

# The Benefits of a Sustainable Business

Resource Sheet | November 2023





# The Benefits of a Sustainable Business

Locally and globally, sustainability is becoming increasingly important to long-term strategies for businesses, their customers and other stakeholders.

From increasing demand for natural resources to economic disparity and climate change, companies now face a complex array of trade-offs and risks across their supply chains. Sustainability can bring wide-ranging business opportunities and has become an important consideration in business strategy.

Use [Docket](#), our free online toolbox, to review the sustainability of your business and your suppliers.





# Benefits include

## 1. Meeting supply chain expectations

Many New Zealand businesses and organisations are starting to ask sustainability related questions when it comes to procurement. For example, there is now increasing competition among businesses to meet procurement requirements for local government. A business which has supply chain transparency is in a stronger position to meet these standards.

## 2. Improved brand value and reputation

Sharing your sustainability story is a marketing tool. Brand reputation or 'goodwill' is one of the most valuable assets a business can have. Your reputation is a form of capital which must be built up as a long-term strategy linked to your purpose. Aligning your sustainability strategy with your product or brand will help you to tap into what the market cares about and reinforce your company's culture.

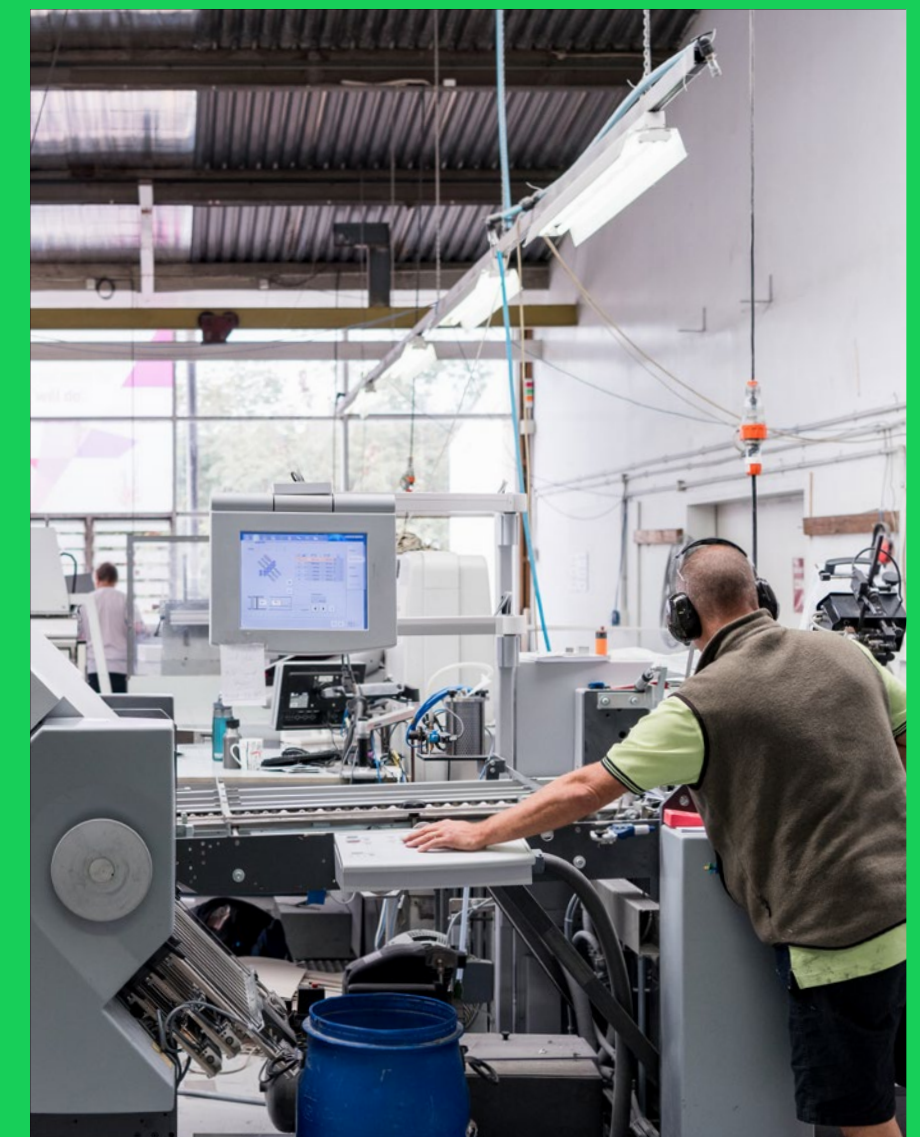
## 3. Meeting consumer demand and marketing advantage

Sustainability issues are becoming mainstream. Kantar's [Better Futures Report 2023](#) reveals more than 50% of Kiwi shoppers look for claims and labels that are environmentally and animal friendly. People want to feel good about what they are buying and where it comes from. A sustainable business will be better placed to meet this growing demand.

To keep up with consumer demand for socially and environmentally responsible products and services, companies must recreate today's products and innovate to create new products. This will differentiate a business from its competition, command higher selling prices, increase customer loyalty and market share, and produce a higher return on investment.

## 4. Providing a platform for innovation

Social and environmental issues present new business opportunities for companies that develop solutions to the challenges we face. Manufacturing, technology, construction, transport, fashion and retail are a few examples of areas where innovation is driving change and, in turn, creating new markets.





## 5. Business continuity and risk management

Sustainability is about protecting your business from the risks of today, while ensuring that it can respond to the challenges and opportunities of tomorrow. It's important to have a long-term outlook to ensure longevity, and to make sure your business remains successful in the future. Aotearoa New Zealand's largest organisations are now required to report on their climate risks and demonstrate how they plan to mitigate and adapt.

## 6. Increased resource efficiency

Many of the resources we previously considered renewable, like forests and fresh water, have become finite as our demands exceed regeneration levels. Businesses need to plan for increasing resource costs in the future, the cost of adaptation to climate change, and requirements to reduce carbon emissions. Embedding sustainability into your business will allow you to do this.

Through the development of more sustainable business practices, efficiency in operations will increase. With better use and conservation of resources, operations will be streamlined, and costs will decrease. Implementing water and energy efficiency initiatives, and recycling, reusing and reducing waste will help you protect your bottom line, while ensuring the sustainability of your business.

## 7. Staff retention and attraction

Employees and job candidates, particularly those from the younger generations, seek work that is meaningful and demonstrates value to society. Two in three UK employees and three in four US employees want to work for a company having a positive impact on the world. Top talent is seeking out employers that have a clear vision for their contribution to a sustainable global economy. Embedding sustainability into your business allows you to attract and retain talent.

## 8. Strengthening stakeholder relations

Stakeholders recognise the value of proactively anticipating, managing and responding to business risks. By having a sustainability policy, you will attract investors who are interested in companies with long-term, sustainable business plans that minimise operating risks and costs in the future.

## 9. Understanding emerging trends in your sector

What are the next big shifts in your sector? In our rapidly changing world, a successful business is one that can effectively manage change. It's important to be able to have a view to the future, and to be willing to adapt to change.



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