



Hosted by



Chapter Zero New Zealand Impact report 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 wellbeing.*

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Produced April 2025

Chapter Zero New Zealand

01 Welcome

This impact report provides an opportunity for the Institute of Directors (IoD) to reflect on the progress of Chapter Zero NZ, to celebrate our successes and identify the areas where we can enhance our impact. It covers the 10-month period to 31 December 2024 to align future impact reporting with the IoD's financial year.

Chapter Zero NZ, the IoD's climate forum, was established to inform and support directors to respond to the challenges of climate change. We are pleased with the increasing engagement of Chapter Zero NZ supporters and directors in climate governance.

Collaboration is one of our strengths, and our thanks go to the Chapter Zero NZ Steering Committee who volunteer their time and immense experience across a broad range of sectors to help guide this work.

We are also extremely grateful for the ongoing support and expertise of our Foundation Partners – The Ākina Foundation (impact), Anthem (communications), Dentons Kensington Swan (legal), Hobson Leavy (recruitment) and KPMG (advisory) as well as sponsor ASB.

Alongside our many collaborators and technical advisors, our Working Group continues to provide a wide range of subject-matter expertise, insight and experience to support our kaupapa.

The Ākina Foundation

As one of our five founding partners, The Ākina Foundation has been with us since day one of our journey to help us measure our impact on climate governance. After 17 years of working to support a sustainable, prosperous and inclusive Aotearoa, The Ākina Foundation will cease operation as of 30 April 2025.

We are very grateful to The Ākina Foundation for their work in helping us to understand how we can best make an impact and our different areas of influence.

The Ākina Foundation worked with the Steering Committee to develop our impact model in 2022, and to revise and refresh the model last year.

Producing an impact report has been another key area of learning for us. Unlike an annual report, because it isn't just a historic reflection, we also use it to understand the areas where we need to improve or provide additional support.

At Chapter Zero NZ, we see governance as an ongoing journey—and we know it's vital to bring everyone with us. Our impact report offers a valuable prompt to reflect on who we've reached, who we haven't, and to consider the reasons behind those gaps.

Dame Therese Walsh DNZM, CFInstD
Chair, Chapter Zero NZ Steering Committee

Kirsten (KP) Patterson MNZM, CMInstD
Chief Executive, Institute of Directors

Chapter Zero New Zealand Steering Committee



Dame Therese Walsh
DNZM CFInstD



Abby Foote
CFInstD



Caren Rangi
ONZM MInstD



Dr. Charles Ehrhart
(until 30 September 2024)



John McMahon



Jonathan Mason
CFInstD



Julia Hoare
CFInstD



Laurissa Cooney
CMInstD



Mark Verbiest
CFInstD (joined
30 September 2024)



Phil Veal
MInstD



Scott St John
CFInstD

02 About us

Our vision:

“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.”

Chapter Zero NZ is the IoD's climate forum, a special interest group established as part of the Climate Governance Initiative (CGI), a global network that brings together 33 chapters across the globe.

As hosts of the New Zealand chapter, the IoD aims to support directors to meet their fiduciary duties by providing a range of practical insights, resources, training and events, and a community of peers both national and global, from which to gain and share knowledge and experience.

In doing so, we seek to support directors and boards to gain the confidence and skills, tools and processes they need to steward their organisations through the challenges of climate change.

As part of our commitment to enhancing climate governance, joining Chapter Zero NZ is free for all members of the director community, not just IoD members.

Our supporters are committed to ensuring their companies are fit for the future, managing risk, seizing opportunities, and that emissions reduction targets are established, monitored and ideally being reported on (internally and/or externally).

We have three strategic goals that guide our activities:

- **Goal 1:** New Zealand 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.

Foundation Partners



Partner



Working Group, Collaborators and Technical Advisors: Ākina, Anthem, Bell Gully, Deloitte, Dentons New Zealand, EY, Hobson Leavy, HR Institute of New Zealand, Kantar, KPMG, Ministry for the Environment, Sustainable Business Council, The Aotearoa Circle, Toitū Tahua – Centre for Sustainable Finance and XRB.

03 Year three highlights*

*For the period 1 March to 31 December 2024

2,400+

Chapter Zero NZ
supporters

37%

increase in Chapter Zero NZ
supporters

2,800+

followers on **LinkedIn**

1,610+

attendees at events

15

in-person events hosted

Four on-line events
hosted

130+

participants on Climate
Change Governance
Essentials course

Hosted inaugural
one-day Climate Forum

49

on-line board
toolkit scorecards completed

Published four
bespoke resources

2,699

resource downloads

Over

68,300

website visits

04 Our Impact Model



Chapter Zero NZ's impact can be understood through different layers, each representing a distinct level of influence. Our activities primarily focus on the director change layer, where we have the most control. The changes experienced by directors in this layer enable us to influence the subsequent layer, board change. Lastly, the organisational change layer encompasses broader shifts within organisations. It is important to note that changes at this layer cannot be solely attributed to Chapter Zero NZ's activities.

Initially, Chapter Zero NZ focused on building a solid foundation of partners, collaborators, subject-matter experts and experienced directors to support our kaupapa. We also worked with our global partners to share and modify resources to support directors to start their climate governance journey.

Year two we grew both internally and externally, to enable more bespoke resources to be produced to specifically meet the needs of New Zealand directors and expanded our reach through more events.

For the past 10 months that this report covers (1 March to 31 December 2024), we focused on further broadening our reach, sharing our resources and articles more widely, and creating more touchpoints, including our inaugural one-day Climate Forum and board toolkit workshops.

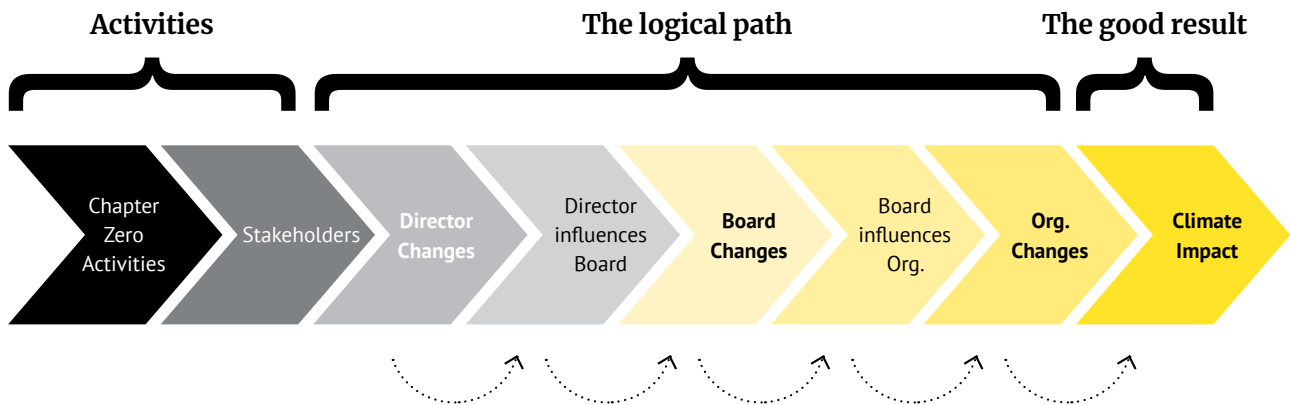
The refresh of our Impact Model guided by The Ākina Foundation has underpinned much of this work and will have a lasting effect as we embed ongoing reviews of our delivery approach to ensure we are producing content and events that meet the needs of directors at differing stages of their climate governance journey.

The revised model (see next page) also acknowledges the growing and interdependent financial and climate issues that organisations are facing.

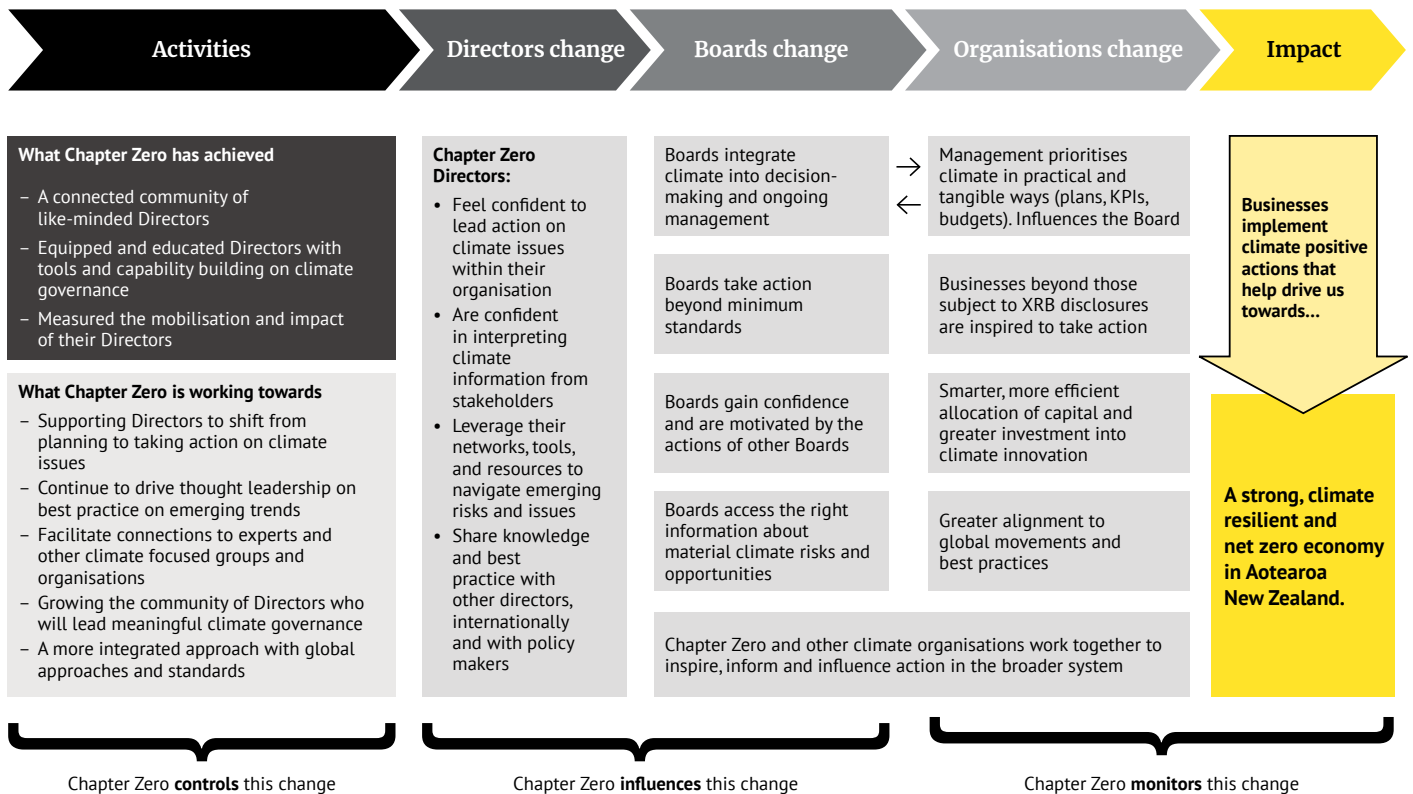
What Chapter Zero is working towards

- Supporting directors to shift from planning to taking action on climate issues
- Continuing to drive thought leadership on best practice on emerging trends
- Facilitating connections to experts and other climate-focused groups and organisations
- Growing the community of directors who will lead meaningful climate governance
- A more integrated approach with global approaches and standards

The core of Chapter Zero NZ's Impact Model



Chapter Zero 2024 Impact Model



05 Supporting change

Supporting directors

To support a strong, climate-resilient and net-zero economy in 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 and confidence.

We aim to ensure directors:

- a) **Feel confident to lead action on climate issues within their organisation:** Through curated events, thought leadership and bespoke resources, we help directors build the confidence to ask the right questions, set strategic direction and lead on climate at a board level.
- b) **Are confident in interpreting climate information from stakeholders:** We demystify climate-related disclosures, regulatory updates and investor expectations, giving directors the tools to engage with climate data and integrate it into board decision-making.
- c) **Leverage their networks, tools and resources to navigate emerging risks and issues:** We connect directors to practical tools, peer events and up-to-date resources that support informed responses to emerging climate risks, sector shifts and market trends.
- d) **Share knowledge and best practice with other directors, internationally and with policymakers:** We create opportunities for directors to contribute to national and international dialogue, share lessons learned, and bring the boardroom voice into climate and policy conversations.

Supporting boards

In the 'boards change' layer of our Impact Model, we anticipate directors taking their climate lessons and conversations back to their boards.

The desired outcomes are:

- Boards integrate climate into decision-making and ongoing management
- Boards take action beyond minimum standards
- Boards gain confidence and are motivated by the actions of other boards
- Boards access the right information about material climate risks and opportunities
- Chapter Zero NZ and other climate organisations work together to inspire, inform and influence action in the broader system

a) Leading action on climate issues

Bespoke Resources

Effective climate governance – remuneration and incentivisation

This guide offers practical steps and principles for integrating climate-related metrics into executive incentive schemes, drawing on expert insights and global research. Developed by Chapter Zero NZ with Hobson Leavy Executive Search and KPMG and supported by EY and the Human Resources Institute of NZ, it explores trends, behaviours and aligning remuneration with climate goals.

Transition planning – a guide for directors

This guide introduces directors to transition planning – an integrated, long-term process to adapt business models to climate risks and opportunities. Developed by Chapter Zero NZ and XRB with help from Aurecon and KPMG, it aims to support boards to align strategy, protect value, and lead low-emissions, climate-resilient transformation.

Lessons from the front line

Developed in partnership with KPMG, this guide provides insights from New Zealand's first mandatory climate reporters. Drawing on the experiences of directors, preparers, and users of climate disclosures, this guide shares practical lessons and advice to help organisations navigate climate reporting and generate strategic value from it.

Climate scenario analysis

Produced in conjunction with KPMG, The Ākina Foundation, XRB, and the Ministry for the Environment, this resource was created to support directors in the effective use of climate scenarios. It explains how scenario analysis helps boards assess future climate risks and opportunities to build more resilient strategies and business models.

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. Toolkit workshops were held in Christchurch, Invercargill and Auckland.

Through the IoD branch network, two climate governance events were also run in Christchurch, one on natural catastrophes and climate risk and one on COP29, and another in Palmerston North on risks and opportunities.

Foundation partner Anthem also ran climate crisis communications workshops in Christchurch and Wellington.

We also hosted or participated in webinars on a range of topics, including **leading in a crisis, counting nature**, and engaging in the sustainable finance strategy.

Thought leadership

We produce a monthly Chapter Zero NZ newsletter and have a dedicated website and **LinkedIn** page to share ideas, insights and opinions. These help to inform, inspire and support the climate leadership of directors and boards.

We also publish climate-related content in the quarterly IoD **Boardroom** magazine and in the CEO's fortnightly *Director Download* e-newsletter.

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 legislation and liability to climate-related disclosures, not-for-profit climate leadership, economics, transition planning, supply chain decarbonisation, policy, greenwashing, stakeholder leverage, collaboration, leading in a crisis, international regulations, energy transition and more.

Our newsletter readership increased 22 per cent to over 2,130 and our LinkedIn followers increased by 40 per cent to over 2,800.

“Climate change is the existential threat of the 21 st century. You’re not doing your job as a director if you’re not thinking about the medium and long-term risks associated with climate change, here and overseas.”

– Jonathan Mason CFInstD



b) Gaining confidence in interpreting climate information

Professional development

Climate Governance Forum

This year we were hosted our inaugural Climate Governance Forum, a one-day conference to connect with directors and hear from leaders in climate governance and subject matter experts about the board's role in addressing climate change. The Forum was held on-line and in-person, and was available on demand on the Chapter Zero NZ website.

Sessions throughout the day included how to leverage opportunities and manage the physical and transition risks of climate change, including balancing the various tensions such as short-term viability, long-term sustainability, maintaining social license and changing stakeholder demands around your board table.

A **Climate Forum Reader** featuring select articles and resources was prepared to help directors and their organisations.

“You can’t ignore climate change. It will impact on your business one way or the other. Either the world will rapidly reduce emissions – which will hurt some sectors a lot, or face a very different climate – which will hurt everyone.”

– **Rt Hon Simon Upton, Parliamentary Commissioner for the Environment**

Climate Change Governance Essentials course

The Climate Change Governance Essentials (CCGE) course is a must for anyone wanting to gain a deeper understanding of climate change governance.

The course received accreditation from the Climate Governance Initiative. As a CGI-approved course, the CCGE has undergone a robust independent review process to ensure it is highly relevant for directors, practical and up to date.

Delivered in a new blended course format, participants are provided a range of tools, resources and information as well as a case study to apply your new knowledge in a group workshop. Over 130 directors attended the CCGE course since its launch in February 2024.

c) Leveraging networks, tools and resources

Climate for breakfast – events

We ran four breakfast events in Auckland with over 1,340 attendees exploring a number of critical areas of climate governance.

In March 2024 we welcomed Finance Minister and (then) Associate Minister for Climate Change Hon Nicola Willis, who outlined a **market-based approach to climate policy**.

Our August event featured a keynote from Minister of Climate Change Hon Simon Watts, who discussed the **role of the private sector** in addressing climate change. This was followed by a panel discussion which focused on climate change collaboration between the board and CEO, with a panel of CEOs – Vittoria Shortt ASB, Malcolm Johns Genesis Energy and Miles Hurrell Fonterra.

In September we hosted a breakfast on **Decarbonising the supply chain** on day two of the Climate Change and Business Conference, bringing together a panel comprising experienced directors Abby Foote CFInstD, Cassandra Crowley and Richard Leggett and facilitated by Alec Tang. They discussed the pivotal role of the board in driving decarbonisation of the organisation's supply chain by understanding and addressing key aspects of sustainability.

The keynote speaker for our November breakfast was Rt Hon Simon Upton, Parliamentary Commissioner for the Environment. He discussed some of the “unpalatable environmental realities” that businesses needed to face up to and some of the **(in)convenient truths** of the environment and economics.

We were also joined at our last breakfast of the year by **Dr Rod Carr** CFInstD, outgoing Chair of He Pou a Rangi – Climate Change Commission, who urged directors to “be brave” and lead on climate change.

Steering Committee

Chapter Zero NZ is guided by a Steering Committee made up of business leaders who volunteer their time, energy and expertise 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.

In addition, they support our events, advocacy and networking through connecting directors with Chapter Zero NZ, speaking at events, conferences and on webinars, and identifying key areas of interest for directors.

Working Group and collaborators

Chapter Zero NZ is supported by a Working Group made up of representatives from foundation partners, technical advisors and other organisations supporting climate change transition and knowledge-sharing 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 the production of our resources and webinars and sharing with their networks. 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, and there are now 33 chapters. Being part of this network provides an opportunity for collaboration and knowledge-sharing across the global network.



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 and 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.

Working with and supporting other organisations with understanding the role of directors, supports them in their development of information and resources. Similarly, it helps us to further support the board/management relationship and need for collaboration and co-leadership.

IoD Leadership Conference – Think, act, thrive

Dr Rod Carr CFInstD, (then) Chair of He Pou a Rangi – Climate Change Commission was the opening keynote speaker for the IoD's annual leadership conference. Dr Carr spoke as a fellow director, New Zealander, parent and grandparent about the impact of **decisions directors make**, and how they are literally writing our future.

We are immensely grateful to Dr Carr for his support of Chapter Zero NZ over the past three years and appreciate all the work he has done to support the governance community to understand and action climate transition.

“The mantle of responsibility has now moved to the business sector which, in its own self-interest, should now seek out the opportunities to develop a low-emissions economy.”

– **Dr Rod Carr** CFInstD, former Chair of He Pou a Rangi – Climate Change Commission

d) Sharing knowledge and best practice

Advocacy and support

Our submission and advocacy work is an important means to ensure climate governance is heard in the development of climate legislation, regulation and policy.

In September 2024 we sent a letter to Minister Bayly (then Minister of Commerce and Consumer Affairs) and Minister Watts (Climate Change) raising concerns about director liability, particularly criminal liability for directors, as well as some of the overlapping assurance areas. In our letter we firmly reiterated our support for climate-related disclosures and met with the Ministers alongside other key stakeholders to discuss the concerns further.

In October 2024 the XRB released a consultation document looking at arrangements to ease certain disclosure and assurance requirements. We did both a separate submission and a joint submission with the Sustainable Business Council, Climate Leaders Coalition and Centre for Sustainable Finance.

- **Legislation and liability: Striking the balance for effective climate disclosure**
- **Having our say on amendments to Climate and Assurance Standards**
- **Mandatory climate reporting: Experiences from year one of New Zealand's regime**

Knowledge exchange

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

- **Protecting New Zealand's competitive advantage**

Prepared by Aotearoa Circle in conjunction with Chapman Tripp, the report provides a snapshot of global sustainability reporting and trade trends.

- **State of climate investment in Aotearoa New Zealand**

The investment sector needs to accelerate climate action according to a report by the Investor Group on Climate Change, Toitū Tahua: Centre for Sustainable Finance and Mindful Money.

- **Principles for setting climate targets**

A guide produced by the Climate Governance Initiative Australia providing guiding principles to support boards setting climate targets.

- **Navigating environmental standards**

A guide to navigating environmental advertising standards that provides an overview of the laws in 23 major jurisdictions produced by DLA Piper.

06 Monitoring impact

Director Sentiment Survey 2024

The annual *Director Sentiment Survey* produced by the IoD and ASB has been collecting data from directors for 11 years on a range of issues. The survey provides insights into the focus areas, priorities, and issues for the governance community. The 2024 survey was conducted from August to September 2024.

In addition to monitoring key metrics such as growth of supporters and event attendance (refer page 5), the *Director Sentiment Survey* is used to measure and monitor climate governance and Chapter Zero NZ impact more broadly across our 10,500+ members.

Economic performance

Directors chose up to three factors they viewed as being the biggest impediments to national economic performance. The top three impediments were cost of living/inflation (41.6 per cent), global economic growth/geopolitical uncertainty (33.2 per cent) and productivity (32.3 per cent). With financial viability and political headwinds creating uncertainty, 6.5 per cent of directors considered climate change was the top impediment to national economic performance, down from 11 per cent in 2023.

Demand (14.7 per cent), political/policy uncertainty (14.5 per cent) and cost of living/inflation (10.6 per cent) were the three highest organisational risks. 1.3 per cent of directors chose climate change as the single biggest organisational risk they face, down from 2.9 per cent in 2023.

These results reflect the growing number of challenges directors are facing and the financial and geopolitical pressures they are balancing.

Focus areas

Directors were provided an open-ended opportunity to reinforce and/or elaborate on any issues already raised, or to introduce any new issues of primary focus for their boards through to the end of 2025. From the 4,745 responses provided to this question, 10 key themes emerged, with sustainability and climate change being the tenth issue.

There were, however, two interesting correlations. One between technology/ innovation and sustainability/ climate change – whereby directors prioritising sustainability are also interested in technology and innovation – and a second between sustainability/ climate change and financial management – suggesting that directors that prioritise financial management are also considering sustainability.

Strategic issues

Directors chose up to three key strategic issues their boards were paying attention to. Ongoing financial pressure and reduced demand are making the balance between short-term viability and long-term issues hard to juggle.

- 57 per cent of directors chose balancing short-term viability with long-term issues as the key strategic issue their board was paying attention to (a new measure included in 2024).
- Changing stakeholder expectations and behaviours fell to number two (46.9 per cent), having been the top strategic issue for the past two years.
- 16.3 per cent of directors said the increasing impacts and costs of climate change was one of the top strategic issues their board was paying attention to.

Of note, climate change was the number one issue for Māori organisations, the only organisation type that put climate change within its top three.

Sustainable finance was the number one issue for NFP organisations with its only other ranking in the top three being for government organisations at third.

Climate and the environment

Short-term pressures pushed climate change further back this year as, for some, either the pay offs were seen as too far in the future, or the opportunities and risks were yet to be quantified.

- 45.8 per cent of respondents reported their boards regularly discuss environmental impacts, down from 49.4 per cent in 2023.
- 41.6 per cent of directors said their boards were engaged and proactive on climate change down from 45.3 per cent in 2024.
- 19.9 per cent said they voluntarily reported on climate-related risks.¹
- 28.5 per cent of directors said the potential legal risk of climate-related disclosures or reporting (e.g. greenwashing) was an increasing concern for their boards.
- 18.5 per cent of respondents said their boards were assessing the use of technology/AI to support their climate change response (new measure for 2024).

Directors acknowledged that they are not confident they have appropriate risk management processes in place, and are identifying skill and capability gaps on their boards. Less than half (48.7 per cent) indicated their boards have the skills and experiences needed to meet the increasing risks and complexity of the current operating environment.

There were some significant organisational variances, with Māori organisations, publicly listed companies and local authorities the most engaged.

Not-for-profit insights

Nearly one-third (28.1 per cent) of respondents to the *Director Sentiment Survey* were directors from not-for-profit organisations. The separate **Not-for-profit Insights** report highlights notable variations between NFP directors and all other respondents ('All').

- 35.8 per cent of NFP directors reported their boards regularly discuss environmental impacts in comparison to 50.5 per cent for All.
- 29.9 per cent of NFP directors said their boards were engaged and proactive on climate change in comparison to 47.9 per cent for All.
- 7.9 per cent of NFP respondents said their boards were assessing the use of technology/AI to support their climate change response in comparison to 22.4 per cent for All.

Overall

Climate change continues to present itself as an enduring issue for boards, but one that can, especially in times of financial stress, find itself on the backburner. The complexity of the challenge, pace of change and time horizons are significant impediments to action.

The results from the *Director Sentiment Survey* align with the broader global picture, with financial and geopolitical challenges dominating the focus within boardrooms. In the annual Global Risks Report the impacts of climate change and weather-related events have remained a near-term (five to 10 year) risk for the past 10 years, despite it now being a short-term risk.

¹ Of note, while this is a reduction of 1.6 percentage points from last year, due to the increased sample size, plus the introduction of mandatory reporting, the number of directors who said their organisations undertook voluntary climate-related disclosures increased.

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 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.



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Thanks to our Foundation Partners

