



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

Hosted by



# Chapter Zero New Zealand Impact report

March 2022 - March 2023

Created in partnership 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.*

# 01 Welcome

Chapter Zero New Zealand was established in 2022 by the Institute of Directors to respond to the growing concerns of directors about the devastating impacts of climate change facing their boards. By aligning with the international Climate Governance Initiative and developing relationships with a range of local experts, Chapter Zero NZ is able to respond to this concern by providing directors with a range of practical tools, resources, events and a community of peers to share knowledge and experience.

Important groundwork was undertaken in year one to establish the chapter and ensure it has a clear purpose and direction. Our thanks to the members of the Steering Committee 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.

We are grateful for the support of our Foundation Partners who provide guidance and expertise to help us serve the director community: The Ākina Foundation (Impact), Anthem (Communications), Dentons Kensington Swan (Legal), Hobson Leavy (Recruitment) and KPMG (Advisory).

Thank you also to the members of the Working Group, a collection of subject-matter experts working on climate change from a range of different perspectives. This collaborative, Aotearoa-centric approach allows the IoD to work alongside some of the leaders in the climate sector while ensuring a core focus on the difference that directors can make.

This first impact report is an opportunity to reflect on our shared progress in the inaugural 12 months, to celebrate the successes but also to identify the areas where we can enhance our impact.

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

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

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## Chapter Zero New Zealand Steering Committee



**Top row (L-R):** Phil Veal MInstD, Julia Hoare CMinD, Dr Charles Ehrhart, Jonathan Mason CFInstD, Scott St John CFInstD.  
**Front row (L-R):** James Miller CFInstD, Dame Therese Walsh DNZM CFInstD, Laurissa Cooney CMinD, Abby Foote CFInstD.  
**Absent:** Caren Rangī ONZM MInstD

# 02 About us

## Our vision:

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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.”*

Chapter Zero New Zealand is a chapter of the Climate Governance Initiative (CGI), a global network of board directors, in collaboration with the World Economic Forum, committed to taking action on climate change. It is proudly hosted in Aotearoa by the Institute of Directors (IoD).

We aim to build a community of non-executive directors in New Zealand and equip them with the tools needed to address climate change as part of their strategic decision making.

Chapter Zero NZ 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 toward 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.

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## Foundation Partners



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

# 03 Year one highlights

90,000+

page views of [chapterzero.nz](https://chapterzero.nz)

5 Foundation Partners

welcomed to the team

We heard from

40

New Zealand & international experts

850+

New Zealand directors signed up as supporters

1,000+

followers on [LinkedIn](https://www.linkedin.com/company/chapterzero)

Become a supporter now, access resources, guides, and the latest curated climate governance news at [chapterzero.nz](https://chapterzero.nz)

# 04 Our Impact Model

Chapter Zero NZ is pleased to present its first inaugural impact report, emphasising our commitment to transparency and accountability in highlighting the change we aspire to achieve. As an organisation in its early stages, we acknowledge that concrete evidence of our impact may not be readily apparent, particularly over the medium and long term outcomes we seek. However, we are committed to demonstrating our progress over time, starting with this first year which can be seen as laying the groundwork for meaningful change.

## Developing our Impact Model

Our initial year focused on developing our impact model and strengthening our network through collaboration with our foundation partners. We recognise the need for testing and iterating on activities that provide the greatest value and impact for our directors. Our recently completed pulse survey sets our baseline for understanding the challenges and opportunities directors face, and will help to guide where we focus our efforts in future. This iterative approach allows us to refine our strategies based on learnings and insights gained from our ongoing efforts.

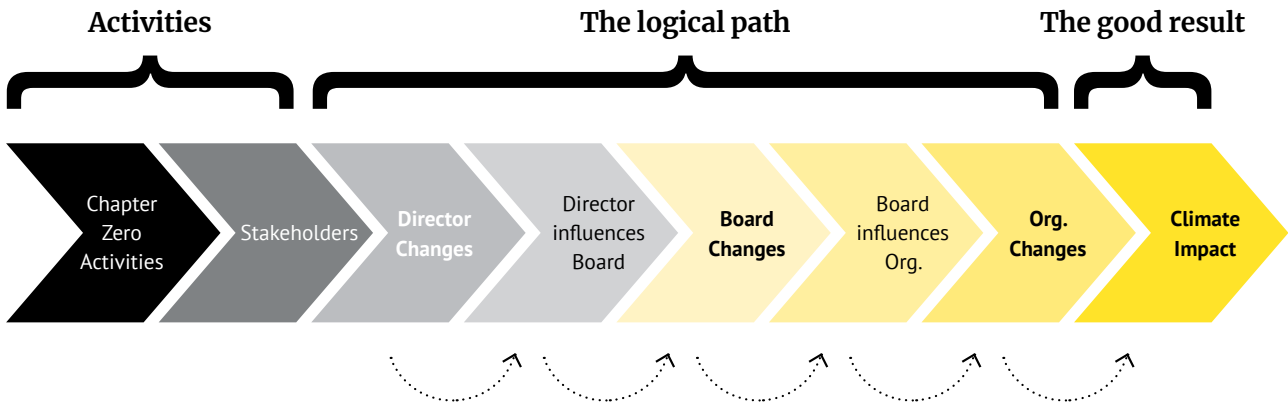
## The role of our Impact Model

An impact model serves as a framework that outlines the activities we undertake, the expected outcomes they generate, and the ultimate impact we strive to achieve. It provides a logical narrative that establishes a connection between specific activities and their resultant impacts. However, it is important to acknowledge that an impact model is not static; it must adapt and evolve as new learnings emerge and are incorporated into our understanding. This approach, known as “impact management,” ensures that observed learnings are recognised, integrated into the model, and inform decision-making and planning to maximise our potential for creating impact.

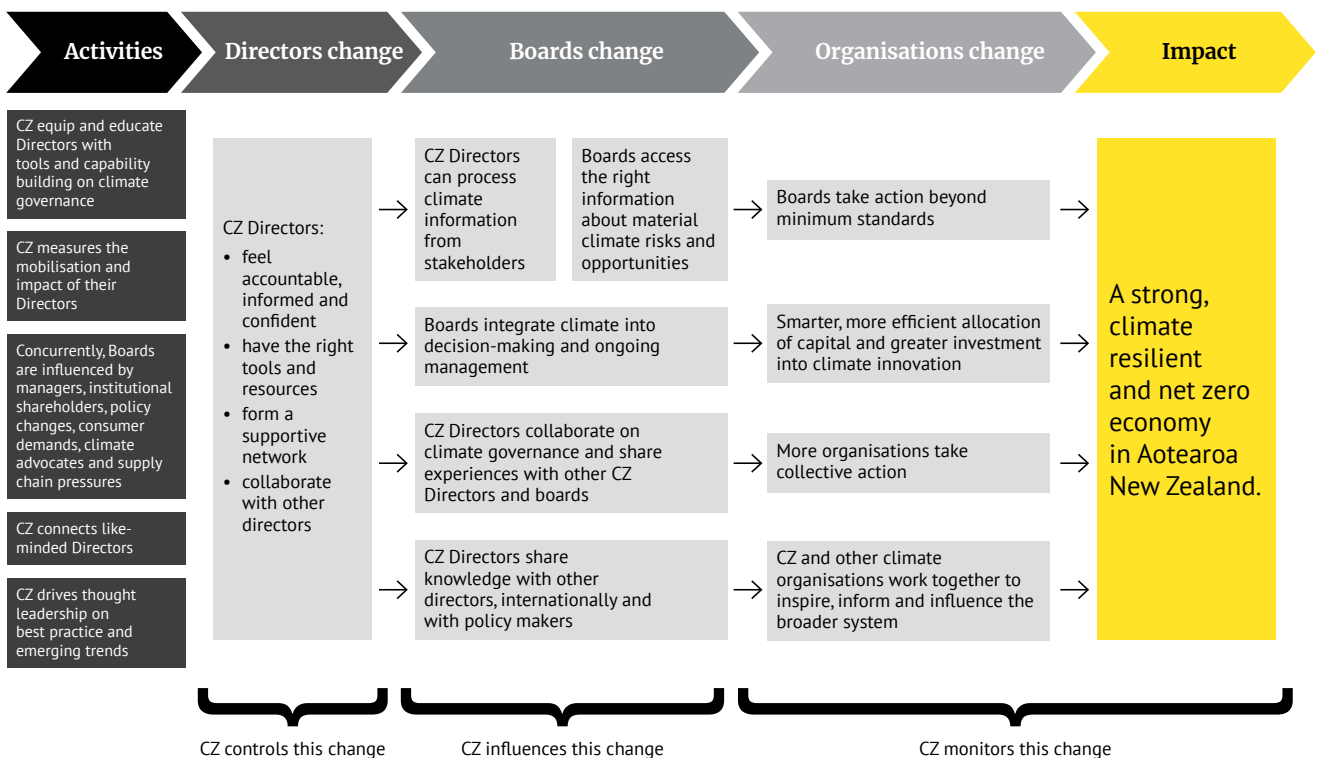
## Chapter Zero NZ’s impact focus

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.

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



## Chapter Zero NZ's Impact Model



# 05 Director change

Chapter Zero NZ's impact is most pronounced in the layer of the Impact Model where it has the greatest potential to influence and effect change, namely through direct engagement with the director community. Our aim is to achieve several desired outcomes for individual directors involved in the initiative:

- **Directors 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.
- **Directors feel accountable, informed and confident:** Through our effects, 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.
- **Directors form a supportive network:** We aim to create a supportive network where directors can connect with one another, share experiences and seek guidance. This network serves as a valuable platform for collaboration and collective learning.
- **Directors 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.

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*“Climate should be a critical element of decision-making across all sectors, so I’m very pleased to see an initiative like this one, which aims to increase board-level understanding of climate change, together with its inherent risks and opportunities.”*

– **Hon. James Shaw MInstD,**  
**Minister for Climate Change**

In the first year, we successfully delivered a comprehensive work plan that encompassed a range of initiatives, including in-person events, online webinars, practical resources and thought leadership. These activities were carefully designed to provide directors with opportunities for engagement, learning, and networking, while equipping them with tools and knowledge to drive positive change within their organisations. The following provides an overview of these activities.

## A warm welcome

The official launch of Chapter Zero NZ on 3 March 2022 received a warm welcome, attracting over 750 attendees. The virtual event featured addresses from Chair of the Chapter Zero NZ Steering Committee Dame Therese Walsh CFIInstD, Chair of the Climate Governance Initiative Katrina Litvack and Minister for Climate Change, Hon. James Shaw MInstD. It also featured a panel discussion with members of the Steering Committee Abby Foote CFIInstD, Julia Hoare CMIInstD, Laurissa Cooney CMIInstD and Phil Veal MInstD.

## Know your number

At the first in-person event in August, Climate Change Commission Chair Dr Rod Carr CFIInstD issued a challenge to the audience of 250 directors. He asked every board to have a clear explanation of their greenhouse gas emissions (aka “your number”) and not to rely on carbon offsets for a net zero strategy. This was reinforced by Deputy Prime Minister and Finance Minister Hon. Grant Robertson who challenged directors to turn good intentions into action, following the roadmap laid out in the Emissions Reduction Plan.

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*“I believe that before the middle of this decade, we will find that claims about environmental impact will have to be scrutinised with the same degree of discipline as claims in prospectuses about financial status and expectations.”*

– **Dr Rod Carr CFIInstD,**  
**Chair Climate Change Commission**



## Climate for breakfast

In December 2022, Chapter Zero NZ was proud to host three influential international speakers - Sir Jonathon Porritt, Professor Tim Jackson and Sam Mostyn AO. Visiting New Zealand as part of the Air New Zealand Sustainability Advisory Panel, Sir Jonathon highlighted the importance for all directors to upskill on climate or become a risk to their organisation's future.

*“There should be no assumption that downstream disclosures will automatically change upstream behaviours. They don't. The point, really, is mandating eye-opening, brain cleansing, illusion-dispelling intelligence.”*

– Sir Jonathon Porritt

## A director lens on the challenge

Throughout our first year, Chapter Zero NZ hosted eight webinar events as part of the 'Director lens' series. In each of these well-attended events we heard from a range of prominent directors on topical issues. Each session featured a subject matter expert on the topic, followed by a case study-style discussion of how different companies and sectors are facing the climate challenge in their boardrooms. Every session included an opportunity for audience Q&A, allowing peer-to-peer conversation and a chance to delve deeper into the topic. Examples include:

- **Growing interest in agriculture**  
The November webinar explored the outcomes of COP27 with Dentons' Global Advisor Jennifer Walmsley and Head of Climate Action from the Sustainable Business Council Kate Wilson Butler. Directors Scott St John CFInstD from Fonterra and Rob Hewett CFInstD from Silver Fern Farms, presented a directors' perspective on integrating climate considerations into strategy in the agriculture sector.
- **Decarbonising air travel**  
The June webinar provided directors with a deeper look into the newly released Emissions Reduction Plan with Secretary for the Environment Vicky Robertson MInstD. The session also featured real-world insights and experience from Air New Zealand's emissions reduction strategy shared by Chair Dame Therese Walsh MInstD and director Dean Bracewell MInstD.



IoD Chief Executive Kirsten Patterson CMInstD, Hon Grant Robertson and Dr Rod Carr CFInstD speak at the Chapter Zero NZ breakfast event, August 2022 (Photo: Geoff Osborne)

# 06 Board change

In this part of the Impact Model, this is where Chapter Zero NZ can “influence the change”. The desired outcomes are to promote behaviour change at the board-level:

- Directors can process climate information from stakeholders
- Boards access the right information about material and 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

## Tools of the trade

To support directors in their climate governance journey, Chapter Zero NZ focused on the delivery of a number of practical resources. With input from a range of Foundation Partners and members of the Working Group, these resources have been designed specifically for a New Zealand audience, focusing on some of the key issues facing directors. Examples include:

- **Climate-related disclosures directors preparation guide**

Created by the External Reporting Board (XRB) and Financial Markets Authority (FMA), this guide is intended to provide directors with a quick reference for the Aotearoa New Zealand climate-related disclosures regime. The first edition was released as part of the consultation process in May 2022, with a further update when the standards were finalised in December 2022.

- **Chapter Zero NZ Climate Lexicon**

This resource clarifies the language and terminology for directors wanting to improve their climate literacy. Produced by Anthem, official communications partner of Chapter Zero NZ, the Lexicon is divided into four sections: environmental sustainability, emissions reduction and management, international reporting and frameworks; and the New Zealand agenda.

- **Chapter Zero NZ Board Toolkit**

The Board Toolkit provides directors with a simple yet 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 and support for climate action, including small and medium-sized enterprises and not-for-profit organisations. The toolkit contains questions for directors to consider, checklists and options for deeper reading, along with an interactive scorecard tool to help boards assess their current approach and promote further conversation. This resource was released to mark the one-year anniversary of Chapter Zero NZ.

Chapter Zero NZ resources are founded on the **World Economic Forum’s Principles of Effective Climate Governance**. These eight 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.

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*“The principles are intended to enhance the discussions on climate competence of directors to the extent that climate risk considerations become embedded in normal board processes. This should enable better-informed investment decision-making, more systemic thinking and an integrated approach to crafting and implementing business strategy that is informed by consideration of climate impacts in both the short and long term.”*

– World Economic Forum

Thanks to the following NZX Top 200 companies who have over half of their directors engaged as Supporters: Air New Zealand, Mercury, ASB, Meridian, NZX, Freightways and Vista

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*“Maybe the minimum doesn’t have to be enough. If you just do the minimum, you will sell your business short, you will sell New Zealand short and you will sell the planet short.”*

**– Hon Grant Robertson, Deputy Prime Minister**

# 07 Organisational change

This part of the Impact Model is where Chapter Zero NZ can “monitor the change”. At this level, it is expected that the work done to support and influence directors and boards will result in behaviour change at the organisational level:

- Organisations take action beyond minimum standards
- Smarter, more efficient allocation of capital and greater investment into climate innovation
- More organisations take collective action
- Chapter Zero NZ and other organisations work together to inspire, inform and influence the system

## Open door policy

Being hosted by the Institute of Directors allows the chapter to engage with and support the 10,500-strong IoD membership. But it also recognises that climate change is an issue that can only be addressed collaboratively, hence the reason Chapter Zero NZ welcomes all directors and our resources, news and webinars are openly available. We have invited directors to sign up as supporters of Chapter Zero NZ as a way to build a community and allow us to share the most up to date and relevant information through our monthly newsletter. At the end of year one, over 850 directors have signed up.

## A uniquely New Zealand approach

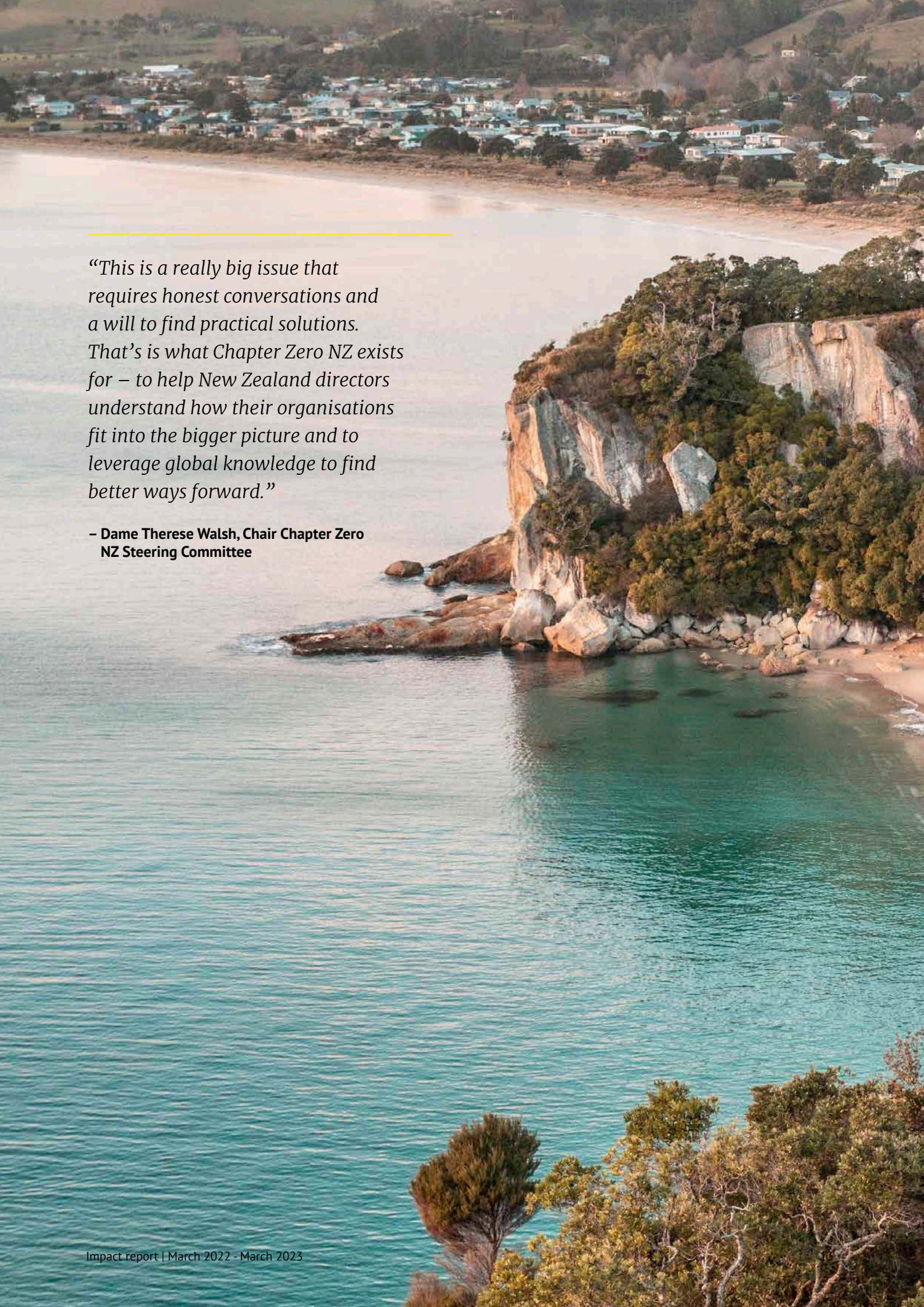
In hosting Chapter Zero in New Zealand, one of the aims for the Institute of Directors is to meaningfully contribute to the national climate change efforts. These relationships include the public sector, government agencies, academic institutions, think tanks, scientific bodies, along with experts in various disciplines and communities. By engaging with such a broad range of stakeholders, the IoD is able to provide a governance voice and perspective to the work and concurrently help ‘translate’ the growing body of knowledge into relevant and practical guidance for boards.

## Part of the global network

When it launched in March 2022, New Zealand was the 20th chapter to join the global Climate Governance Initiative (CGI) and the network continues to grow both in size and maturity. More regular forums and engagement opportunities have been developed in which New Zealand is an active participant and there is regular sharing of content, ideas and experience throughout the network.



Environmentalist Sir Jonathon Porritt addresses the audience of 400 directors at the Chapter Zero NZ breakfast, December 2022 (Photo: Smoke Photo + Video)



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*“This is a really big issue that requires honest conversations and a will to find practical solutions. That’s is what Chapter Zero NZ exists for – to help New Zealand directors understand how their organisations fit into the bigger picture and to leverage global knowledge to find better ways forward.”*

**– Dame Therese Walsh, Chair Chapter Zero NZ Steering Committee**

# 08 Future impact

## Guided by insights

The first **Climate governance pulse survey** conducted in early 2023, provided a useful baseline of climate knowledge and maturity in the New Zealand director community. While only a small sample size, the insights gained from the survey will help to guide our future work planning and allow us to track the impact of this work over time. Key themes from the survey responses included:

- Climate change risk is a significant concern at the governance level with key risks identified around operational disruption and the cost and access to insurance.
- Significant opportunities were identified, including improved business resilience, a measurable impact on reducing emissions, brand reputation and employee engagement.
- Governance-level action is underway but currently focused on emissions measurement and reduction, rather than longer-term strategic thinking and adaptation.
- Pressure to act on climate change is being driven primarily by customers, employees, societal expectations and government regulation.
- Despite recognising significant risks and opportunities, governance-level actions such as scenario planning, research and development, and business continuity planning are not being undertaken.
- Governance practices such as board structure, climate-related reporting, linking remuneration to climate performance and the use of climate scenarios have not yet been widely adopted.
- There is a need for increased individual climate knowledge as well as practical tools and resources for directors to drive and support action.

## A clear focus ahead

In its second year, Chapter Zero NZ will focus on four key areas, aligned with the **World Economic Forum Principles of Effective Climate Governance**. We hope that by narrowing our focus on the topics identified as most topical and challenging for directors, we can provide the most effective and practical support.

- **Board structure:** Principle 3 “As the stewards for long-term performance and resilience, the board should determine the most effective way to integrate climate considerations into its structure and committees.”
- **Climate scenarios (material risk and opportunity assessments):** Principle 4 “The board should ensure that management assesses the short-, medium- and long-term materiality of climate-related risks and opportunities for the company on an ongoing basis. The board should further ensure that the organisation’s actions and responses to climate are proportionate to the materiality of climate to the company.”
- **Incentivisation:** Principle 6 “The board should ensure that executive incentives are aligned to promote the long-term prosperity of the company. The board may want to consider including climate-related targets and indicators in their executive incentive schemes, where appropriate. In markets where it is commonplace to extend variable incentives to non-executive directors, a similar approach can be considered.”
- **Reporting and disclosure:** Principle 7 “The board should ensure that material climate-related risks, opportunities and strategic decisions are consistently and transparently disclosed to all stakeholders – particularly to investors and, where required, regulators. Such disclosures should be made in financial filings, such as annual reports and accounts, and be subject to the same disclosure governance as financial reporting.”



Chapter Zero NZ Steering Committee chair Dame Therese Walsh CMIInstD, IoD Chief Executive Kirsten Patterson CMIInstD, Hon James Shaw MInstD, Minister for Climate Change and panellists Abby Foote CFInstD, Sir Jonathon Porritt, Professor Tim Jackson and Sam Mostyn AO at the Chapter Zero NZ breakfast, December 2023 (Photo: Smoke Photo + Video)

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

Thanks to our Foundation Partners

