



**FUTURE PROOF
FOR SUCCESS**

THE SUSTAINABILITY JOURNEY
FOR NEW ZEALAND'S FOOD AND
BEVERAGE SECTOR



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Important Information

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This report is current as at April 2023 and the details in it are subject to change.

EXECUTIVE SUMMARY

THE FUTURE OF FOOD

By any standards, the food and beverage sector is a New Zealand success story. The sector was responsible for \$42.3 billion dollars in exports in 2022¹ – a staggering 62.8% of total export goods². Through hard work and ingenuity, our food and beverage businesses have given New Zealand a deserved reputation as a safe, trusted and high quality food producer. The world wants what we produce – but the world is changing.

Both opportunities and challenges are abundant for the New Zealand food and beverage sector. Feeding a global population forecast to reach 10 billion by 2050 is likely to require a 50-60% increase in food production from a 2010 baseline.

At the same time, food and beverage producers face a myriad of challenges. Climate change is impacting production and disrupting food supply chains. Input costs are increasing rapidly. Producers are dealing with the introduction of a host of new regulations in both domestic and export markets. Above all, the rise of 'eco-conscious' consumers are driving a huge focus on what is in the food we eat, where it comes from, how it is produced and its impact on the environment.

These factors are reflected in the Ministry for Primary Industries' Draft Industry Transformation Plan. The plan, released for consultation in 2022 identifies three key factors shaping the global food and beverage industry: climate change, consumer preferences and technological progress.

How food and beverage businesses respond to these challenges, and their ability to turn them into opportunities, will shape their future.

This paper explores what the trends in consumer preferences in particular mean for New Zealand food and beverage businesses, their impact on business profitability, and how some kiwi food and beverage producers are meeting the challenges head on to create a successful, sustainable business model.

1. Food and Beverage Draft Industry Transformation Plan, (MPI) 2022

2. The Future of Aotearoa New Zealand's Food Sector, MPI (2023)

A (UN)SUSTAINABLE FUTURE

The world's current food production systems are not sustainable. As noted in a 2022 ANZ report, 'Feeding the world sustainably', agriculture already uses 40% of the world's habitable land, 70% of global freshwater resources, and emits 30% of global greenhouse gas emissions according to the UN's Food & Agriculture Organisation (FAO). Climate change is also impacting food production – according to the US Department of Agriculture (USDA) the impacts of climate change are reducing crop yields by 2.5% per decade. The need for a different approach is increasingly recognised by governments, consumers and the industry itself.

While New Zealand is a highly efficient food producer, it is not immune to the impact of these global trends. For example:

- The environmental impacts of food production are increasingly being priced into operating costs, as New Zealand and other countries look to meet their commitments to reduced greenhouse gas emissions under the Paris Agreement.
- Consumers are increasingly seeking products they can consume without feeling guilty, and which align with their personal values.
- Supply chains are under increasing pressure to meet stringent sustainability standards (for example Tesco, a major British buyer of New Zealand products, has committed to a zero emissions supply chain in which all fresh produce, meat and dairy it sources must be environmentally accredited).

All businesses are under pressure to improve their sustainability performance – and food and beverage businesses are facing more pressure than most. That's why it's increasingly at the top of the strategic agenda for these businesses.

SUSTAINABILITY IN ACTION: SILVER FERN FARMS

For some businesses, sustainability **is** the strategic agenda.

At Silver Fern Farms, sustainability is fundamental to their business, says Chief Sustainability & Risk Officer Kate Beddoe. Silver Fern Farms produces 30% of New Zealand's beef, lamb and venison through its 16,000 farmer partners and export it to 60 countries around the world.

"We're a market-led business and we're seeing a rapid acceleration of key market trends such as the rise of 'conscious consumers' – purpose-driven consumers who want to work with businesses they trust," says Kate. "To succeed, we need to respond to what's happening in our markets – and part of that is rethinking the way we create value."

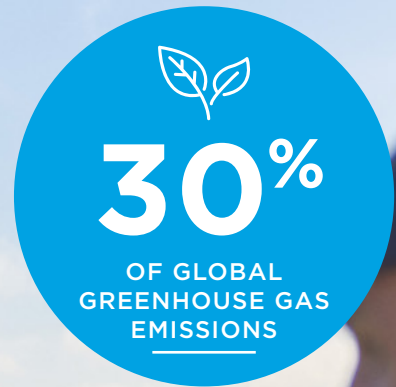
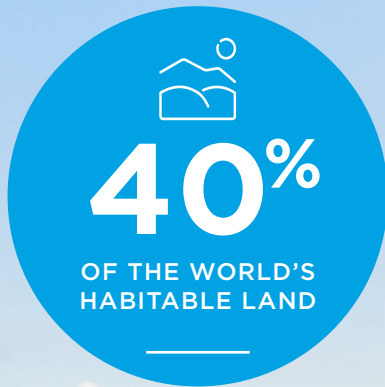
"That process has helped us shape our purpose – 'Creating Goodness from the farms the world needs' – which is at the heart of everything we do.

For us, and for a growing number of consumers, 'goodness' has a broad meaning which encompasses the value we generate, the quality and deliciousness of our product, and the way we look after our people, our communities and the environment."

"That's why we've created a sustainability action plan that addresses all of those elements, with measurable targets that we publicly report on. It's also why we're committed to being a leader in nature positive food production. We believe these commitments and the actions we're taking to meet them are key to building trust in our business, which is increasingly critical to our long-term success."

For more on Silver Fern Farms' approach to sustainability visit silverfernfarms.com/nz/en/our-company/sustainability

IMPACT OF AGRICULTURE GLOBALLY



“FOR US, AND FOR A GROWING NUMBER OF CONSUMERS, ‘GOODNESS’ HAS A BROAD MEANING WHICH ENCOMPASSES THE VALUE WE GENERATE, THE QUALITY AND DELICIOUSNESS OF OUR PRODUCT, AND THE WAY WE LOOK AFTER OUR PEOPLE, OUR COMMUNITIES AND THE ENVIRONMENT.”

Silver Fern Farms Chief Sustainability & Risk Officer, Kate Beddoe

WHAT DOES SUSTAINABILITY MEAN IN PRACTICE

Sustainability can mean different things to different people. For many, the focus is on the environment, and having as light an impact as possible. But sustainability also encompasses social issues such as building strong communities, human rights, labour practices and employee welfare, animal welfare, traceability (knowing where the product you're buying comes from), and the impact on future generations.

For William Beetham, Managing Director of Beetham Pastoral which operates two farms east of Masterton, sustainability is a holistic approach that's integral to every aspect of the business.

"Sustainability to us means understanding that we're just one small dot in a very long chain – and ensuring that future generations have the same opportunities as we do," says William. "And to achieve that, we have a set of values that we wrap around every business decision we make."

"The first is around people and community – without a strong community we can't succeed now or in the future. The second is around the environment – balancing the need to be profitable while continuing to protect and enhance the environment that nurtures us. And the third is around animal welfare – accepting responsibility for them and respecting their natural instincts and behaviours. What it also means is taking a long-term view – it's not about being a top performer for 1 or 2 years but for the next 50 years."

That long-term perspective is reflected in the way the business is set up and managed. "We needed systems in place to protect it for future generations, so it's an independent business and I get paid a salary rather than drawings. The goal is to make my role replaceable, whether by family members or employees, so that the business carries on."

Another advantage of their sustainable business model is that it's easier to work through short-term setbacks like droughts or market downturns. "It reduces the stress when these things happen," says William. "The reality is that in farming it's hard to change things over the short-term anyway. Taking a long-term, sustainable approach has helped us make the business more robust and more 'future-proofed'."

It's also an approach that is increasingly shared, with many New Zealand farm businesses shifting away from maximising production to farming in a profitable and sustainable manner.

WHAT DO CONSUMERS WANT?

From a customer perspective, how consumers view sustainability can vary between different markets. A [2022 New Zealand Trade and Enterprise \(NZTE\) / Kantar survey](#) of 'foodie' shoppers across 5 key export markets showed that:

- In 'western' markets (Australia, the US and UK) consumers based their food and beverage purchasing decisions predominantly on seasonality, location and packaging, while low emissions and sustainability certification were less important.



- In Japan, shoppers had similar priorities but were more alert to the use of chemicals and pesticides.
- In China, food and beverage shoppers sought products that were organic, certified and have less impact on pollution. Food miles and locality were less of an issue for Chinese shoppers than for their western counterparts.

The key to success is forging stronger connections with customers to understand exactly what is important to them, and adapt your business systems and marketing accordingly.

For William Beetham and Beetham Pastural, part of that process was the decision to become part of the Silver Fern Farms co-operative. “There was a good fit with our own values,” says William, “but it was also about partnering with a market-led organisation with a deep understanding of what consumers want. That allows us to

focus on producing the kind of high-quality, sustainable product consumers are looking for – and get paid for it.” For example, Beetham Pastural is independently audited and certified through the New Zealand Farm Assurance Programme Plus (NZFAP+)³, and is one of the suppliers of Silver Fern Farms’ – providing assurance to eco-conscious consumers and allowing their products to earn a premium.

The good news is that they’re not alone. New Zealand food and beverage producers have a long track record of adaptability and resilience in the face of change.

“WHAT IT ALSO MEANS IS TAKING A LONG-TERM VIEW - IT’S NOT ABOUT BEING A TOP PERFORMER FOR 1 OR 2 YEARS BUT FOR THE NEXT 50 YEARS.”

Beetham Pastural Managing Director, William Beetham

3. The New Zealand Farm Assurance Programme is a voluntary industry sustainability standard which incorporates three fundamental components of origin and traceability, food safety and animal welfare. NZFAP Plus is a higher-level standard which builds on the NZFAP programme and includes standards for People, Farm and Natural Resources and Biosecurity.



57%

OF CONSUMERS WILLING TO CHANGE THEIR PURCHASING HABITS TO REDUCE NEGATIVE IMPACT ON THE ENVIRONMENT¹

70%

OF THOSE WERE WILLING TO PAY A PREMIUM FOR BRANDS THAT ARE SUSTAINABLE AND ENVIRONMENTALLY RESPONSIBLE¹



77%

OF US CONSUMERS BELIEVE SUSTAINABILITY IS IMPORTANT WHEN SELECTING PRODUCTS²

93%

OF US CONSUMERS MAINTAINED OR INCREASED THEIR SUSTAINABLE PURCHASING HABITS OVER THE PAST YEAR²



45%

OF AUSTRALIANS PRIORITISE THE ENVIRONMENT AND CLIMATE CHANGE, IN HOW THEY LIVE AND PRODUCTS THEY BUY³

24%

OF AUSTRALIANS SAID SUSTAINABILITY WILL BE THEIR MOST IMPORTANT PURCHASE CRITERIA IN THREE YEARS³



40%

OF NEW ZEALANDERS PRIORITISE THE ENVIRONMENT AND CLIMATE CHANGE, IN HOW THEY LIVE AND PRODUCTS THEY BUY³

26%

OF NEW ZEALANDERS SAID SUSTAINABILITY WILL BE THEIR MOST IMPORTANT PURCHASE CRITERIA IN THREE YEARS³

1. 2020 IBM survey of 19,000 customers across 28 countries.

2. 2022 IRI/NYU report 'Sustainability and the Consumer'.

3. 2021 EY Future Consumer Index.

SUSTAINABILITY

AND PROFITABILITY

Sustainability initiatives can come at a cost in terms of time, money and effort. That's helped drive a perception amongst many that sustainability and profitability are mutually exclusive. But the world has changed. In today's marketplace, it's increasingly clear that you can have both – and that sustainability is a key driver of business performance.

“WHY WOULDN'T YOU?”

“For me, the question isn't why you'd do this, says Mike Sutherland, co-owner of Matakana's Sawmill Brewery. “It's why wouldn't you? It's just a great way to run your business!”

Mike, who co-owns Sawmill Brewery with partner Kirsty McKay, says sustainability has delivered increased profits. “The key to having a sustainable business is having a profitable business, because sustainability requires investment. And there's no doubt that running our business sustainably has delivered long-term efficiency gains which in turn have increased our profitability.”

“To us, it just makes sense, for a lot of reasons. I think there's a growing awareness amongst consumers of the need for a more sustainable approach in the wake of things like Cyclone Gabrielle. It sets us apart and I think that has an influence on purchasing decisions. It makes sense for our people, who see it as more than just a job and are really engaging in making improvements in their parts of the business. And it makes sense for us as owners. We love the challenge of building a successful business that makes a positive difference.”

GROWING YOUR MARKET – AND YOUR PROFITS

The key to a profitable business is delivering something your customers want. There is abundant evidence that sustainability is important to consumers around the world – and it's growing more important.

For example:

- A [2020 IBM survey of 19,000 consumers across 28 countries](#) showed that 57% were willing to change their purchasing habits to reduce the negative impact on the environment. Of those, 70% said they were willing to pay a premium (of 35% on average) for brands that are sustainable and environmentally responsible. And while younger people were more willing to change their habits, every age group said sustainability was a significant consideration.
- A [2022 IRI / NYU report](#) (‘Sustainability and the Consumer’) which examined 36 Consumer Packaged Goods categories in the US showed 77% of customers believe sustainability was important when selecting products, up 8% from 2021. It also showed that 93% maintained or increased their sustainable purchasing habits over the past year.
- The [2021 EY Future Consumer Index](#) revealed that 45% of Australian and 40% of New Zealand respondents will prioritise the environment and climate change in how they live and the products they buy, while 24% of Australian and 26% of New Zealand respondents said sustainability will be their most important purchase criteria in three years.
- In a [MorningConsult 2022 survey](#) of what sustainability means to US consumers, 70% said they would consider purchasing from a food and beverage brand that prioritises sustainability – the highest across all industries in the report.

“IN MY EXPERIENCE, 10 YEARS AGO THE ATTITUDE TOWARDS SUSTAINABILITY FROM BUSINESS WAS MUCH MORE OF A ‘LEAST COST TO COMPLY’ APPROACH. NOW, THERE'S MUCH MORE URGENCY AND COMMITMENT FROM PEOPLE.”

Most research also indicates that sustainability is particularly important for the key pipeline of younger consumers (Gen Z and Millennials).

New Zealand Food and Grocery Council Chief Executive Raewyn Bleakley believes that reflects a generational shift in the way sustainability is perceived by both consumers and businesses.

“How often do we hear children and young people asking questions about the impact of different products on the environment, their health, animal welfare and so on. They expect products to be more sustainable, and those expectations will become the norm and are being factored into their purchasing decisions.”

“We’re also seeing something of a generational shift in the way businesses are responding. In my experience, 10 years ago the attitude towards sustainability from business was much more of a ‘least cost to comply’ approach. Now, there’s much more urgency and commitment from people at all levels of the business to become more sustainable. I think people are driven by a genuine desire to make a difference, but they’re also driven by market realities and customer expectations.”

“It’s particularly important for exporters – we’re a very small fish in a very big pond and a credible sustainability story can help get cut-through in crowded, competitive markets.”

That long-term shift is backed up by the [Kantar Better Futures 2023 report](#). The report tracks the perspectives of New Zealand consumers on key issues over time and shows that while the current cost of living crisis has created a barrier to action over the last 12 months, the level of commitment to living a sustainable lifestyle more than doubled over the decade between 2011 and 2021. It also shows that concern about the impact of climate change has maintained its rebound after the initial shock of the Covid-19 pandemic.

ARE CONSUMERS PUTTING THEIR MONEY WHERE THEIR MOUTH IS?

While the growing consumer preference for sustainable products is clear, there can also be a gap between what consumers say they will do and their actual purchasing behaviours. The perception that sustainability is more of a cost than an investment continues to be a barrier for many businesses. But there’s increasing evidence that sustainability is a source of real competitive advantage – and bottom line benefits.

An analysis of US sales data between 2017 and 2022 shows consumers are actively choosing to spend more on products with sustainability-related claims on their packaging. [The McKinsey / Nielsen IQ study](#) showed sales of products with sustainability claims had 28% cumulative growth, compared to 20% for products without them.

The [2022 IRI / NYU ‘Sustainability and the Consumer’ report](#) showed that sustainably marketed consumer packaged goods products grew 2.7 times faster in their categories than conventionally marketed products. It also showed that sustainability marketed products have grown market share every year and accounted for one third of total

market growth in 2021. Sustainably marketed products also commanded significant price premiums ranging from 8-130% – for example, carbonated beverages (136% premium), cookies (116% premium), bottled juices (77% premium), and yoghurt (50% premium).

In a [2022 IBM survey of global consumers](#), 49% reported paying a premium for products branded as sustainable or socially responsible in the previous 12 months. Interestingly, 43% of those were in the lower income bracket (60% in China) – demonstrating that sustainable products are purchased across all consumer segments, not just the wealthy.

You don’t have to look far for examples of sustainable products attracting a price premium. Last year Silver Fern Farms launched its world-leading range of Net Carbon Zero beef in the US market. The end-to-end greenhouse gas emissions from producing the beef are balanced out through vegetation on the farms that produce it, which absorbs the equivalent amount of carbon dioxide. This means emissions are ‘inset’ within Silver Fern Farms’ own supply chain.

Net Carbon Zero beef attracts a premium price from eco-conscious consumers, which allows Silver Fern farmers who participate in the programme, to be rewarded for their environmental practices that make Net Carbon Zero beef possible.

FUTURE-PROOFING YOUR BUSINESS

Fundamentally, sustainability is about ensuring your business can continue to prosper over the long term. Part of that is being profitable and continuing to meet your customers’ needs. But incorporating sustainability into your business can also help make it more robust and able to withstand challenges.

Cost reduction

A key concept of sustainability is doing more with less – working more efficiently and using less resources in the process. [Ministry of Business, Innovation & Employment \(MBIE\)](#) estimates that most New Zealand businesses can save 20% on their energy bills with some simple changes such as installing insulation to save on heating costs, or switching to more efficient machinery or energy sources.

For example, Silver Fern Farms is achieving both environmental and financial benefits through its coal-out commitment, which was the main source of water heating in its processing plant. The commitment is one element of its overall sustainability action plan.

“IT’S PARTICULARLY IMPORTANT FOR EXPORTERS - WE’RE A VERY SMALL FISH IN A VERY BIG POND AND A GREAT SUSTAINABILITY STORY CAN HELP GET CUT-THROUGH IN CROWDED, COMPETITIVE MARKETS.”

New Zealand Food and Grocery Council Chief Executive,
Raewyn Bleakley





“FOR ME, THE QUESTION ISN’T WHY YOU’D DO THIS, IT’S WHY WOULDN’T YOU? IT’S JUST A GREAT WAY TO RUN YOUR BUSINESS!”

Co-owner Sawmill Brewery, Mike Sutherland

“The benefits are substantial,” says Kate Beddoe. “They include reductions in our coal consumption, the associated reduction in greenhouse gas emissions and cost savings. The heat pump system generates hot water at a lesser running cost than coal boilers (according to EECA hot water heat pumps have efficiencies of around 300% compared to 80% for fossil fuel based boiler systems), and there’s a reduction in remaining water heating loads, opening up a variety of possibilities to achieve the final water heating we need.”

SAWMILL BREWERY

Sawmill Brewery has made significant cost reductions from a range of sustainability-focused innovations:

- Installing a heat recovery system which recycles water from the brewing process into their hot water tank has saved 1.5 million litres of water and nearly 6,000 kgs of LPG for water heating every year.
- They have reinstalled solar panels after the previous system was destroyed by fire in 2019. The new, expanded system will produce 110 kilowatts of electricity and is expected to pay for itself in 5-6 years.
- A new carbon recapture system which recovers CO₂ produced in the fermentation process for use in beer production, delivering an 80% reduction in purchased CO₂.

They have also recently received resource consent for an innovative project to capture biogas, produced by the breakdown of brewery waste water, in man-made ponds – and using that biogas to replace LPG for process heating. What’s more, once cleaned the water can be released into surrounding wetlands.

“As brewers, our cost structure is heavily intertwined with our energy use,” says Sawmill Brewery co-owner Mike Sutherland. “And while there are many reasons for operating in a more sustainable way, reducing energy consumption has a big impact on our bottom line.”

Getting ahead of the game

The implications for those businesses who fail to meet changing obligations like new regulations can be significant, including loss of market access and other penalties.

On the other hand businesses who prepare best for new requirements can achieve competitive advantage. For example, the development of extended producer responsibility legislation makes producers responsible for the entire lifecycle of their products, including packaging.

In New Zealand, plastic packaging has been deemed a priority product under the Waste Minimisation Act. As a result, producers who use plastic packaging (along with brand owners, importers, retailers and consumers) will need to take responsibility for collecting and dealing with plastic packaging, including recycling. This incentivises producers to design sustainability into their products and packaging.

It’s not just governments and regulators who are raising the bar when it comes to requirements on producers. Much of the pace of change is being driven by large companies – which, in turn, has implications for businesses that are part of their supply chains.

Unilever, for example, has publicly committed to reducing the greenhouse gas impact of their products by 50%, from a 2010 baseline. Mars has committed to reducing greenhouse gas emissions across their value chain by 27% by 2025, and 67% by 2050, from 2015 levels. In New Zealand, Fonterra has committed to no net increase in greenhouse gas emissions from dairy farming between 2015 and 2030.

Staff recruitment and retention

Finding staff is always a critical issue for food and beverage businesses, and it’s even more critical in the current environment. Job seekers are increasingly favouring businesses who have a clear sustainability proposition that fits with their own values. In a 2022 survey of New Zealand employees by the Boston Consulting Group, 70% said it was important or very important for organisations to focus on environmental, social and governance (ESG) activities and concluded that New Zealand businesses may be missing out on a significant opportunity to differentiate themselves in this area.

Investment

Having a clear sustainability proposition can help food and beverage businesses attract investors who are increasingly seeking opportunities that align with their own values, and understand that the ability to manage the significant risks associated with climate change and other issues is a key determinant of future business success.

According to a [2020 report from the Global Sustainable Investment Alliance](#), sustainable investing grew 15% in the previous two years – and the trend looks likely to continue. A [2022 survey of expert/advanced investors by leading investment management firm Schroders](#) showed more than two thirds believe sustainable investment is the only way to ensure profitability in the long term. The food and beverage industry is no exception – a 2020 study published in the [British Food Journal](#) of 171 food and beverage businesses across Asia Pacific, North America and Western Europe found that firms with increased levels of ESG disclosures enjoyed improved access to equity capital and financial resources, with implications for their cost of capital.

Food and beverage businesses should ensure they have a robust and compelling sustainability story before seeking investors.

BECOMING

A MORE SUSTAINABLE BUSINESS

Sustainability is a broad concept. There's a lot to consider and whatever stage you're at in your journey, it can be daunting. But it doesn't need to be. Here are some tips to help you get to grips with sustainability in your business.



IT DOESN'T NEED TO BE PERFECT

"The most important thing is to get started," says New Zealand Food and Grocery Council's Raewyn Bleakley. "You won't have all the answers initially but the sooner you get engaged the sooner you'll see the benefits. It's immensely important for your business and the environment so don't wait to give it the attention it deserves."

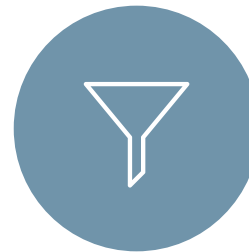
Silver Fern Farms' Kate Beddoe echoes those sentiments. "Don't let perfection get in the way of doing something good. You don't need a perfect plan – you just need to think about where you can make a difference. Sustainability is a journey and it starts with the first step."

Sawmill Brewery's Mike Sutherland agrees. "We don't need a handful of people doing sustainability perfectly. We need millions of people doing it imperfectly."



KNOW YOUR MARKET

What's important to consumers in one market can be less important in others. Priorities can also vary by product – for example the 2022 NZTE/Kantar survey found that the key sustainability attribute looked for when buying red meat was 'Produced in my country', while for wine it was 'Avoids the use of chemicals/ pesticides'. That's why it's vital to understand what your customers really value when it comes to sustainability, and tailor your approach accordingly.



NARROW YOUR FOCUS

There's a lot you could do across every part of your business to improve sustainability. But it's important to prioritise your efforts – particularly if you're at the early stages. Kate Beddoe's advice is to understand what's material for your business and your stakeholders, and focus on that. That will help get some wins on the board and create momentum.

For example, according to the Energy Efficiency & Conservation Authority (EECA) the majority (70%) of fossil fuel energy used by food product manufacturers goes to power boiler systems providing process heat – so investigating more efficient systems such as hot water heat pumps could offer opportunities to make a significant difference in fossil fuel consumption and the associated greenhouse gas emissions.

ENSURE THE WHOLE BUSINESS IS ON BOARD

Implementing sustainability initiatives sometimes involves difficult investment decisions and trade-offs. It also typically involves changes to existing ways of doing business. Without support across the business, from those who approve investment decisions to those who must put new processes and systems into practice, it will be difficult to succeed. It's crucial that everyone understands the need for change and what it means for the long term success of the business. Before you convince your customers, you must first convince your people.

HELP IS OUT THERE. MAKE THE MOST OF IT.

Help is available for businesses looking to improve their sustainability performance.

For example, EECA has developed a series 'sector decarbonisation pathways' tailored to specific sectors, which currently includes pathways for food and beverage sectors including coffee, brewing and covered cropping. Pathways for other sectors, including wine, are in development, with more to follow.

EECA's Sector Decarbonisation Programme offers information, resources and tools to help businesses reduce their environmental footprint. Programme Lead Insa Errey says the programme has five-steps:

- 1. Get engaged** – Businesses learn about the importance of decarbonisation and understand which processes in their business have the most impact on carbon emissions. With this awareness, businesses can get on the path to decarbonisation and take action with their teams.
- 2. Measure & Target** – Businesses are guided through measuring and accounting for their energy consumption and energy intensity to better understand how they compare to other businesses within their sector, and how they are progressing.
- 3. Optimise & Improve** – Reviewing and adjusting the way equipment performs via sharing ideas with business to make low/no cost improvements to their current equipment and processes, and measure the impact. This encourages an energy efficiency first approach and embeds the notion of energy measurement.
- 4. Demand Reduction Technology** – New technology or upgrades to existing processes can reduce the demand for energy. EECA undertakes global technology scans to identify the best approaches and innovations in the sector, which helps businesses identify opportunities to decarbonise prior to fuel switching
- 5. Fuel Switching** – Fuel switching is the final step in the pathway. This step builds awareness of taking a holistic approach to the energy mix appropriate to the business. It provides examples from energy transition plans undertaken on businesses within the sector and links the user to appropriate insights pieces.

"The future of business is low-emissions," says Insa.

"The focus of the programme is on demonstrating the benefits of decarbonisation and helping businesses get some quick wins. Before thinking about longer-term opportunities that may require more investment.

"We recognise that every business is different, with different needs and at different stages.

"When businesses register we'll proactively send them information to help them along their journey, along with new information, resources and funding opportunities as they become available."

To find out more and register, visit eeca.govt.nz/co-funding/sector-decarbonisation

Other sources of information and resources

- [New Zealand Trade and Enterprise](#) offers a range of sustainability resources to help exporting businesses, including guides, articles and case studies. Their Sustainability Advisory team can also provide tailored advice and connections to specialist providers.
- [Toitū Envirocare](#) a leading provider of carbon and environmental programmes, offers a range of information and insights on their website.
- Industry bodies such as the [New Zealand Food and Grocery Council](#) are good sources of information, including about the sustainability-related programmes they are involved in.
- [Chapter Zero New Zealand Board Toolkit](#) – a free resource to help businesses with limited resources put together an approach to addressing the impacts of climate change for their business, based on international best practice. While designed for boards and directors it contains a useful framework for any business.
- Businesses looking to reduce their greenhouse gas emissions can access [ANZ Insights reports](#) on how to measure your emissions, and how to set and achieve emissions targets.

FUNDING

- **Government Investment in Decarbonising Industry (GIDI) Fund:** Businesses can apply for GIDI funding to help with projects that reduce their emissions footprint. Process heat (a major source of fossil fuel consumption in the food and beverage industry) is a particular focus.
- **Sustainable Lending:** Businesses can also access a range of sustainable finance products which offer discounted interest rates to finance sustainability initiatives. Discounted rates can depend on the achievement of agreed sustainability targets (sustainability linked loans) or the financing of 'green projects' (green loans). One example is [ANZ's Business Green Loan*](#).

*Lending and eligibility criteria, terms and conditions and fees apply.

TELL YOUR STORY

It can be hard for consumers to make sustainable choices – so it's important to let them know how your product aligns with their values and needs. Simplicity and authenticity is key. There's a lot of confusion about what different sustainability certifications and claims actually mean. Make it easy for people to choose your product by telling a clear, simple story that is consistent across all your communications and packaging.

The next ANZ Insights report for food and beverage businesses will look at how to tell your sustainability story in a way that achieves cut-through and resonates with your target markets.



WHAT ARE THE NEXT STEPS?

When you're ready to talk about the next step in your sustainability journey, we're ready to help.

 sustainabilityinsights@anz.com

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