



**Chapter  
Zero** New Zealand  
The Directors' Climate Forum

Hosted by



Institute of  
**DIRECTORS**  
NEW ZEALAND

# Chapter Zero New Zealand Impact report

March 2023 – March 2024

Created with The Ākina Foundation,  
Chapter Zero New Zealand  
official impact partner

**ākina**

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Mā te ako ka mārama.  
Mā te mārama ka mātau.  
Mā te mātau ka ora.

*Through learning comes understanding.  
Through understanding comes knowledge and wisdom.  
Through knowledge and wisdom comes life and well-being.*

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official impact partner

**ākina**

*Produced July 2024*

# 01 Welcome

The Institute of Directors (IoD) is proud of the work that has been delivered through Chapter Zero New Zealand over the past year, but more needs to be done. Chapter Zero NZ, the IoD's climate forum, was established to inform and support directors to respond to the challenges of climate change.

Through our survey of Chapter Zero NZ supporters, we're seeing the positive impact of our work. Over half of our supporters feel more informed, confident, and accountable for managing climate risks and opportunities within their boards and organisations due to the work of Chapter Zero NZ. However, results from the 2023 *Director Sentiment Survey* show that we need to continue to work across the broader governance community to help directors to overcome the 'Strategy-Action gap' – the gap between their climate aspirations and actions. To support this, in February 2024 we launched our new Climate Change Governance Essentials course, currently one of only four courses globally accredited by the Climate Governance Initiative.

Our thanks to our Chapter Zero NZ Steering Committee, who volunteers their time and immense experience across a broad range of sectors to help guide this work.

We are grateful for the ongoing assistance and expertise of our Foundation Partners – The Ākina Foundation (impact), Anthem (communications), Dentons Kensington Swan (legal), Hobson Leavy (recruitment) and KPMG (advisory). This year we also welcomed ASB as a sponsor, supporting our breakfast events which attracted over 1,350 attendees and provide a platform for directors to engage with government ministers and key decision makers.

Thank you also to the members of the Working Group, who, alongside our many collaborators and technical advisors, provide a wide range of subject-matter expertise to support delivery of resources, webinars and articles.

We were very proud to be named a finalist in the Climate Action Leader Award at the 2023 SBN Sustainable Business Awards and congratulate IoD Chief Executive Kirsten Patterson CFIInstD for her Sustainability Superstar Awards commendation. This recognition serves to reinforce our commitment to supporting the director community to positively transform their organisations and communities for the future.

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**Dame Therese Walsh** DNZM, CFIInstD  
Chair, Chapter Zero NZ Steering Committee

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**Kirsten (KP) Patterson**, CFIInstD  
Chief Executive, Institute of Directors

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## Chapter Zero New Zealand Steering Committee



Dame Therese Walsh  
DNZM CFIInstD



Abby Foote  
CFIInstD



Caren Rangī  
ONZM MInstD



Dr. Charles Ehrhart



John McMahon



Jonathan Mason  
CFIInstD



Julia Hoare  
CFIInstD



Laurissa Cooney  
CMInstD



Phil Veal  
MInstD



Scott St John  
CFIInstD

# 02 About us

## Our mission:

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*“To mobilise, connect, educate and equip directors and boards to make and influence climate-smart governance decisions, creating long-term value for shareholders and stakeholders.”*

Established by the IoD in March 2022 in response to concerns in the governance community about the impacts of climate change, Chapter Zero NZ is the IoD's climate forum. Through Chapter Zero NZ we enable directors to meet their fiduciary duties by supporting them with the skills, tools, processes and information they need to steward their companies through the challenges of climate change.

It is the New Zealand chapter of the Climate Governance Initiative (CGI), a global network that brings together 32 chapters in 73 countries/regions representing more than 100,000 governance professionals.

Our supporters are committed to ensuring their companies are fit for the future and that global net-zero ambitions are transformed into robust plans and measurable action.

We do this by working towards three strategic goals:

- **Goal 1:** NZ directors are developing the key competencies required to ensure their boards make climate-smart decisions.
- **Goal 2:** Chapter Zero NZ is connecting and engaging the director community.
- **Goal 3:** Chapter Zero NZ is a valued partner in the climate governance ecosystem.

To achieve these, we provide supporters and directors with a range of practical tools, resources, training and events, and a community of peers both local and global, from which to gain and share knowledge and experience.

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## Foundation Partners



## Partner



**Working Group, Collaborators and Technical Advisors:** Ākina, Anthem, Deloitte, Dentons Kensington Swan, EY, Hobson Leavy, Kantar, KPMG, NIWA, Reserve Bank of New Zealand, Sustainable Business Council, The Aotearoa Circle and Toitū Tahua – the Centre for Sustainable Finance.

## 03 Year two highlights

2,000+

followers on LinkedIn

1,750+

supporters

4

Published four bespoke resources

900+

attendees at webinars

1,450+

attendees at in-person events

Launched Climate Change Governance Essentials

(accredited by the Climate Governance Initiative)

As a result of engaging with Chapter Zero NZ

62%

of supporters feel increased confidence about climate governance

72%

of supporters feel more informed about climate governance and literacy

57%

of supporters feel more accountable for climate actions

# 04 Our Impact Model

Chapter Zero NZ's impact can be understood through different layers of influence. Our activities primarily focus on influencing and informing individual directors. These directors can then take that knowledge and influence to their boards. Boards are then empowered to influence their organisations from a position of understanding. Through this lens, we recognise that changes at the board level cannot be solely attributed to Chapter Zero NZ's activities.

Initially, Chapter Zero NZ focused on building a foundational network, community, and set of bespoke resources for New Zealand directors, setting them up to better understand and navigate the climate issues impacting their organisations. In year two, we grew in terms of supporters as well as reach to the wider governance community with over 1,750 supporters (up from 850 supporters in year one) and over 2,000 followers on LinkedIn (up from 1,000 followers in year one).

The number and range of our activities has expanded to provide more and different touchpoints for directors – breakfasts, webinars, articles, resources, workshops, panels, and our new Climate Change Governance Essentials course, currently one of only four courses globally accredited by the Climate Governance

Initiative. We continue to work closely with likeminded organisations, which enhances the relevance of the articles and guidance we produce.

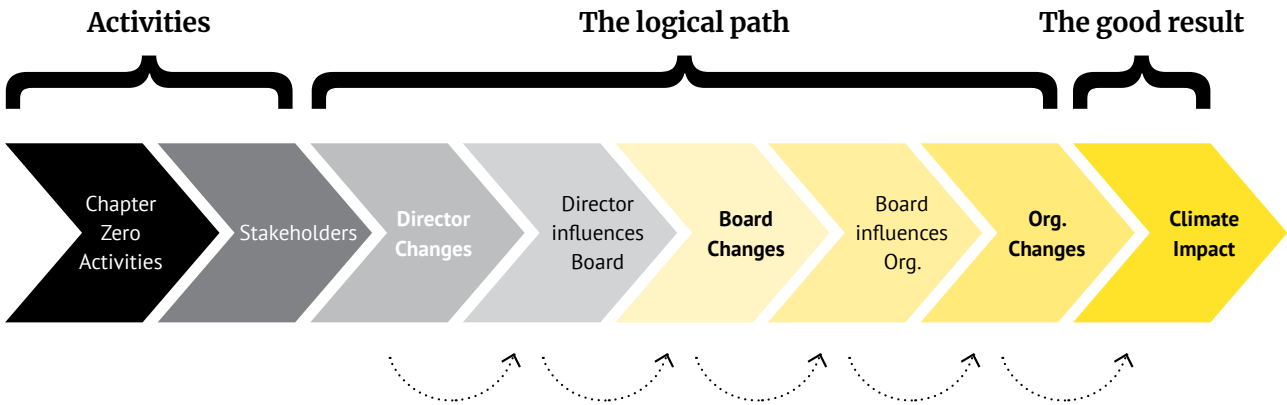
After two years building these foundations, The Ākina Foundation has worked with our Steering Committee and Working Group to refresh the Chapter Zero NZ impact model – with a clear focus on ensuring directors get the support they need to move from strategy to action. This refreshed impact model will guide our impact measurement in the coming years, helping us to understand the positive changes and actions that directors have implemented both in their organisations and in the wider community.

Our revised impact model also acknowledges the growing and interdependent climate and economic issues facing directors in the modern environment, including the importance of taking an ecosystem approach to climate governance and including nature and biodiversity.

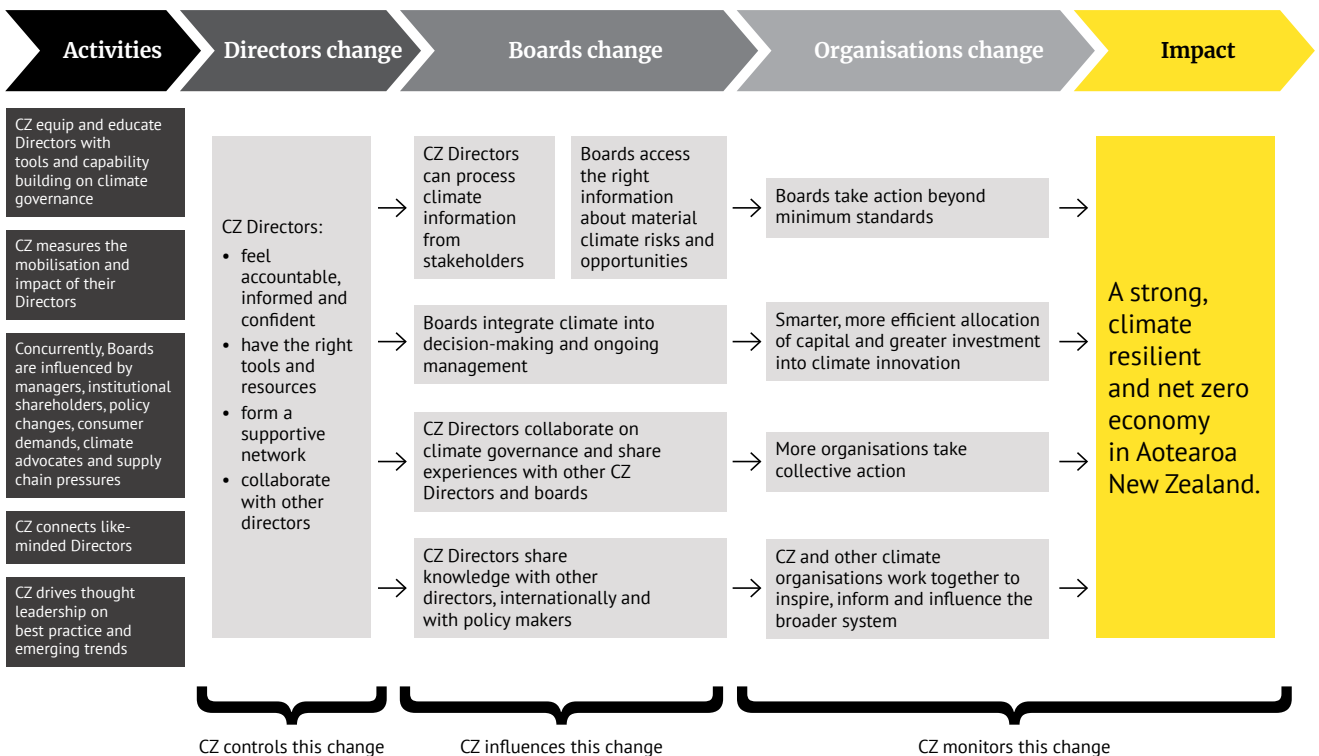
Our impact monitoring and reporting in this report is based upon the activities and outcomes set within our Impact Model, adopted in 2022, as outlined below.



## The core of Chapter Zero NZ's Impact Model



## Chapter Zero NZ's Impact Model







# 05 Supporting directors

To support a strong, climate-resilient and net-zero economy in Aotearoa New Zealand, our focus is on directors. The 'directors change' layer of our Impact Model targets individual directors to help them improve their climate governance capability. We aim to ensure directors:

- **Feel accountable, informed and confident:** We seek to foster a sense of accountability among directors, ensuring they are well-informed about climate-related issues and equipped with the knowledge and confidence to address them proactively.
- **Have access to practical tools and resources:** We intend to provide directors with the tools and resources that are relevant to their roles, enabling them to make informed decisions and take effective action on climate change.
- **Form a supportive network:** We aim to create a supportive network in which directors can connect with one another, share experiences and seek guidance. This network serves as a valuable platform for collaboration and collective learning.
- **Collaborate with other directors:** By facilitating collaboration among directors, we encourage the exchange of ideas, best practices, and innovative approaches to addressing climate change challenges. This collaborative effort strengthens individual and collective impact.

## Chapter Zero NZ supporters:

- 57% feel they are better able to use climate change information
- 54% feel better placed to integrate climate into their strategic planning
- 51% feel more able to act on climate risks and opportunities



# Accountable, informed and confident

## **Climate Change Governance Essentials course**

This year we were delighted to launch the Climate Change Governance Essentials (CCGE) course – a must for anyone wanting to gain a better understanding of climate change governance. The course received accreditation from the Climate Governance Initiative, one of only four globally. As a CGI-approved course, the CCGE has undergone a robust review process to ensure it is highly relevant for directors, practical and up to date.

Delivered in a new blended course format, participants learn how to implement sustainable practices, mitigate risks, and seize opportunities associated with climate governance alongside a comprehensive overview of the responsibilities and accountabilities needed in the climate governance space.

## **Workshops and webinars**

Based on the *Chapter Zero New Zealand Board Toolkit*, Board Toolkit workshops are centred on a five-step approach designed to enable boards and directors to take timely, positive and decisive climate action within their organisations.

Additionally, we hosted or participated in several webinars on a range of topics, including insights for directors from COP 28, exports, consumer sustainability, the circular economy, and the Climate Change Commission's draft advice on the second emissions budget. Over 900 people have viewed our webinars.

## **Practical tools and resources**

We have produced a number of bespoke resources that align with the World Economic Forum's eight climate governance principles. These principles serve as tools to help elevate the strategic climate debate and drive holistic decision-making that includes consideration of the links between climate change and business.

1. Climate accountability on boards
2. Command of the subject
3. Board structure
4. Material risk and opportunity assessment
5. Strategic integration
6. Incentivisation
7. Reporting and disclosure
8. Exchange

## **Chapter Zero New Zealand board toolkit**

The Board Toolkit provides directors with a practical five-step framework to ensure the climate challenge is being effectively addressed at the board table. It is primarily targeted at boards with limited resources, including small and medium-sized enterprises and not-for-profit organisations.

## **Board Structure and Capability for Climate**

Increasingly, boards are assessing what governance structures and director skillsets will best support their organisations to lead on reducing the impacts of climate change and adapting to a future zero-carbon economy. We created a collection of resources to help directors identify the best board structure and director capabilities for their organisation.

## **What Difference can Directors Make?**

The guide, developed in partnership with KPMG, includes real-world examples of what boards are doing in the face of climate change risks and opportunities. Based on interviews with 13 of New Zealand's most experienced directors, the guide sets out a two-section roadmap for directors who want to deliver strategic climate governance.

## **Climate Scenario Analysis**

While scenario analysis as a strategic tool is not new, climate scenario analysis is new for most organisations. This resource explores climate scenarios in the New Zealand governance context, explains why climate scenarios are useful tools, and how directors should engage with the development, analysis and review stages of the process.

# Networking

## Climate for breakfast

We ran four breakfast events with over 1,350 attendees exploring a number of critical areas of climate governance.

In March 2023 we welcomed then Leader of the Opposition and MP for Botany [Christopher Luxon, who outlined the National party's vision for climate action.](#) This was followed by a directors panel with Joan Withers, Chair of the Warehouse Group, Mark Verbiest, Chair of Meridian and Summerset Group Holdings Ltd, and Pip Greenwood, Chair of Westpac and A2 Milk, facilitated by Chapter Zero NZ Steering Committee member Scott St John on the topic of board structure and composition.

Our August breakfast featured a keynote address from then Prime Minister, the [Rt Hon Chris Hipkins](#), who provided insights into how the broader government works together to tackle climate change and also gave his perspective on the key issues leading into the 2023 election.

In September we hosted [A Korero on Managing a Climate Strategy](#) on day two of the Climate Change and Business Conference, bringing together a panel comprising director (Alison Barrass, independent director), CEO (Malcolm Johns, Genesis) and sustainability practitioner (Lee Stewart). They shared different perspectives about how the working relationship between board and management is operating in their organisations to develop and implement sustainability strategies.

The keynote speaker for our November breakfast was [Adrian Orr](#), Governor of the Reserve Bank of New Zealand. He discussed the Bank's climate change strategy and outlined how they are working to help to identify, understand and manage climate-related risks to New Zealand's financial system.

Additionally, foundation partners Anthem ran a workshop on climate crisis communications, and Dentons Kensington Swan ran a climate litigation breakfast.

## Learning and networking

Our new CCGE course includes discussion boards and an interactive workshop designed to facilitate conversation and connection. Similarly, the Board Toolkit workshops are interactive sessions that are designed to facilitate discussion and stimulate ideas on how to progress climate change. With over 1,450 people attending our in-person events, they also provide an opportunity for networking and ideas exchange.

# Collaboration

## Steering Committee

Chapter Zero NZ is guided by a Steering Committee made up of high-profile business leaders who volunteer their time and energy to guide this work. They represent a broad range of sectors and experience and provide the IoD with invaluable insights into the climate challenges faced at board tables around the country.

## Working Group

Chapter Zero NZ is supported by a Working Group made up of representatives from foundation partners, technical advisors and other climate change organisations across Aotearoa. The Working Group brings a wealth of experience and practical knowledge to support the development of resources, articles, reports and events.

Alongside our Working Group, we have worked with a wide range of other organisations to support directors. These collaborations encourage the exchange of ideas, best practices, and innovative approaches to addressing climate change challenges.

## Part of the global network

When launched in March 2022, Chapter Zero NZ became the 20th chapter of the global Climate Governance Initiative (CGI). There are now 32 chapters. Being part of this network provides an opportunity for collaboration and knowledge-sharing across the global network.



# 06 Supporting boards

In the “boards change” layer of our Impact Model, we anticipate directors taking their climate learnings and conversations back to their boards. The desired outcomes are:

- Directors’ climate literacy is enhanced enabling greater processing of climate information from stakeholders
- Boards access the right information about material climate risks and opportunities
- Boards integrate climate into decision-making and ongoing management
- Directors collaborate on climate governance and share experiences with others
- Directors share knowledge with other directors internationally and with policy makers

## CGI Global Impact Survey

- 90% of directors believe it is the board’s responsibility to influence the organisation’s direction on climate change
- 93% of directors believe the board is able to influence the organisation’s direction on climate change
- 96% see climate change as an opportunity for businesses and a driver of innovation

## Advocacy and support

Our submission and advocacy work are an important means to ensure that climate governance is heard in the development of climate law and policy. We made two formal submissions during the year in addition to our advocacy work.

- [Submission on climate-related disclosures timing challenges](#) (Financial Markets Authority)
- [Submission on assurance over climate-related disclosures](#) (Ministry of Business Innovation and Employment in conjunction with the Ministry for the Environment)

Additionally, we contributed to a [submission by the Climate Governance Initiative](#) on the final draft of the Taskforce for Nature Financial Disclosures and supported the New Zealand content in the third edition of the [Primer on climate change: Directors’ duties and disclosure obligations 2023](#) which outlines the general climate obligations for board directors for 31 countries and the EU.

## Knowledge exchange

Leveraging off the CGI global network as well as the work of our foundation partners and collaborators, we shared a number of resources:

- **What does the new IPCC report mean for board directors?**  
Analysis of the UN Intergovernmental Panel on Climate Change's fourth and final instalment of its sixth assessment report.
- **The \$64 billion climate proposition**  
Released by Deloitte, *Aotearoa New Zealand's Turning Point* highlights how decisive action on climate change now could change New Zealand's future for the better.
- **Integrity matters: Net-zero commitments by non-state entities – a briefing for board directors**  
A briefing by the CGI providing key questions board directors should ask to consider how the UN's Integrity Matters recommendations apply to their businesses.
- **Executive compensation guidebook for climate transition: 2023 addendum**  
Observations on the evolving regulatory context and market practice on climate-related metrics in incentive plans.
- **Navigating the climate disclosure landscape: 2023 update**  
An updated CGI resource including an interactive tool and questions for the boardroom.
- **The chairperson's guide to climate integrity**  
This guide explores how organisations, guided by their chairs and board members, can earn and enhance trust through the sustainability transition.
- **SEC climate disclosure briefing for board directors**  
The CGI prepared a briefing, including key questions for board directors, related to proposed US SEC climate disclosure rules.
- **XRB guide to transition planning – Questions to get started**  
The External Reporting Board (XRB) released a staff guidance note which explains transition planning, where to start, and some misconceptions to avoid.

## Thought leadership

We produce a regular Chapter Zero NZ newsletter and have a news feed on a dedicated Chapter Zero NZ website and LinkedIn page to share ideas, insights and opinions to influence, inspire and support the climate leadership of directors and boards. We also publish content in the quarterly IoD *Boardroom* magazine, media op-eds and had climate governance as a topic at our annual Leadership Conference.

Climate leadership was one the IoD's [Top 5 issues](#) for directors for 2024 recognising the critical leadership role that boards have in supporting management to adapt in the face of ongoing and more severe weather events and regulatory requirements.

This year we produced and shared articles on a range of topics from nature to behavioural change, SEC disclosures, competition and collaboration, stewardship, climate litigation, transition finance, and aligning governance and investor expectations. Our newsletter readership increased to over 1,750 and our LinkedIn followers more than doubled to over 2,000.

## Relationships

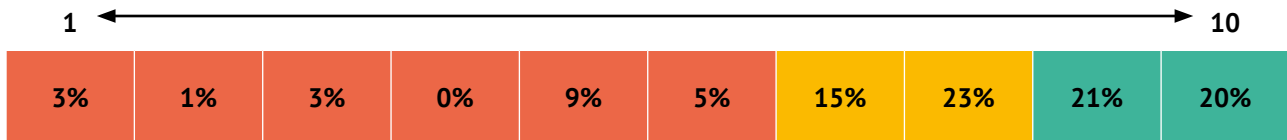
In hosting Chapter Zero NZ, one of our aims at the IoD is to meaningfully contribute to the national climate change efforts. We continue to develop relationships with the public sector, government agencies, academic institutions, think tanks, scientific bodies, along with experts in various disciplines and communities. By engaging with such a broad range of stakeholders, the IoD is able to provide a governance perspective and help 'translate' the growing body of knowledge into relevant and practical guidance for boards.

# 07 Monitoring impact

## Chapter Zero NZ supporters

From 15 to 28 March 2024 a snapshot survey of Chapter Zero NZ supporters was conducted to help us understand how we can best support the governance community to drive climate action.

On a scale of 1 to 10, with 1 being not at all likely to recommend to 10 being very likely to recommend, over 79% of respondents were likely or very likely to recommend Chapter Zero NZ to other directors.



Throughout the year, Chapter Zero NZ delivered a range of different activities designed to help supporters. Supporters were asked to rate the performance of these activities from poor to excellent.

	Poor	Fair	Good	Very good	Excellent
Practical tools & resources	4%	9%	25%	54%	8%
Good practice examples	4%	9%	31%	42%	14%
Helping to form a supportive network	4%	8%	26%	39%	23%
Linking directors to international knowledge	4%	11%	19%	52%	14%
Linking directors to domestic knowledge	6%	6%	17%	52%	19%

Below is the impact that Chapter Zero NZ supporters felt that our activities had on their governance.

	Disagree strongly	Disagree	Neutral	Agree	Agree strongly
Feel more accountable	3%	8%	32%	49%	8%
Feel more informed	3%	6%	19%	57%	15%
Feel more confident	3%	6%	29%	57%	5%
Better able to use information	4%	8%	31%	49%	8%
Supports board-level change	3%	8%	41%	39%	9%
Enables greater collaboration	3%	18%	31%	43%	5%
Act on risks and opportunities	3%	8%	38%	42%	9%
Strategic integration of climate	3%	9%	34%	40%	14%

## Director Sentiment Survey

The IoD's annual *Director Sentiment Survey* has been collecting data for 10 years from directors on a range of issues. The survey provides insights into the focus areas, priorities, and issues for the governance community. The data collected in the Director Sentiment Survey forms part of our baseline data for measuring climate governance and Chapter Zero NZ impact.

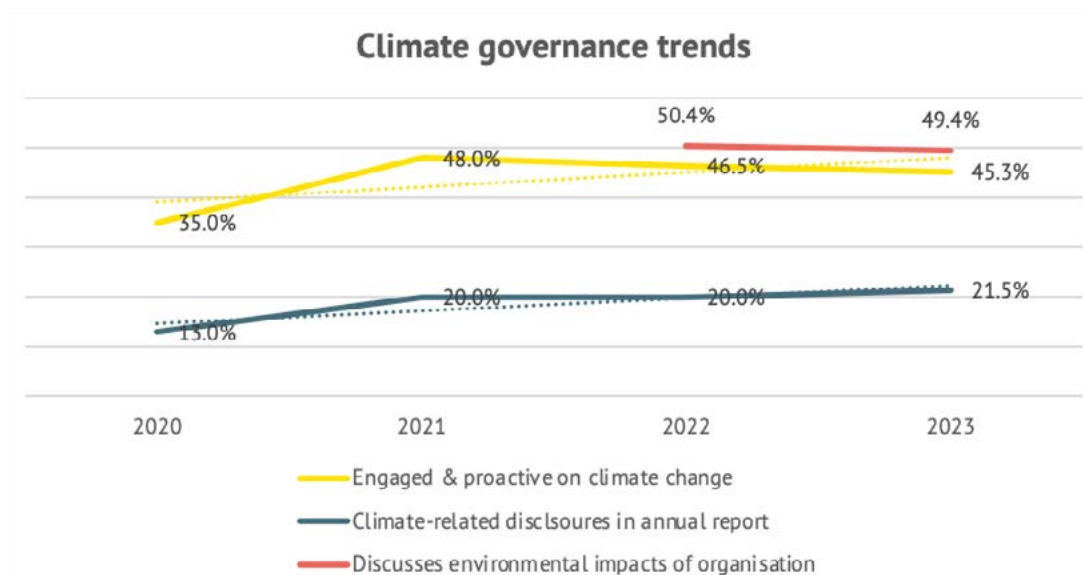
### Economic performance

Climate change has slightly increased in priority over the past four years that data has been collected of biggest impediments to national economic performance, from 8% in 2020 to 11% in 2023. The key impediment in 2023 was cost of living/inflation (44.5%), replacing labour capacity and capability which had been the top issue in 2022 and 2021 (55.3% and 57% respectively), with Covid impact as the top issue in 2020 (55%). Only 2.9% identified climate change as the biggest organisational risk, ranked at 10<sup>th</sup>.



### Issues facing boards – 2023 results

- Directors were asked to choose the top issues their boards were paying attention to. Stakeholder expectations was the top issue again in 2023 at 54.6%, and the increasing impacts of climate change was 5th at 28.7%.
- 49.4% of respondents reported their boards regularly discuss environmental impacts, slightly down from 50.4% in 2022.
- 45.3% of directors said their boards were engaged and proactive on climate change up from 35% in 2020, but slightly down from 46.5% in 2022 and 48% in 2021.
- Despite this, only 21.5% said they included climate-related disclosures in their annual report, albeit well up from 13% in 2020.



### Overall

As we broaden the reach of Chapter Zero NZ and the climate governance work of the IoD, we hope to see climate governance trends improve over time. While not the primary focus, environmental considerations are present in board discussions, however, there remains a gap between awareness and integrating climate change into strategic planning and reporting. This strategy-action gap is also highlighted in the recent Climate Governance Initiative impact report summarised below.

# CGI Global impact survey

The Climate Governance Initiative released their first *Global Impact Study* report April 2024 highlighting director perspectives from across the globe from a survey with 440 responses and 29 qualitative vision interviews conducted by Kantar on behalf of the CGI throughout November 2023.

## Vision interview, New Zealand

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*“As a person of influence, it’s a responsibility and duty of care to positively influence climate change.”*

The survey found that, globally:

- 90% of board directors believe it is the board’s responsibility to influence the organisation’s direction on climate action
- 93% of board directors believe the board is able to influence the organisation’s direction on climate action
- 41% regard regulation and compliance as the primary driver of climate action
- 86% see climate as an opportunity for businesses and a driver of innovation
- 81% see climate as driving new forms of collaboration and partnerships
- 77% consider climate change will transform their business model over the longer term

## Strategy action gap

While directors feel they have influence on company strategy, particularly in relation to net zero, and over half feel their businesses are focused on strategy development in this space, they see less progress on implementation including stakeholder engagement, product development, employee training, and remuneration and incentivisation. Eighty-nine per cent of directors agree that climate requires new forms of thinking and leadership from the boardroom, the executive and the workforce.

## Barriers to progress

Four key interrelated barriers to progress were identified:

- Lack of prioritisation at the board level (with short-term objectives taking precedence), 46%
- Lack of knowledge, 40% (uncertainty on regulation/standards and lack of subject-matter awareness)
- Absence of financial incentives, 27%
- Absence of a committee/appropriate governance, 15%

## Inspiring action

- 28% of directors said their actions in the boardroom have been assisted by their local chapters. This increases to 57% for directors who are highly engaged with their local Chapter
- 75% of directors said they valued networking, thought leadership and events

## Vision interview, Canada

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*“The most effective way of changing mindsets is changing the conversation from risk to opportunity.”*

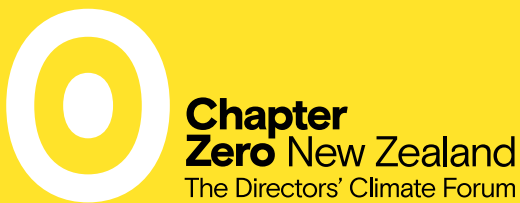


Chapter Zero NZ hosted four breakfast events attracting over 1350 attendees. The events included keynote addresses from former Prime Minister of New Zealand, Rt Hon Chris Hipkins and current Prime Minister Christopher Luxon, plus panel discussions exploring a number of critical areas of climate governance. Members of the Chapter Zero NZ Steering Committee played key roles at these events.

# About Chapter Zero New Zealand

The Institute of Directors New Zealand (IoD) is proud to be the host of Chapter Zero New Zealand, the national chapter of the Climate Governance Initiative (CGI). This global network seeks to mobilise, educate and equip directors with the skills and knowledge necessary to address climate change at the board level.

Chapter Zero NZ is grateful for the support of our key partners who provide guidance and expertise to help us serve the director community.



Hosted by



[chapterzero.nz](http://chapterzero.nz)

Thanks to our Foundation Partners

The logo for ākina features the word "ākina" in a bold, lowercase, sans-serif font.

The logo for Anthem features a stylized trumpet icon above the word "Anthem" in a serif font.

The logo for DENTONS features the word "DENTONS" in a bold, uppercase, sans-serif font, enclosed within a purple arrow-shaped graphic pointing to the right.

The logo for KPMG features the word "KPMG" in a bold, uppercase, sans-serif font, with each letter contained within a separate blue square.

The logo for Hobson Leavy Executive Search features a stylized 'H' icon above the text "HOBSON LEAVY" in a bold, uppercase, sans-serif font, with "EXECUTIVE SEARCH" in a smaller font below it.