between sustainability strategy/initiatives and core business; Lack of high-level leadership or limited internal engagement
Laggards <i>Low / no improving performance</i>	Targets reflect minimum mandatory regulation; Invest in low hanging fruit only with negative abatement costs (e.g., cost efficiency measures); No integration with core business; Lack of high-level leadership and limited internal engagement

In the SME context, some barriers to sustainability leadership were identified as below:

Behavioural & psychological	Perceived fit with mission and values, trust, and perceived motivation of leadership and organisational support
Cultural & leadership	Lack of top-level consensus and commitment and leadership; Sustainability perceived by management as a cost/ threat and eroding competitiveness (too hard); Lack of opportunities for staff to engage and cultivate shared meaning
Human resources & networks	Lack of time, expertise, skillsets, experience and know-how
Organisational structure & incentives	Division of roles and responsibilities, lack/powerless horizontal platforms, lack formal and informal incentives
Strategy & awareness	Lack of collective strategy, conflicting meanings and logics, lack of evidence base on drivers and issues; Misalignment of short term and long-term goals; No understanding of how to measure progress; Difficulty forecasting and planning beyond 5-year time horizon amid high uncertainty including regulation and customer preferences; Potential benefits not clearly articulated.
Finance	High upfront capital costs, available measures not financially viable in market context; Requires alternative unfamiliar financing mechanisms and investment policies
Policy & regulation	Lack of / heterogeneous standards and regulation; lack of policy support; policy instability

2.3. Sustainability assessment tools

Finally, attendees were shown some tools to support their assessment of sustainability within their business, with various tools demonstrated. Such assessment tools will help businesses understand their impacts, link sustainability hot-spots back to people, technology, and practices, as well as

prioritising action and working with partners to address wider risks and opportunities across sectors. Three types of sustainability assessment tools were presented, to show how they can help businesses work through the process of identifying sustainability aspects and impacts of the organisation's activities, products and services, rank them according to the significance of their impacts, and monitor trends to help understand progress toward objectives.

Indicators/performance metrics

These tools help measure the state of economic, social, and environmental development. They allow you to identify and understand trends and the impact of activities over time. This type of tool could include emission inventories, life cycle analysis, and risk analysis to inform a centralised dashboard for an organisation. This might provide a database of sustainability performance indicators or metrics. A company might also like to keep track of metrics ranging from energy and water use to emissions, employee training on sustainability related topics, all the way through to employer reputation and brand value based on social and environmental sustainability.

Product related assessment

These tools assist businesses in evaluating the impacts of products or services. They allow for the identification of hot-spots, risks, inefficiencies, and the understanding of environmental impacts and where mitigation should be directed. These tools can be used to compare the merits of different projects companies are considering investing in, or different project or policy alternatives, as they support analysis of which options can best deliver on social, environmental, and economic impacts. Tools might include multi-criteria analysis, cost-benefit analysis, or environmental and social impact analysis – they compare the relative merits of options ex-ante.

Integrated assessment

The third tool that was explored was a type that helps businesses analyse the problem and evaluate, possible solutions to addressing the concern through estimating social, environmental, and economic impacts ex-post. This type of tool allows businesses to make informed decisions on which measures to take, as well as their benefits and costs. A wide range of methods can be employed – for example: participatory tools, scenario analysis, systems dynamics models, multi-criteria analysis, risk analysis, cost-benefit analysis, and environmental and social impact assessments.

3. Key Takeaways

With a vast amount of information, possible material issues to consider, and means of considering how to progress as sustainability leaders, attendees were able to focus on a few key takeaways. These were highlighted throughout the small group discussions and facilitated by the questions contained within the worksheets. Notably, the session ended with attendees having given due consideration to the following for their individual business or department, as well as the wider sector they operate within:

- A list of material issues that the business could focus on in the next 10 years, including both opportunities and risks associated, and the evidence needed to support the claims
- A 'hot-spot' material issue – one of the most significant issues in terms of the impact it has on the business/sector or that the business/sector could impact
- A consideration of the baseline operations in terms of environmental sustainability impacts and the data that is currently collected or readily available to collect for monitoring
- A review of the resources and capabilities of the organisation to advance in sustainability leadership, including those currently available and those required

4. Proposed Next Steps

The following workshops are planned for the remainder of 2022:

Workshop	Overview	Logistics
Business and Sustainability Part 2 – A Social Responsibility Focus	<p>Led by Dr Kaz Kobayashi, this workshop allows for continued exploration of sustainability within sectors and individual businesses.</p> <p>Kaz will lead a discussion on identifying and articulating problems and material issues, and support attendees to consider responses. A focus will be given to social responsibility of businesses in this session.</p>	<p>Tuesday 14 June 1:00 – 5:00pm, with nibbles and drinks provided Massey University Student Enterprise Centre</p>
The Future of Work: Employees and Employers	<p>Led by Associate Professor David Brougham, this session will explore the future of how businesses might engage with their people: employees and as employers.</p> <p>David will facilitate this session, drawing on his current research, where he is looking at how employees and businesses plan to adapt to these changes as a result of technological disruption.</p>	<p>Tuesday 30 August 1:00 – 5:00pm, with nibbles and drinks provided Massey University Student Enterprise Centre</p>
Research and Internship Engagement and Opportunities	<p>Come along to this session to discuss how your business might 'fit' with ongoing research projects or frame up a research project with Massey academic staff (and possibly other businesses in the room).</p> <p>We will also explore what opportunities are available for future internship placements with Massey students and your business.</p>	<p>Tuesday 1 November 1:00 – 5:00pm, with nibbles and drinks provided Massey University Student Enterprise Centre</p>

Thank you

We would like to thank you for your continued participation in these workshops, and welcome any feedback, comments, ideas, or questions you may have. Please note, if there are any issues or amendments required, we would greatly appreciate your feedback on this report. Feel free to contact the group via Dr Wayne Macpherson, W.Macpherson@massey.ac.nz.