KPMG

Sustainable Supply Chains and Procurement

Building value and resilience in your organisation

This publication is based on an international report by KPMG, adapted to focus on implications and opportunities for New Zealand.

As our world becomes increasingly interconnected, sustainable supply chains and procurement are becoming a strategic priority for organisations around the world. Due to our geography as an island nation with high import and export values, this may be especially true in Aotearoa.

Sustainable supply chains and procurement have a positive impact on people and planet, reflecting the commitment an organisation has to protecting workers' rights, lowering its environmental footprint, embedding sustainability across key products/services, and increasing its resilience to shocks and stresses.

Supply chains provide the resources that organisations need to function. They deserve a top spot in the strategic priorities of every organisation. This includes stakeholder engagement, materiality assessment, target setting, performance monitoring, and assurance.

Are sustainable supply chains and procurement a strategic priority in your organisation?

Contents:

Executive summary

The supply chain brings together the commercial and sustainable vision of an organisation. Supply chains are only as resilient as their weakest link; therefore, business continuity relies on thinking about the impact of your supply chains and procurement practices on people and the planet.

Key insights:

- Increasing pressure from customers, regulators, and investors makes sustainable supply chain management a strategic priority. The impact of the Covid-19 pandemic on supply chain disruption only increases the urgency.
- Sustainable supply chains underpin resilience. Supply chain transparency and authentic support for third parties keeps your business relevant in a market of stakeholder capitalism, rather than shareholder capitalism.
- Cost optimising and asset minimising supply chains that have sourced and served in a predictable world are often opaque, inflexible and vulnerable to global disruption.
- One of the keys to business continuity during disruption is a resilient, digitally-enabled supply chain: a multimodal network that promotes collaboration with suppliers, enhances operational performance, and strengthens reputations.
- It will be the regulators that set the standard by which all companies must comply, but it will be the organisation's ability to meet the expectations of consumers, investors, and employees that will help them gain competitive advantage.
- KPMG is here to help build sustainable value across your supply chain. We can provide a connected, multi disciplinary team from across KPMG to provide holistic and digitally enabled solutions.

There are six steps to help build a sustainable and resilient supply chain:

1. **Ethical supply chain assessment:** identify potential points of failure in your environmental, social and governance (ESG) framework, and identify and prioritise solutions.
2. **Visibility:** achieve real-time transparency through end-to-end tracking and traceability of suppliers and products.
3. **Risk landscape:** investigate suppliers and assess key current and potential risks in the supply chain.
4. **Optimise:** transform the supply chain to determine the optimal balance of cost, cash, service, and ESG, in helping to deliver both profitability and sustainability.
5. **Embed governance:** perform due diligence on suppliers to measure ethical integrity and embed a robust governance framework to uphold ethical practice in the supply chain.
6. **Proactive management:** work collaboratively with stakeholders to go beyond just compliance and use predictive analytics to pre-empt and mitigate potential disruptions.

"Ethical supply chains underpin resilience."

SUPPLY CHAIN EMISSIONS ARE ON AVERAGE

11.4x

HIGHER THAN OPERATIONAL EMISSIONS. THIS IS MORE THAN DOUBLE PREVIOUS ESTIMATES DUE TO IMPROVED EMISSIONS ACCOUNTING BY SUPPLIERS.[1]

[1] As reported to the CDP by 8,033 suppliers in 2020, CDP Global Supply Chain Report 2020.

Introduction

In 2021 New Zealand's business community endured severe flooding across the South Island and West Auckland, supply chain delays caused by global shipping disruptions, and the ongoing impacts of the Covid-19 pandemic. From a global perspective, climate induced impacts have begun to bite with increasing frequency and ferocity, including an increasingly devastating fire season in Australia, a drought across the American West, and floods in China and Western Europe.

Astute organisations are already reconciling the impact of this shifting landscape on their future footprint, pivoting from managing crises to managing risks. A sustainable supply chain management strategy can deliver resilience to weather these shocks. How? By embracing the digital platforms that enable visibility and collaboration, educating and supporting vulnerable supply chain partners, and taking bold steps in empowering consumers to make informed buying decisions.

In the last 20 years, we have seen rapid geographic and structural diversification of customers, suppliers, products, and communications as a result of globalisation. In turn, we expect increased revenue and operational performance. And yet, the basic model that underlies most core operations predates globalisation.

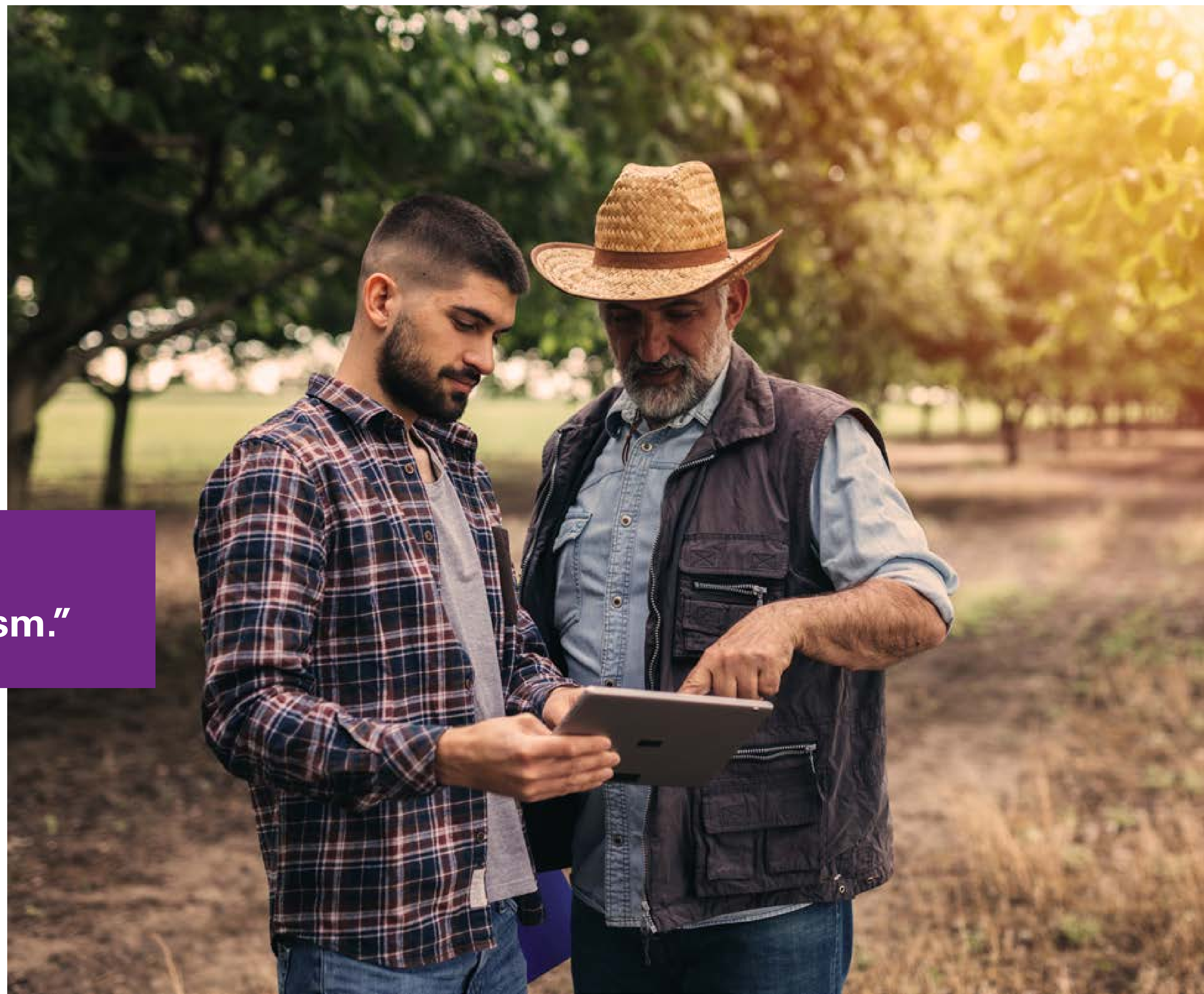
Supply chains are strategically critical, but vulnerable to risk. Globalisation means supply chains have become complex, dispersed, opaque and inflexible. Traditional cost optimising and asset minimising models are sourced and served adequately in a predictable world. Faced with the unexpected, however, a minimalistic approach without visibility over where inventory is located, knowledge of nodal constraints, and impending risk, can expose your organisation to disruption and ethical violation.

If organisations can't respond to operational change, it can impact on people and the planet across supply chains spanning less mature and unregulated markets, exposing them to slavery, forced labour, dangerous working conditions, information security lapses, quality issues, environmental waste, pollution and much more.

"KPMG can help you to become agile, flexible and influential in the new world of stakeholder capitalism."

One of the keys to business continuity is resilience, and at the core of resilience is an ethical and sustainable operating model. KPMG can help you to become agile, flexible and influential in the new world of stakeholder capitalism. A multimodal network with diverse upstream and downstream locations, driven by real-time, predictive intelligence can help you react quickly and effectively in a crisis, predict and mitigate future risk, promote stakeholder loyalty and ensure regulatory compliance.

Profitability and shareholder returns are always going to be a priority, but investors and consumers are making it clear that social purpose and environmental stewardship are critical to business success, credibility and relevance. It is expected that assets will soon lose value if they have a negative ESG impact. The supply chain is the platform to evidence the ethical and sustainable vision of your organisation, but demonstrating this can require courage, innovation, collaboration, and transparency.



COUNTRIES REPRESENTING

70%

OF THE WORLD ECONOMY AND

65%

OF GLOBAL CARBON DIOXIDE EMISSIONS HAVE COMMITTED TO NET ZERO[2]

NEW ZEALAND

HAS COMMITTED TO

NET ZERO BY 2050[3]

[2] United Nations Framework Convention on Climate Change

[3] Climate Change Response (Zero Carbon) Amendment Act, 2019

Why we need to act now

Today's market is one of stakeholder capitalism, not shareholder capitalism. In a borrow-and-share network, stakeholder credibility is important to help ensure your organisation remains relevant.

Many industries are experiencing drivers to change their ethical and sustainable footprint. A strategic change should consider the entire supply chain, and as you transform, your suppliers should follow your lead.

Stakeholder expectations

Consumers, employees, and investors are demanding more visibility over where and how products are sourced. Suppliers are also increasing the pressure on up- and downstream partners to improve procurement practices, transparency, and risk management. Evidence of good ESG governance can drive stakeholder decisions. As the ultimate referees of corporate success, these stakeholders dictate your license to operate, and with it your revenue and profit margins.

Competitive advantage

Leading by example in ethical stewardship can be a 'differentiator' in a competitive market. Evidence of sustainable supply chain management can drive the same purchase intent as product promotion. This first-mover advantage is to be seized quickly, as ESG is expected to soon become both regulation and the norm.

Reputation

When an ethical breach or violation is uncovered, it is not typically the supplier that receives the negative press, but the company that uses their services. Authenticity through action can help reduce the risk of reputational damage, as well as attract and retain talent.

Regulatory compliance

ESG considerations are increasingly being reflected in regulatory requirements. New Zealand's Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act introduces mandatory climate reporting in-line with the Task Force on Climate-Related Financial Disclosures (TCFD) framework, and steps are being taken to ban many single-use plastics by 2025.

Risk (physical, transition, financial, supplier)

2020 has been a transformative year in how we think about supplier risk. Painful lessons have been learned, causing us to rethink single sourcing or reliance on third parties. Extreme weather and water scarcity are also changing how companies operate, and we believe there will soon be a need to adapt to new technologies and markets created to manage these crises. How has Covid-19 sharpened our focus in risk management?

Values and benefits

A sustainable supply chain can help reduce risk, add new profit lines, and make share price more resilient to shock. With an increasing customer base willing to pay more for sustainable goods and services, to overlook sustainable supply chain management is to leave money on the table.

Stakeholder confidence:

Brand is amongst an organisation's most valuable assets, and with so much information readily available online, your supply chain can pose a significant threat to your reputation. Positively asserting sustainable values can help attract customers and drive up revenue, secure a wider pool of investment options, and distinguish an organisation as an "Employer of Choice." Two in three millennials would take a pay cut to work for a responsible company.[7] After setting science-based targets, "52 percent of company executives have seen investor confidence boosted."[8]

Resilience:

If a business model relies on underpaid workers, weak regulations, poor enforcement of labour laws or even illegal activities, such as slavery, current earnings will likely be unsustainable over time. A future-fit, sustainable supply chain is collaborative, transparent, efficient, and agile. It is able to respond to change, whether it's a climate disaster or incoming regulation, effectively and at pace. After setting science-based greenhouse gas emissions reduction targets, which include a commitment to helping supply chain partners reduce their emissions, "35 percent of company executives have increased regulatory resilience."[8]

Reduced costs and higher profits:

A supply chain that promotes close collaboration with suppliers and looks after natural resources can be efficient, help reduce costs, and enhance profit margins. A major retailer changed the way it manufactures trainers to minimise waste, reducing material usage by 20 percent, in turn generating 0.25 percent higher margins.[9] A food and beverage retailer partnered with vets to support its dairy farmers, teaching them how to deal with common health problems. This led to healthier cows producing more milk, meaning less cows to fulfil demand.

Business sense:

By not addressing sustainability in the supply chain, businesses can be exposing themselves to risk, employee attrition and potentially leaving money on the table. There is a growing group of millennial consumers willing to pay for sustainable goods and services; 91 percent said they'd switch brands that have a "cause."[7] Setting ambitious science-based targets has led to improved profitability and competitiveness, where "55 percent of company executives have gained competitive advantage,"[8] and increased innovation. "63 percent of company executives say science-based targets drive innovation, catalysing the development of new technology and operations."[8] based targets has led to improved profitability and competitiveness, where "55 percent of company executives have gained competitive advantage,"[8] and increased innovation. In addition, "63 percent of company executives say science-based targets drive innovation, catalysing the development of new technology and operations."[8]

"ISO 20400 provides guidance for organisations of any size, sector, industry or geographical location that aims to deliver sustainable outcomes through their supply chains."

[7] Cone Communications
[8] Science Based Targets
[9] Chartered Institute of Procurement and Supply
[10] Responsible Investment Association Aotearoa

As well as drawing on global best practice New Zealand organisations need to ensure that their supply chain and procurement solutions are fit-for-purpose, particularly with respect to Te Ao Māori worldview and associated tikanga (protocols), social and environmental ambitions, domestic standards and regulations.

Lack of transparency can increase vulnerability to business disruption and raise costs due to extended droughts and water scarcity. The cost of climate change may reach US$43 trillion. Six degrees Celsius of warming represents present value losses worth US$43 trillion or 30 percent of the world's entire stock of manageable assets.[11]

Unattended supply chains hide issues that can impact investor trust and share prices significantly.

Customers are willing to pay a premium for traceability and typically rate product labeling favourably. We believe track and trace tech is booming. Sustainable procurement practices can result in brand equity, with a 15 to 30 percent measurable brand value increase.[12]

Promoting resource efficient practices among suppliers can help secure the long-term supply of raw materials.

Increase in investor and social pressure: Investors and customers are recognising their ability to impact corporate activities and hold corporates accountable for not managing ESG risks. Investors are also increasingly recognising that ESG risks can equal long-term investment risks. This can trigger a fundamental reshaping of finance, with fossil fuel and other high-carbon heavy organisations experiencing higher costs of capital.

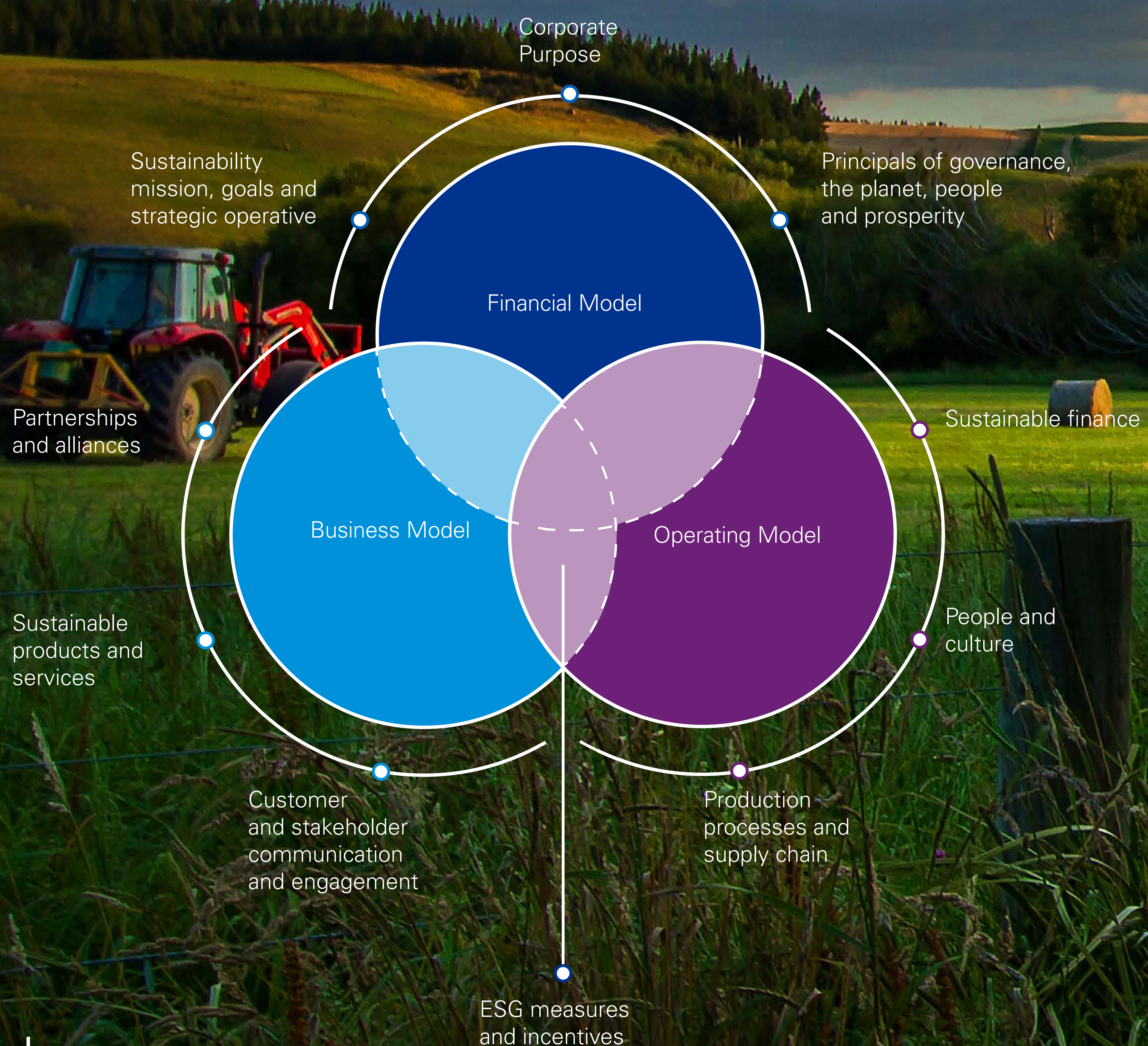
Supply chain transparency is an enabler for sustainable procurement.

To comply with emerging regulations (Paris Agreement, European Green Deal, ISO 20400:2017, Conflict Minerals Regulation) and more ambitious industry commitments, companies should map and monitor supply chains.

It is expected that the reporting of climate-related financial disclosures will become mandatory across all industries. Measures will be aligned with the Sustainable Development Goals (SDGs) and the principal ESG domains of governance, the planet, people and prosperity.

[11] The Economist Intelligence Unit
[12] World Economic Forum

How to deliver against the Sustainable Development Goals (SDGs)



1. Set ambitious goals for your organisation; for example, holistic reduction targets by reducing emissions by x percent.
2. Review your carbon footprint to ensure you have a good understanding of your Scope 3 supply chain emissions.
3. Redesign products to improve the level of circularity and extend the product life cycle (circular by design).
4. Implement or reconsider procurement and sourcing activities to mitigate the ESG impact of your supply chain.
5. Report on your organisation's sustainability initiatives and performance, which have an impact on brand management and investor relations (ESG metrics).
6. Build an industry community to amplify ESG commitments and share expertise.

Where to start

KPMG can help you transform the ESG foundations that make up your business. We can help you shape a supply chain that complies with incoming regulations, manages critical risks, and looks after people and the planet.

This approach combines profitability and sustainability to enhance the overall efficiency of your operations and contribute to helping reduce the wider global risks of continued ethical or environmental catastrophes.

Understanding the supply chain

We can enable you to empower your stakeholders to make informed buying and investing decisions.

- Identify current state maturity and points of failure in the supply chain as we work with you to design targeted ESG approaches through KPMG IMPACT.
- Achieve real-time visibility through enabling technology, such as blockchain and systems integration. We can help you identify and implement leading approaches for deep transparency, traceability,and real-time tracking across the supply chain.
- Assess key third parties through negative listing and self-assessment questionnaires. Identify significant incremental current and potential ESG risks to operations using criteria that includes severity, likelihood, velocity and interconnectedness

Transforming the supply chain

We can help you drive a step change in your ethical and sustainable footprint through flexibility, resilience, collaboration and control across the supply chain.

- With a clear understanding of targeted ESG improvement opportunities, we support you to optimise the supply chain. We build a digital twin that intelligently illustrates the optimal balance of cost, cash and quality, and aligns the ESG transformation to a wider operating model.
- We can perform due diligence on third parties to evaluate their ethical integrity and ESG profile, screening against ESG and regulatory data sources to identify ESG deficiencies and/or a poor ethical track record. We can then help you design or improve your governance framework to uphold ethical practices in your supply chain and align your suppliers with your ESG vision.
- We can help you proactively mitigate potential risk using predictive analytics and scenario modeling. Proactive management also means supplier relationship management — going beyond compliance to help support and encourage third parties towards better ESG behaviour.

Remediation and incident management

We can help you embed a culture that's able to respond to unprecedented ESG breaches at pace through effective remediation.

- We can help you investigate incidents or breaches at pace, and respond with the design and implementation of a detailed remediation plan.
- We can help you recover and improve from an ESG breach or incident, as well as create a crisis-ready culture by:

  1. Designing and implementing scenario "playbooks."
  2. Embedding, through training, robust ongoing ethical practices and third- party supplier audits, due diligence, and managed services.

Leading success factors

An ethical and connected network means embracing the digital platforms that enable visibility and collaboration, educating and supporting key third parties, and taking bold steps in empowering consumers to make informed buying decisions.

Tracking and traceability	Achieving transparency. Build real-time tracking and traceability over the movement of products and the ethical sourcing conditions of key suppliers that align with product and supplier segmentation.
Integrated system technologies	Deploying a single digital platform that can provide assurance across the entire supply chain and a single version of the truth for enhanced, informed and data-driven decision making.
Joining the dots internally	Ensuring that strategic priorities are interlinked to help create a future-fit supply chain that is agile, resilient and responsive to future disruptors.
Network ecosystems	Going beyond compliance by working collaboratively with private and public stakeholders in local sourcing regions towards shared sustainability goals — SDGs.
Culture shift	Creating a lasting change that is founded on a transformative culture that educates on and rewards good ethical and environmental performance both internally and with third parties.
Continuing the conversation	Embedding a robust governance framework that can help provide assurance through measuring and monitoring the performance of key suppliers and customers — KPIs, audits, due diligence.

47%

OF ORGANISATIONS HAVE PUT ESG BENEFITS IN THE BUSINESS CASE FOR THEIR DIGITAL TRANSFORMATION STRATEGY AND INVESTMENT.[13]

[13] Forrester Consulting on behalf of KPMG

A new sense of urgency

Disruption presents a unique challenge and opportunity to supply chains. Supply chains have the depth, breadth and diversity to stimulate a response which reaches across borders. Therefore, it isn't always enough for organisations to simply acknowledge climate change, factor deforestation targets into strategies, or even reduce their own emissions. For the most part, organisations that have been able to respond effectively to Covid-19 are those with a sustainable supply chain management strategy. As investors, employees, and consumers continue to find a safe-haven in those organisations, we believe they are well placed to capitalise in the new normal.

The Global Financial Crisis of 2007-2008 impacted demand. Fires and floods are impacting supply. Covid-19 has impacted both. As the pandemic spread, every node of the supply chain was squeezed, resulting in scarce materials, an inability to match workforce demand with supply, travel restrictions, logistics confinement, the closure of administrative centres and retail hubs, and shifts in customer buying patterns.

Meanwhile, the organisations that performed effectively had swiftly examined their operations; testing critical choke points, reviewing contracts with critical suppliers, financially and ethically enforcing the safety of their workforce, and initiating new ways of working, such as freight consolidation, remote working, and multi-sourced key commodities. Each of these organisations had the following characteristics:

- Diverse supply chains and multi-sourced key commodities
- Authority to agree on new lead times which protected workers in low/middle-income countries and provided financial stability to those without national economic safety nets
- Inventory buffers
- Strong relationships with upstream and downstream third parties
- End-to-end tracking and traceability of products and services
- Agile production and distribution centres.

Once remedied, business continuity relies on resilience.

"Resilience" requires sensing your evolving demand profile and generating scenario plans for how the downstream post-Covid-19 customer behaves. Resilience also requires going deeper into the supply side; supporting critical and vulnerable suppliers, moving away from single source procurement, and rethinking just-in-time inventory management. And finally, resilience means creating a new footprint and systematically restructuring your target operating model to adapt to a new global market.

Restructuring the target operating model is like moving house; you don't do it often, and when you do, it is an endeavour, but it can yield significant results. Touching on performance, technology, people and structure, transformation can provide an opportunity to combine technological innovation, ESG compliance, and operational excellence into a single, cohesive model.

In a post-Covid-19 world, public and private sector leaders will be expected to prepare for the unexpected.

New Zealand's government and business community have demonstrated that ESG principles are essential to economic resilience. We have collaborated at scale and at pace to achieve social goals. We have effectively promoted the importance of people, health and wellbeing in our organisations' continuity strategies.

Going forward, authentic action will be needed to preserve Aotearoa's finite resources, align key performance metrics with ESG reporting frameworks, and optimise supply chains through traceability, technological/product innovation, and collaborative networking.

"Resilience" requires taking care of our people and planet alongside profit.

Looking Locally: New Zealand

While drawing on global best practice, New Zealand organisations need to ensure their supply chains and procurement solutions are fit-for-purpose, particularly with respect to Te Ao Māori and associated tikanga (protocols), our unique social and environmental ambitions, and domestic standards and regulations.

This section explores supply chain issues from a New Zealand point of view, focusing on the potential of social procurement, the challenges posed by modern slavery, and growing commitment to tackle Scope 3 (indirect and supply chain) greenhouse gas emissions.

Social procurement

"Social procurement is when organisations use their buying power to generate social and public value beyond the value of goods, services or works being procured."[14]

Social Procurement has the potential to create a more inclusive, equitable, and resilient Aotearoa New Zealand. It also benefits organisations by diversifying suppliers and enhancing their social licence to operate.

In late 2020, the New Zealand Government announced its commitment to award at least 5% of all contracts from its approximate $51 billion annual spend to Māori businesses. Over 100 Government agencies have subsequently been mandated to follow government's Progressive Procurement Policy, which takes into account the potential social, cultural and environmental impacts of purchasing decisions as a complement to traditional concerns like quality, price, and risk.

The size of the Māori economy — which employs a young, agile, and innovative workforce — is currently estimated at $68.7 billion.[15] Supporting Māori businesses is a cost-effective approach for Government to pursue positive social outcomes. In fact, work done by Supply Nation in Australia found that for every $1 spent on procurement from indigenous businesses, the Social Return on Investment was an average of $4.41.[16]

Whether supporting businesses owned by Māori, Pasifika, or women, social procurement delivers a wide range of benefits to organisations, including stronger social licence to operate; diversity leading to a better environment for innovation; revenue growth by meeting procurement criteria for government contracts; and the ability to attract and retain purpose-driven talent.

No supply chain or procurement process can be truly ethical or sustainable if it excludes – by design or default — entire sections of the country's business community.

[14] Ministry of Business, Innovation and Employment
[15] Reserve Bank
[16] Sleeping Giant Report

Modern slavery

Unwittingly, organisations and consumers can support modern slavery in New Zealand and overseas through the products they buy — including clothing, food, furniture and many more unexpected, everyday items.

Forced labour and related practices can exist in the supply chain of almost any organisation, with recent prosecutions in New Zealand showing just how close to home modern slavery can be.[17] The 2018 Global Slavery Index[18] highlights the significant role that economically developed countries play in perpetuating modern slavery at home and abroad.

New Zealand has ratified several international agreements prohibiting slavery. Complementary domestic legislation, such as the Crimes Act 1961 and the Immigration Act 2009, ensure our international obligations are met. The Immigration Act, for example, includes a section on the exploitation of unlawful employees and temporary workers.

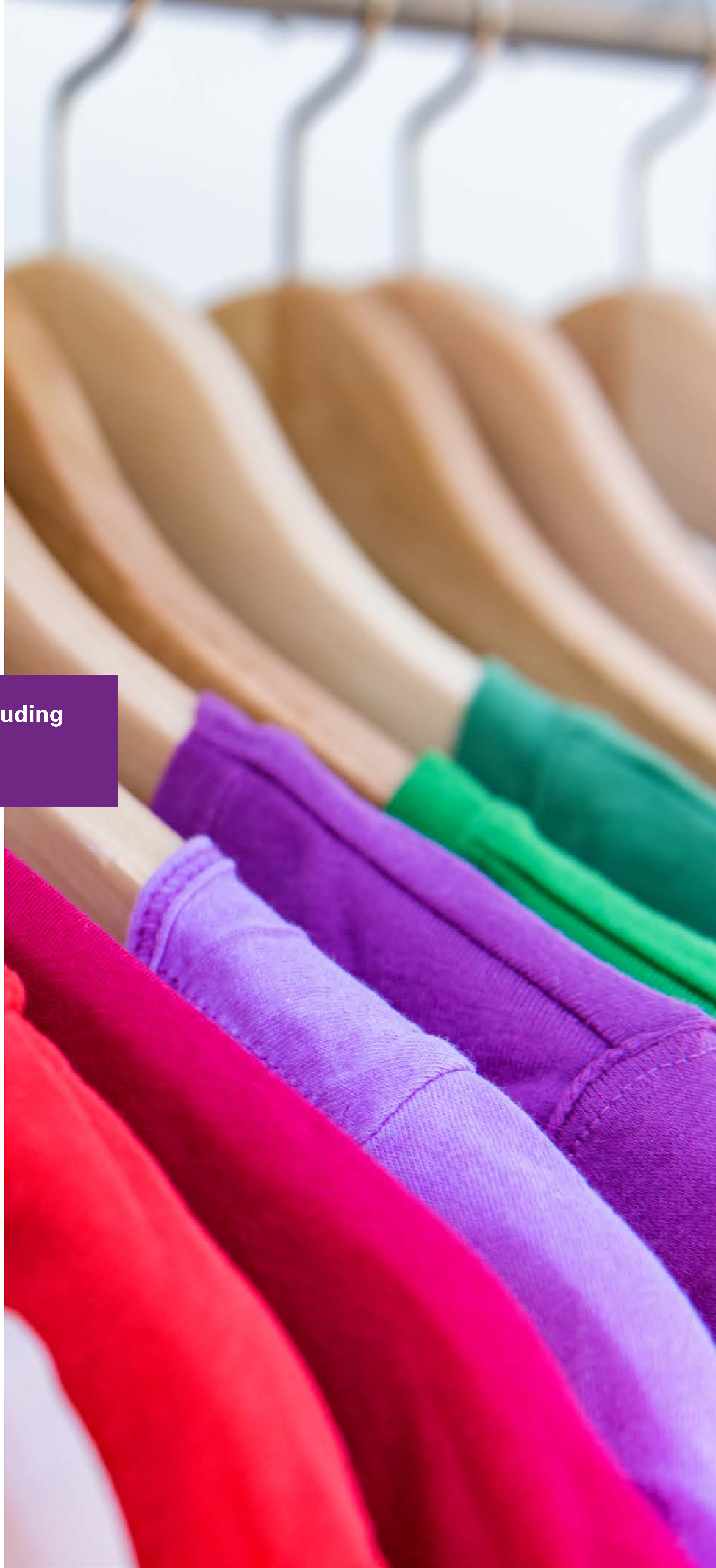
In 2015, the United Kingdom's Modern Slavery Act — which gave law enforcement the tools to fight modern slavery, ensure perpetrators can receive suitably severe punishments, and enhanced support and protection for victims — was passed. Australia followed suit in 2018, requiring companies that earn more than $A100 million ($NZ107m) to publish "modern slavery statements." These reports set out risks of modern slavery in a company's operations and supply chains, as well as actions taken to address those risks. This law applies to New Zealand companies trading in Australia.

There is growing advocacy for New Zealand to implement similar domestic legislation.

"To date, 74 New Zealand businesses including Air New Zealand and Fonterra — have published modern slavery statements."[19]

In December 2020, the Ministry of Business, Innovation and Employment released New Zealand's Plan of Action against Forced Labour, People Trafficking and Slavery (Plan of Action). This Plan of Action indicates that New Zealand will "consider introducing legislation requiring businesses to report publicly on transparency in supply chains, to help eliminate practices of modern slavery."[20] In March 2021, KPMG together with 84 other signatories called on the Government to begin an inquiry into a Modern Slavery Act for New Zealand private and public sector supply chains. In June 2021, a petition with more than 37,000 signatures was presented to Parliament, amplifying the call to Government to do its part to end modern slavery.

In April 2022, Government, business and NGOs jointly published proposals for legislative options to end Modern Slavery and Worker Exploitation in New Zealand.[21]



[17] Ministry of Justice
[18] 2018 Global Slavery Index
[19] Australian Modern Slavery Register
[20] Ministry of Business, Innovation and Employment
[21] Hon Michael Wood, media statement

Greenhouse gas emissions

Many organisations have already estimated and are now working to reduce their greenhouse gas (GHG) emissions. However, indirect emissions from their supply chains remain an outstanding liability — and burning responsibility for most.

Greenhouse gas emissions are categorised into three groups or 'Scopes' by the most widely-used international accounting tool, the Greenhouse Gas Protocol. Scope 1 emissions are direct GHG emissions that occur from sources controlled or owned by an organisation (e.g., emissions associated with fuel combustion in boilers, furnaces, and vehicles). Scope 2 emissions are indirect emissions associated with an organisation's purchase of electricity, steam, heat, or cooling. Scope 3 includes all other indirect emissions that occur upstream and downstream in an organisation's value chain — from the purchase of raw materials to end of life treatment.

Scope 3 emissions, also referred to as value chain emissions, often represent the majority of an organisation's total GHG emissions. Acknowledging significant variation between sectors and across geographies, average Scope 3 emissions may be more than eleven times greater than an organisation's combined Scope 1 and 2 emissions. [22] This is more than double previous estimates due to improved emissions accounting by suppliers.

Tackling Scope 3 emissions enables an organisation to:

- Reduce resource, energy, and reputational risks in its supply chain
- Capture energy efficiency and cost reduction opportunities in its supply chain
- Strengthen relationships with value-aligned suppliers
- Win business from value-aligned purchasers
- Meet stakeholders' increasing demand for transparency and transformation

In the last several years, New Zealand has seen a sharp increase in organisations working with purchasers, suppliers, and customers to reduce GHG emissions. Members of the Climate Leaders Coalition, for example (which includes more than 100 of New Zealand's largest organisations accounting for 28% of private sector GDP) have pledged to proactively and progressively support value chain partners to reduce emissions. Meanwhile, Rule 20 of the Government Procurement Rules (4th edition) encourages mandated agencies to buy low emissions and low waste goods, services and works while supporting innovation to significantly reduce emissions and waste impacts from purchased goods and services.

The Ministry of Business, Innovation and Employment has produced a procurement guide[23] to reducing carbon emissions in building and construction. This supports The Carbon Neutral Government Programme[24] which requires public sector agencies to measure and publicly report on their emissions and to offset any they can't cut by 2025. KPMG New Zealand is a supplier of emissions expertise and services to the programme.

To ensure your organisation is reducing emissions-related risks in its value chain and is well positioned to capture emerging opportunities, consider sharing emissions data with key partners.

"In the last several years, New Zealand has seen a sharp increase in organisations working with procurement teams, suppliers, and customers to reduce GHG emissions."

[22] As reported to CDP by 8,033 suppliers in 2020.
[23] Ministry of Business, Innovation and Employment
[24] Ministry for the Environment

Why KPMG New Zealand

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Our knowledge and track record

KPMG has worked on some of the highest profile supply chain projects globally.

KPMG has extensive experience working with private and listed organisations across a range of New Zealand's largest sectors, as well as across the public sector. We can help clients achieve traceability across their supply chains, improved compliance and due diligence, and enhanced efficiency through digital enablement.

Connected consulting

KPMG has a cross-functional team of professionals across a global network of firms who focus on sustainability, supply chain, procurement, forensic, corporate intelligence and compliance. There is regular collaboration among professionals who specialise in strategy, climate risk, managed services and people consulting, helping to gather the best insights and knowledge from across KPMG.

Technology

KPMG uses pre-built software and well-established methodologies: K3PID (AI supplier risk assessment), Diagnostic Risk Assessment (operational risk analysis), and the KPMG Supply Chain Predictor (Predictive analytics providing traceability across the supply chain).

We bring a holistic advisory service that recognises the importance of people and performance through digital innovation.

Global coverage

With an extensive network of firms worldwide, KPMG has the capability to mobilise at pace, and can deliver projects virtually and remotely as required

KPMG professionals can support you with challenges that go beyond the supply chain, such as climate risk, strategy, climate assurance and sustainable finance.

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