

A photograph of a man with dark hair, wearing an orange high-visibility safety vest over a dark shirt. He is looking off to the side with a thoughtful expression. The background is blurred, suggesting an industrial or office setting.

The Rise of ESG & Its Impact on Business Decisions

We know you're busy. So, we've put together this Cheat Sheet which summarises the key details of our in-depth whitepaper, *The Rise of ESG & Its Impact on Business Decisions*.

Access to global markets and capital is increasingly dependent on sustainability performance. Regardless of your personal or business views on sustainability, a company's ability to operate will be impacted by Environmental, Social and Governance (ESG) compliance, either directly or indirectly.

ESG, which stands for Environmental, Social and Governance, is a framework used by socially conscious investors to evaluate a company's ethical behaviour. It emphasises achieving a balance among these three pillars, recognising that actions in one area can impact others.¹

As both consumers and businesses become increasingly conscious of the product they are purchasing, it's clear that minimising environmental impact while operating ethically from social compliance and governance standpoints are core to a business' ability to retain and attract customers. We see time and again that businesses must prove they are meeting their ESG obligations to get a seat at the table.

REFERENCE

[1] The Investopedia Team (2025). *Environmental, Social, and Governance (ESG) investing: What it is & how it works*. Retrieved from: <https://www.investopedia.com/terms/e/environmental-social-and-governance-esg-criteria.asp>

Environmental Pillar

Environmental factors refer to an organisation's environmental impact and risk management practices, including greenhouse gas emissions and the stewardship of natural resources by management.²

The environmental pillar has moved from a "nice to have" to table stakes. An article from the New Zealand Herald says:

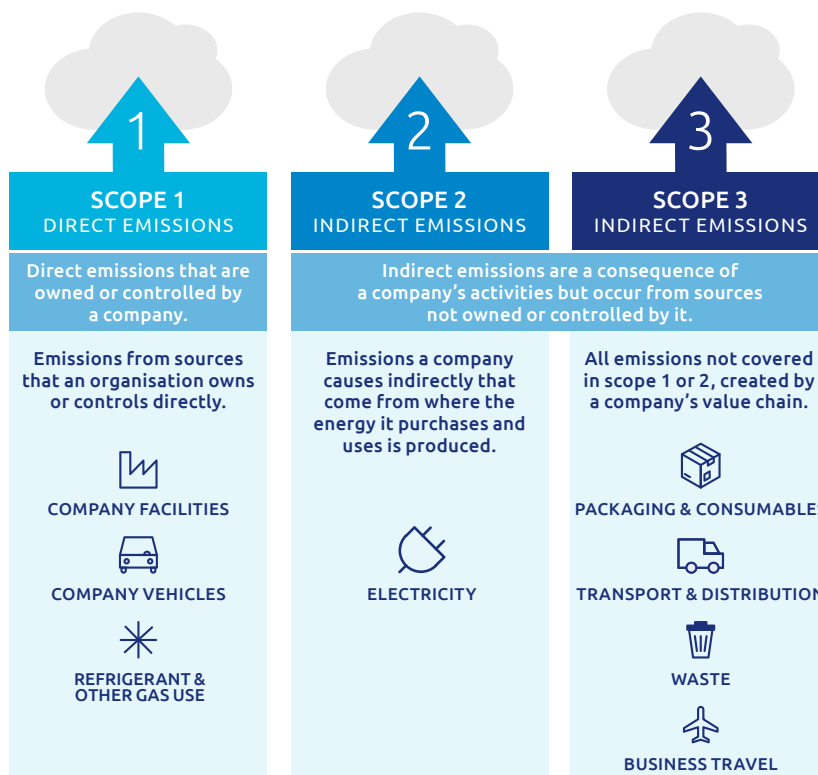
"It's not enough anymore to just say you are doing it; you have to prove how you lower your emissions. Sustainability has moved from a nice-to-have to a must have."³

As a result of this shift, many businesses are starting to measure their greenhouse emissions and require more accurate data

sets to complete their own calculations. This necessitates full supply chain data including logistics. Suppliers who are unable to provide this information may adversely impact their own customers.

Businesses are becoming more aware and are measuring their Scope 1, 2, and 3 emissions with a view to increase their commitment to sustainability and environmental responsibility. For many businesses, Scope 3 emissions pose the greatest challenge. Despite this, we have partnered with companies to uncover ways to help reduce these emissions. Many businesses have achieved cost reductions and improved efficiencies, in addition to meeting their own ESG obligations by increasing their commitment to sustainability and environmental responsibility.⁴

To partner with an organisation that can provide the data you need to make informed decisions, contact Snell.



Social Pillar

Social factors refer to and address an organisation's relationship with its stakeholders and includes supply chain transparency. They also encompass modern slavery and ethical sourcing practices, ensuring fair treatment and labour conditions.²

New Zealand media and consumers are facing increasing pressure to:

- Action effective supply chain management and awareness of social compliance
- Make real changes within their own businesses to support and encourage diversity and equal opportunities.

Regardless of your business' stance, it has become clear that businesses are judged by who they choose to partner with. The shift that has brought social responsibility to the forefront is reminiscent of the changes we've seen in recent years regarding the environmental pillar of ESG.

Modern Slavery in New Zealand is defined by several international standards and represents the extreme end of a spectrum of labour exploitations. It is an umbrella term covering slavery, servitude, forced or compulsory labour and human trafficking. Global supply

chain links modern slavery practices in less regulated or economically developed countries with manufacturing and consumer markets in developed countries like New Zealand.⁵

To learn more about New Zealand's modern slavery legislation, see footnote.⁶

Other factors you should consider under the social pillar of ESG are:

- Diversity, Equity and Inclusion
- Health & Safety
- Fair Labour Practices.

At Snell, we mitigate the risk of modern slavery through a Supplier Code of Conduct, which 95% of our suppliers have signed. This document not only ensures that our suppliers comply with ethical business practices but also aligns expectations around minimising climate impact and driving diversity and inclusion within our suppliers' business.

Businesses need to evaluate whether the actions of their suppliers align with their own values and practices. Relying solely on external audit results and certifications is not sufficient.

For compliance at every stage of the supply chain, contact Snell.

REFERENCE

[2] Corporate Finance Institute (2022). ESG (*Environmental, Social, & Governance*), Corporate Finance Institute.

Retrieved from: <https://corporatefinanceinstitute.com/resources/esg/esg-environmental-social-governance/>

[3] The New Zealand Herald (2023). *The pressure building on NZ business (Sponsored Stories; commercial partnership with ASB)*, The New Zealand Herald, 26 June. Retrieved from: <https://www.nzherald.co.nz/sponsored-stories/the-pressure-building-on-nz-business/6FYVOT3NJB6LO6642LWKBMQPO/>

[4] Vereb, M. (2025). *Understanding Scope 1, 2 and 3 Emissions: Explained with Examples* Arbor. Retrieved from: <https://www.arbor.eco/blog/understanding-scope-1-2-and-3-emissions-explained-with-examples>

[5] PwC New Zealand (2021). *Modern slavery: what Aotearoa New Zealand organisations need to know*. Retrieved from: <https://www.pwc.co.nz/assets/2022-assets/insights-and-publications/modern-slavery-what-aotearoa-nz-organisations-need-to-know.pdf>

[6] Snell Packaging & Safety (2026) *New Zealand's long awaited Modern Slavery Bill is here: are you ready?* Snell Packaging & Safety. Retrieved from: <https://www.snell.co.nz/new-zealands-long-awaited-modern-slavery-bill-is-here-are-you-ready>

Governance Pillar

Corporate Governance refers to how an organisation is led and managed. This pillar sets standards regarding shareholder rights, stakeholder expectations and the internal controls in place to promote transparency and accountability.²

Governments and regulatory bodies are increasingly implementing policies and regulations for businesses. Companies that align with each ESG pillar can stay ahead of regulatory changes and avoid the risks associated with non-compliance, such as brand damage and legal ramifications.

Snell holds FSSC 22000, a stringent and internationally recognised food safety management certification. By holding such a high level of certification, Snell can facilitate the access to local and global markets which your business depends on.

For access to our Auckland record, see footnote.⁷

For access to our Christchurch record, see footnote.⁸

To learn more about the range of certifications in market, refer to page 26 of our whitepaper.

Regardless of your business' expectations around certifications, the media has warned that banks in New Zealand will not lend to businesses unless they are meeting their ESG obligations. For example, ASB and Trevelyan's, New Zealand's largest single-site kiwifruit and

avocado packhouse, have partnered on a sustainability-linked loan.

"Sustainability-linked loans require the borrower to commit to key environmental, social and/or governance (ESG) targets, with borrowing costs adjusting based on their performance against these targets."⁹

This example illustrates increasing pressure on New Zealand business to commence or continue making progress in relation to ESG. A business' level of ESG compliance may impact its access to the capital required to operate.

As with social responsibility, there are both internal and external factors that impact your business' ability to meet its ESG obligations under the governance pillar. Again, you need to look outside of your own business and evaluate how your suppliers are doing business. Consider factors such as the origins of products and raw materials, as well as labour practices and working conditions.

In reality, ESG is not about the products you use. Instead, it's about how you choose to do business, who you choose to partner with and the values your business holds.

To understand how you could be at risk by association, contact Snell.

To learn more about *The Rise of ESG & Its Impact on Business Decisions*, download this whitepaper [via our website](#).

REFERENCE

[2] Corporate Finance Institute (2022). *ESG (Environmental, Social, & Governance)*, Corporate Finance Institute. Retrieved from: <https://corporatefinanceinstitute.com/resources/esg/esg-environmental-social-governance/>

[7] Foundation FSSC (n.d.) *Snell Packaging & Safety Limited — Public Register (COID: NZL-1-0262-971260)*. FSSC 22000 Public Register. Retrieved from: <https://www.fssc.com/public-register/NZL-1-0262-971260/>

[8] Foundation FSSC (n.d.) *Snell Packaging & Safety Limited — Public Register (COID: NZL-1-0262-741728)*. FSSC 22000 Public Register. Retrieved from: <https://www.fssc.com/public-register/NZL-1-0262-741728/>

[9] ASB (2023). *ASB and Trevelyan's partner on new sustainability linked loan*. ASB Bank. Retrieved from: <https://www.asb.co.nz/documents/media-centre/media-releases/asb-and-trevelyans-partner-on-sustainability-linked-loan.html>

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