

Geopolitical climate

September 2026

INTRODUCTION

Geopolitical change reaches the boardroom in different ways and at different speeds. A tariff can change the economics of a market almost overnight; conflict can push up fuel, freight and input costs; and shifts in government policy can change customer requirements, compliance obligations or the terms on which capital is available. Distance from major markets can amplify those effects, adding time, cost and uncertainty when global conditions move.

These pressures are not confined to exporters or organisations with an international footprint. Domestic organisations can also be exposed through the markets, suppliers and financial conditions they depend on, even when their operations and customers are entirely within New Zealand. The exposure may be indirect, but the consequences can still reach revenue, costs, investment decisions and business continuity.

The reader is organised around four themes:

1. Power, economics and uncertainty Major powers are using trade, investment and support for key industries to advance strategic aims. The effects reach New Zealand through growth, inflation, energy prices and business confidence. This theme gives directors the context to distinguish structural change from short-term noise and test whether the economic assumptions underpinning strategy still hold.	2. Trade, tariffs and market access Trade continues, but access is less uniform. Tariffs, non-tariff barriers and political alignment can change the cost of serving a market. This theme translates geopolitical change into the commercial conditions boards can see most directly: where the organisation can buy, sell and invest, and at what cost.
3. Supply chains, critical resources and resilience A supplier network may appear broad while still relying on one route, one upstream producer or one critical input. This theme focuses on the operational and financial consequences of disruption, and the choices boards can make before a shock reaches the organisation.	4. Climate, nature and the new conditions of trade Environmental requirements and stakeholder expectations are changing market access, risk and value. Changes to carbon, traceability and nature-related standards can alter where an organisation can compete, what it must invest in, and how quickly it needs to adapt.

This reader develops one of the [Institute of Directors' Top 5 issues](#) for directors in 2026: how boards can navigate geopolitical uncertainty, understand its economic and strategic implications, and make timely decisions as global conditions shift. It brings together IoD and Chapter Zero New Zealand articles with commentary from ASB, New Zealand Trade and Enterprise and other organisations. The emphasis is on the points where global developments change an organisation's choices: whether they alter the assumptions behind strategy, the timing or economics of investment, market or supply choices, or the level of assurance the board needs.

No board can follow every political development. The useful discipline is to decide which signals could affect your organisation most, who will interpret them and what would trigger action. That requires better exposure visibility, a realistic view of alternatives and enough economic context to test whether a disruption is temporary or likely to reset the operating environment.

Cyber threats are evolving.

Can your defences keep pace?

In the organisations you serve, do you understand their ability to withstand a cyber-attack, or recover when one occurs? Do you understand the systems and data that are most at risk? Do you know if basic controls have been put in place? As a board and an executive, could you say that adequate risk management is in place?

Cyber incidents and the rapid growth of AI are business risks that can disrupt operations, damage trust and test decision-making. The question isn't whether you'll be targeted, but how well you can respond and recover.

That's why cyber security alone isn't enough. Cyber resilience goes further, bringing together protection, governance, readiness and response to help your organisation withstand disruption and recover stronger.

Know where you stand

An Organisational Security Assessment is the first step in evaluating risk and how your organisation can strengthen its security posture.

YOUR ORGANISATION WILL RECEIVE:

01

A clear assessment of its current security position and key risk exposures

02

Prioritised, risk-based recommendations

03

A practical, high-level improvement roadmap

04

An executive presentation for your Board or senior leadership team.



Give your Board a clear path forward

IoD members and their organisations receive a 15% discount off their Organisational Security Assessment if they book by 31 Dec, 2026. Contact us today.



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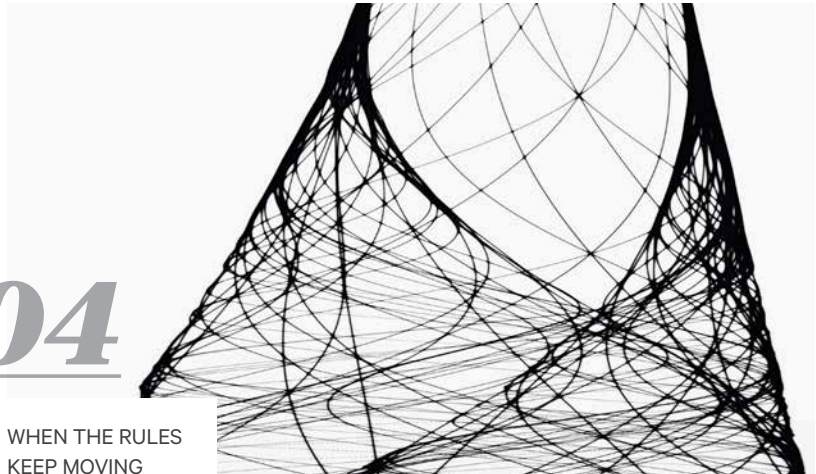
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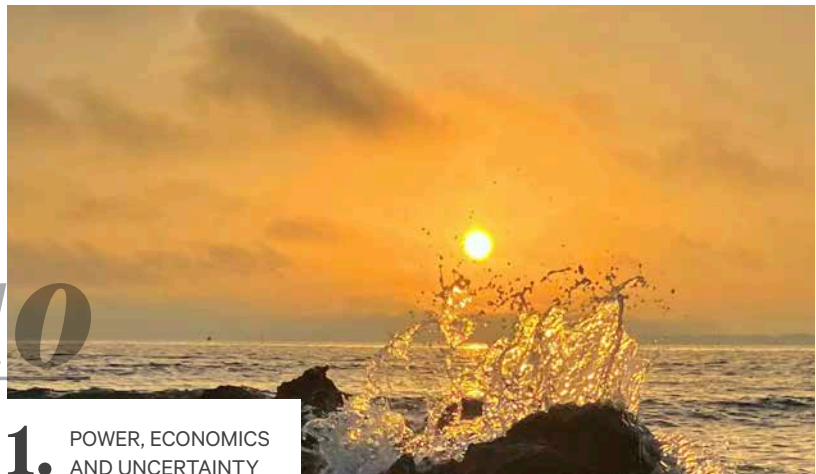
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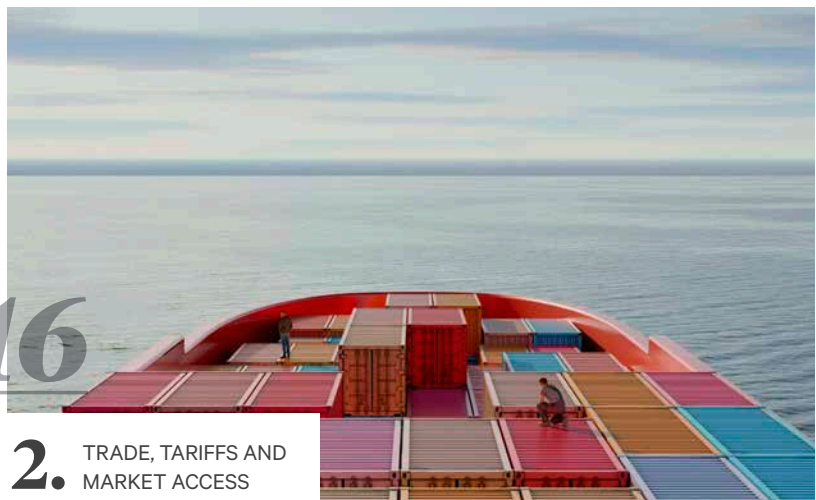
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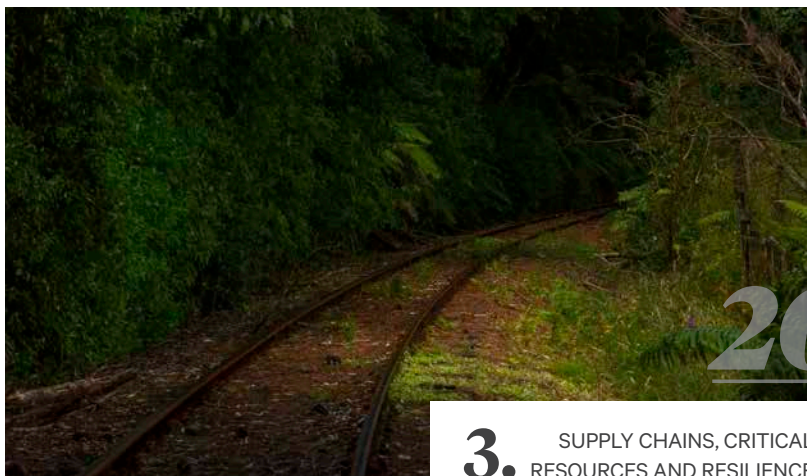
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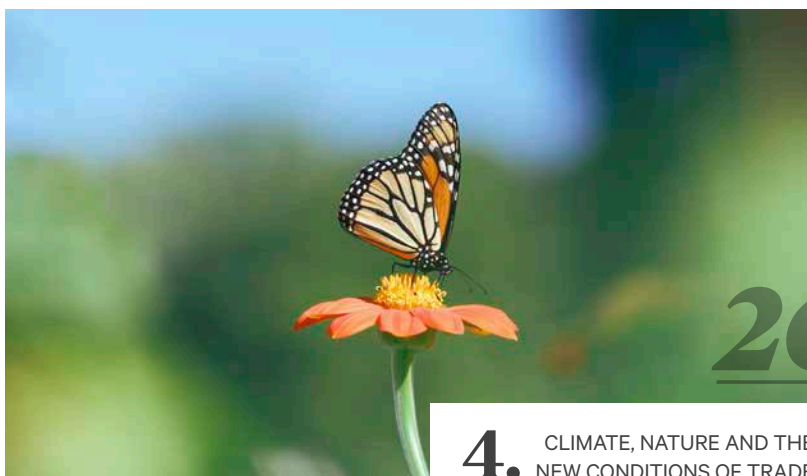
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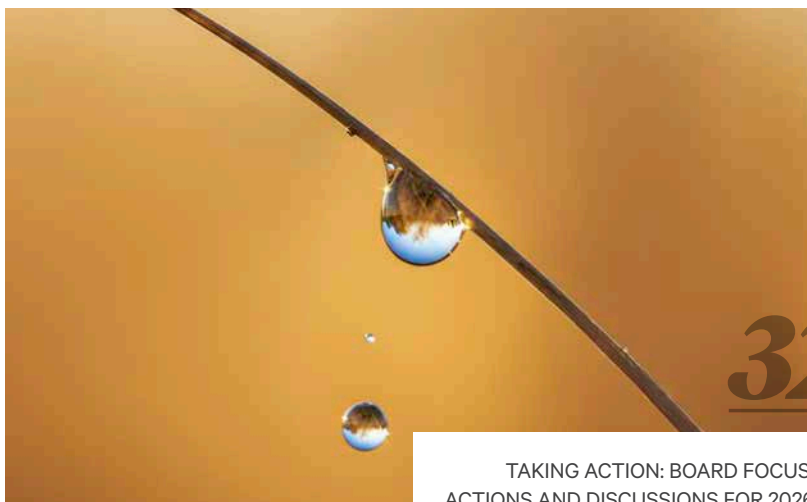




3. SUPPLY CHAINS, CRITICAL RESOURCES AND RESILIENCE



4. CLIMATE, NATURE AND THE NEW CONDITIONS OF TRADE



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When the rules keep moving

Geopolitical risk now arrives through prices, contracts, supply chain routes, standards and confidence. The board's job is to know when those pressures change a direction or decision.

*By Judene Edgar MNZM, CMInstD, Principal Advisor
– Governance Leadership Centre*

A SHIFT IN THE OPERATING FRAME

For much of the past three decades, many organisations planned on the basis that trade would keep opening, markets would remain broadly accessible and commercial interests would usually outweigh tensions between countries. Supply chains stretched across borders as organisations sought lower costs, greater efficiency and access to specialist capability. Capital followed those same incentives. The assumptions underpinning strategy could therefore be treated as a relatively stable backdrop, with geopolitics more often seen as context than as a regular input into board decisions.

Photo by:
Osarugue Igbino on Unsplash



That confidence has thinned. Major powers are using tariffs, subsidies and investment controls to protect domestic capability and advance strategic interests. Security concerns now influence decisions about energy, shipping, advanced manufacturing and critical materials. The rules-based system remains important, but many operating models were built on greater predictability than businesses can assume today.

Global trade continues at scale, but the political and security settings around it are more volatile. Traditional alliances are under strain; relationships are becoming more transactional and regulatory systems are diverging. The assumptions that once gave businesses confidence about access, security and continuity are therefore harder to make with confidence, and political decisions can alter the economics of a market with little warning.

HOW THE ECONOMICS REACH NEW ZEALAND

New Zealand is highly exposed to changes in global conditions because of its reliance on international trade and long supply routes for many essential goods and inputs. The effects do not stop at the border or with exporters. They can move through the economy long before an organisation experiences a direct disruption. A company operating entirely within New Zealand can therefore still be affected by a conflict, trade restriction or policy change through higher costs, weaker demand or tighter investment conditions.

Recent disruptions to global oil supply have lifted fuel and freight costs, added to inflationary pressure and reduced households' spending power, while also affecting the outlook for interest rates. That combination can change the assumptions behind a budget, investment case or growth plan without ever becoming a direct supply crisis.

The [2025 Director Sentiment Survey](#) found 45.2% of directors saw global economic and geopolitical uncertainty as a significant impediment, up from 33.2% in 2024.

WHEN DOES DISRUPTION CHANGE THE STRATEGY?

Boards need a practical way to connect external signals with organisational choices. The judgement is whether an event changes the strategy itself or only the conditions around it. A temporary disruption may require an operational response without changing the organisation's longer-term direction. A structural shift may require the board to revisit the assumptions on which that direction was based.

A headline may have little practical effect, whereas a technical change to customs treatment, a buyer standard or an insurance exclusion may have much greater consequences. Management reporting should help the board make that distinction, rather than simply providing a catalogue of geopolitical developments.

Scenario work is most useful when it tests a small number of material assumptions and makes clear what would cause the organisation to respond differently. Boards can then agree in advance which changes warrant closer attention and which require a decision.

Resilience brings trade-offs. A second supplier may be more expensive, additional inventory ties up cash and a new market can take years to build. Boards need to decide which dependencies the organisation can carry, which could threaten its purpose or financial position, and where the cost of creating an alternative is justified. A nominal second supplier that relies on the same upstream producer offers little protection. Nor does a broad supplier list if several suppliers ultimately depend on the same route, resource or producer.

Market diversification carries similar trade-offs. New Zealand's trade agreements and reputation as a reliable partner create options, but diversification still takes investment, relationships and operating capability. An alternative has little value if the organisation cannot use it when conditions change.

PROTECTING FUTURE CHOICES

Geopolitical shocks can affect cash-flow timing as well as costs. Disruption can delay delivery and payment, tie up more working capital and tighten liquidity at the same time that operating costs rise. The combined effect may narrow the organisation's choices before the longer-term implications are clear.

Capital decisions deserve the same scrutiny. Major capital investments such as plant, infrastructure or energy systems may be designed around assumptions about supply, price or access. The asset can remain technically sound while its economics weaken. Investment papers should identify the external conditions that underpin the return and show how far those conditions can move before the case needs to be revisited.

Choices become harder to reverse once contracts are signed or assets are committed. The aim is to preserve options without reacting prematurely to every change in conditions. Early investigation can keep several pathways open without requiring immediate expenditure, while clear trigger points can help distinguish when monitoring should become action. Waiting too long can narrow those pathways if supply tightens, market access changes or investment becomes more expensive.

Geopolitical disruption can also create commercial openings. Trading partners may seek reliable alternatives when established corridors become constrained. New Zealand organisations may be well placed when reliability, trusted relationships or secure supply carry greater value.

Boards should apply the same discipline to opportunity as they do to exposure. A potential market or new operating model still needs a credible commercial case and enough preparation for the organisation to act while the opportunity exists.

Preserving those options depends partly on what reaches the board, and when. Strategy and capital reviews should check whether the external assumptions underpinning major decisions still hold.

Management needs a clear route for escalating a material change, particularly where an issue crosses several functions or committees. The board should receive the implications together, rather than as separate pieces of market, risk or operational reporting. When events move between meetings, clear decision boundaries and agreed thresholds help management know what it can act on, what needs to be escalated and when an operational response becomes a board decision.

Specialist advice can help test economic assumptions, market conditions or emerging risks where the organisation lacks direct experience or sufficient internal capability. The board should understand the basis of that advice, how much confidence to place in it and where uncertainty remains.

Customer, regulatory and investor requirements can reach into sourcing, traceability, labour practices, environmental performance and supply-chain integrity. Those requirements can change even when domestic policy is unsettled.

For New Zealand organisations, the commercial question is which requirements apply in key markets and whether the organisation can provide credible evidence that it meets them. Modern slavery, product traceability, environmental standards and other due-diligence requirements may be passed down through supply chains even where the organisation is not directly subject to the underlying rule.

Some dependencies may not be visible in the organisation's supplier data. Where an organisation depends materially on water, soil, forests or other natural systems, deterioration can affect supply, asset value and investment decisions before regulation catches up. Those natural systems are part of the organisation's supply base, and material dependencies should inform capital and adaptation decisions.

GOVERNANCE UNDER PRESSURE

Geopolitical exposure cuts across strategy, risk, capital allocation and business continuity. The full board needs a clear view, even when a committee or external adviser does the deeper work.

Reporting should be selective. A crowded dashboard of global events makes it harder to see which developments could affect the organisation. A small number of indicators linked to material assumptions can give the board early warning of a change that could require action.

Trusted relationships can provide earlier warning and more room to solve a problem. In a more transactional trade environment, connections with customers, suppliers, officials and in-market partners can also reveal changes that formal reporting may miss. Lisa Tumahai's perspective later in this reader adds a New Zealand dimension: purpose, relationships and long-term horizons can help boards hold their ground when political settings change.

Boards cannot remove geopolitical uncertainty, but they can decide which changes warrant action before their options narrow.

1.

Power, economics and uncertainty



Geopolitical change is affecting New Zealand's economic outlook in familiar ways. Energy prices can feed into inflation, weaker demand in a major market can flow through customers and supply chains, affecting revenue well beyond exporters, and trade friction can change the timing or return of investment. The articles in this section look at how shifts in global power are flowing into New Zealand's economic outlook and boardroom decisions. They provide context for judging whether a change in costs, demand or confidence is temporary or signals a longer-term shift in the conditions underpinning strategy and investment.

Photo by:
Rebecca Dumas on Unsplash



Boards urged to war-game geopolitical shocks**IoD Content Team | IoD | 7 September 2026 | Article**

The disruptions of recent years are better understood as signs of a structural shift than as temporary departures from normal. Charles Edel argues that conflict, coercive economic policy and strategic competition between major powers are changing the assumptions that supported decades of economic integration. Trade routes, energy supply and manufacturing capacity can all be affected at once, making resilience and redundancy more important alongside efficiency.

Edel's practical recommendation is to bring techniques such as war-gaming into organisational forecasting before a crisis forces decisions under pressure. For New Zealand, exposure could be significant if disruption spread through Taiwan, technology access or critical infrastructure. Testing severe but plausible scenarios can help organisations identify hidden dependencies, clarify which choices need to be preserved and decide where additional resilience is worth the cost.

Economic recovery brings opportunities – and risks – for boards**Mark Russell | Freelance writer | 16 March 2026 | Article**

New Zealand's recovery is beginning from a weak base and is unlikely to be even across regions or sectors. Inflation is easing and activity is improving, but global fuel prices, interest rates, labour-market shifts and a more fragmented trading environment can still alter the pace of recovery. For a small trade-dependent economy, geopolitical tension and the growing use of trade policy as a strategic tool add another layer of uncertainty to domestic forecasts.

Uneven recovery and exposure to offshore events can affect assumptions about demand, financing and investment. Boards should retain flexibility in the pace and timing of growth plans.

Global energy shock special topic: As clear as crude**Mark Smith, Senior Economist | ASB Economic Research | 11 March 2026 | Article**

Disruption around the Strait of Hormuz shows how quickly a geopolitical event can become a New Zealand economic issue. Higher global oil prices feed into fuel and freight costs, lift near-term inflation and reduce household purchasing power. At the same time, weaker activity can dampen demand, leaving monetary policy pulled between inflation pressure and a softer economy.

Even without a direct supply interruption, an energy shock can affect demand, inflation, financing and investment. The result is a more unfavorable economic outlook, with higher inflation pressures sitting alongside the risk of weaker activity and a more uncertain path for interest rates.

[Fuel crisis puts cost, resilience and judgement to the test](#)

**Jacob West, Content Team Lead | IoD |
1 May 2026 | Article**

An IoD pulse survey of 508 directors shows how geopolitical disruption is landing in New Zealand boardrooms. Sixty per cent were highly to extremely concerned about fuel price volatility and potential supply disruption, but around 70% had made only minor or moderate adjustments. The results capture the gap boards often have to manage between heightened concern and the case for changing course.

The measured response highlights a difficult judgement: when should incremental adjustment give way to strategic change? Some organisations are delaying investment or passing on costs, while very few have made major structural moves. The survey gives a useful snapshot of directors making that judgement while the economic consequences of the disruption are still unfolding.

[Holding the focus when disruption becomes routine](#)

**Hobson Leavy author and Judene Edgar, IoD
Principal Governance Advisor | Hobson Leavy and
IoD | September 2026 | Article**

Frequent disruption does not necessarily push boards into short-term thinking. A Hobson Leavy and Chapter Zero New Zealand pulse survey found 74% of respondents dealing with disruption at least monthly or as part of day-to-day leadership said their boards maintained a balance between short- and long-term priorities, compared with 54% among those experiencing disruption less often. The results suggest some boards have developed ways to absorb immediate pressure without allowing it to take over the agenda.

Geopolitical and environmental pressures operate across vastly different time horizons. An immediate shock may require action while leaving the longer-term strategy intact; a structural change may require assumptions behind the strategy to be revisited. Clear reporting, delegations and escalation points can help boards deal with the immediate issue, while protecting time for decisions whose consequences will play out over years.

[‘What’s happening globally is already landing in our boardrooms’](#)

Patricia Thompson, Freelance Writer | IoD | 16 February 2026 | Article

Geopolitics is already part of the operating environment for boards, rather than a distant foreign policy concern. International political shifts can influence domestic legislation, stakeholder expectations and organisational risk settings, while uncertainty can make it harder to decide when to act and when to hold course. Lisa Tumahai CNZM, MInstD brings a director’s perspective to that challenge across commercial, iwi and public-interest settings.

Her approach starts with purpose, relationships and a long-term horizon. When external settings are unsettled, clarity about who the organisation serves and what it is trying to protect gives the board a firmer basis for judging opportunities, trade-offs, and risk. Her perspective adds a different dimension to economic analysis: purpose and relationships can provide continuity when conditions around the organisation are unsettled.



2.

Trade, tariffs and market access





Market access is becoming more conditional as tariffs, non-tariff barriers, political relationships and regulatory settings change the economics of trade. Formal trade agreements provide access, while reputation and trusted in-market relationships can help sustain it. Credible alternatives also take time to build. The articles in this section look at the conditions that support market access, including trade policy, trusted relationships, regional partnerships and diversification. The challenge is understanding where access is vulnerable and what it would take to preserve or build credible alternatives before they are needed.

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TSD Studio on Unsplash

Trust, trade and turbulence: what boards must govern for now

**Judene Edgar, IoD Principal Governance Advisor
| IoD | 22 January 2026 | Article**

Trade resilience is becoming more relational as geopolitical tension, regulatory fragmentation and economic anxiety weaken confidence across markets. In Asia-Pacific, where seven of New Zealand's top 10 trading partners are located, formal trade agreements remain important alongside the reputation and relationships that help organisations maintain access when conditions become more difficult.

Trust has commercial value in that environment. Relationships with customers, suppliers and partners can take years to build but may be tested quickly when markets tighten or political and regulatory settings shift. How an organisation behaves under pressure can affect its credibility, workforce stability and ability to sustain important relationships. Trust therefore becomes part of organisational resilience and long-term performance, rather than simply a reputational consideration.

Turning red tape into red carpet

**Paul Gestro, Director Growth Markets, ASB | IoD
| 13 October 2025 | Article**

Tariff uncertainty is already influencing how New Zealand businesses think about pricing, markets and investment. ASB research with around 300 businesses found almost 40% expected the proposed tariffs to have a more profound economic impact than Covid-19 or the Global Financial Crisis, yet only 10% of all businesses and 14% of exporters had acted. Among those that acted in response to the proposed tariffs, measures included raising prices, shifting markets or cutting costs.

Gestro's focus is on judgement rather than reaction. That means distinguishing material changes from short-term noise, testing scenarios and lead indicators, and staying clear about strategy when conditions are volatile. Diversification, product mix and market access can all create opportunity, but they require deliberate choices about where to focus capital and management attention. He also underlines the importance of a strong chair-CEO relationship so that risks, contingencies and emerging opportunities surface early enough for the board to act.



Exporters help shape future of NZ-Singapore trade relationship

NZTE | 8 March 2026 | Article

The first Singapore-New Zealand Leadership Forum brought business and political leaders together around deeper economic integration, resilient supply chains and future growth. Singapore is New Zealand's largest trading partner in Southeast Asia and an important regional hub, while the Agreement on Trade in Essential Supplies now provides binding commitments to keep agreed essential goods moving during a crisis.

The forum provides a practical example of how government-to-government relationships can create commercial openings and strengthen resilience. Singapore can serve as both a market and a regional hub, but making use of that access still requires local capability and a clear investment case.

Calm seas don't make good sailors

**Josh Tan, Executive Director of ExportNZ | IoD
| 9 July 2025 | Article**

The trading environment is becoming more transactional, with tariff changes and political decisions creating new friction for exporters. Josh Tan emphasises the value of staying close to customers and market signals, while continuing to look for opportunities created by shifts in global trade.

Diversification can reduce concentration risk, but a new market is not a quick substitute for an established one. Entry requires research, local relationships, management attention and enough time to build demand and distribution. That makes it important to test the economics and lead time of diversification, including whether a proposed market genuinely creates optionality or simply spreads capability and capital too thinly.

3.

Supply chains, critical resources and resilience



Supply-chain resilience depends on what the board can see before disruption tests it. A broad supplier list may still mask dependence on one route, one upstream producer, one source of energy or another critical input. The articles in this section look at readiness under pressure, dependencies that sit beyond direct suppliers, business continuity and operating-model choices that can reduce exposure. Boards need to understand where disruption could have the greatest effect, how much capacity the organisation has to absorb it and which alternatives need to be in place before they are required.

Photo by:
Theo Hall on Unsplash



Fuel constraints are the signal – governance readiness is the real test

**Herman Visagie, GM Governance Leadership
| IoD | 2 April 2026 | Article**

Fuel constraints arising from the Middle East conflict are a live test of organisational readiness. The disruption draws attention to the capacity organisations have left to absorb another shock after several demanding years. Weak points may sit within suppliers or customers as much as inside the organisation, so resilience needs to be assessed across the wider value chain.

Once that baseline is clear, a small number of plausible scenarios can test the choices attached to them. Risk appetite, decision thresholds and delegated authority become more important when signals are incomplete and government intervention may be limited or targeted. The organisation needs enough headroom to adapt and a clear view of what can be delayed, reprioritised or changed if pressure intensifies.

Supply chain trends in 2026: A continuation of complexity and risk

Marsh | 27 January 2026 | Article

Conflict, trade wars, sanctions, export controls and shifting alliances continue to change global supply chains. Marsh points to the risk of further tariff changes, restrictions on critical materials and technologies, and fragmentation between trade blocs, all of which can force organisations to reconsider where they source, manufacture and hold inventory. It also highlights the value of scenario planning and regularly reviewing geopolitical exposures as conditions change.

The analysis broadens the picture beyond geopolitical disruption alone. Extreme weather, workforce shortages and dependence on critical materials can all expose weaknesses further upstream, while concentration in rare earths and other strategically important inputs creates vulnerabilities that may not be obvious from direct supplier relationships. The issue for boards is whether the organisation understands where those dependencies sit, how disruption could reach operations and which alternatives need to be available before a constraint becomes immediate.

What supply chain dashboards leave out

IoD Content Team | IoD | 27 August 2026 | Article

Conventional supply-chain data can give boards only part of the picture. Drawing on a Chapter Zero New Zealand and Climate Governance Initiative Hong Kong webinar with Miriana Stephens MInstD, Florence Van Dyke and Agnes K Y Tai, the discussion highlights dependencies that may sit outside conventional dashboards, including natural systems, upstream suppliers, customer requirements and the relationships that support continuity and market access. A broad supplier base can still conceal common routes, inputs or vulnerabilities.

Resilience extends beyond logistics across the wider value chain. Additional inventory, spare capacity and supplier diversity all carry costs, while overseas customers may also pass through expectations on traceability, labour practices and environmental impacts. The governance challenge is to understand where the most significant dependencies are concentrated, whether the information is reliable enough to support decisions, and how much disruption the organisation is prepared to carry in pursuit of value and market access.

Beyond resilience to Total Value

Lance Webb, Head of Customer Experience | KPMG New Zealand | 2026 | Article

New Zealand's reliance on global supply chains leaves organisations exposed to tariff turbulence, geopolitical complexity and changing customer expectations. Resilience remains important, but supply-chain strategy needs to do more than help organisations absorb disruption. Decisions about sourcing, inventory, customer service and operations also affect working capital, efficiency, growth and the value the organisation can create.

That calls for supply-chain decisions to be considered across commercial, finance, procurement, operations and strategy. A disruption in a critical supplier network, for example, may require alternative suppliers or logistics routes, but it can also affect customer commitments, contracts, payment terms and financial exposure. That makes resilience a broader strategic question: whether the organisation can respond to disruption while protecting customer value, financial performance and its ability to grow.

Climate risk is becoming a core business continuity issue

IoD Content Team | IoD and Marsh | 16 June 2026 | Article

Business continuity depends on more than what happens inside the organisation. Infrastructure, transport networks and upstream suppliers can all determine whether operations continue when disruption occurs. More mature organisations are looking beyond first-tier suppliers to identify where a single route, service or upstream dependency could interrupt delivery, and how long operations could continue if that dependency failed.

That perspective brings those dependencies into continuity planning and capital decisions. The focus shifts to understanding where failure would have the greatest effect, how long the organisation could operate without the service or input, and whether investment made now would preserve options that may be harder or more expensive to create later.

Why are we paying twice?

Florence and Chloe Van Dyke, Co-Founders of Chia Sisters and Businesses for Climate Action | IoD | 21 April 2026 | Article

Packaging provides a practical example of how a recurring input can carry cost, freight, waste and supply risk at the same time. Chia Sisters' move from single-use bottles towards reusable kegs changed the economics of the product and opened channels that were not available under the original model. The case shows resilience can sometimes come from changing the operating model, rather than finding another version of the same supplier.

The example widens the range of responses available when an input creates ongoing cost or supply exposure. Reuse, remanufacturing or material recovery may reduce reliance on long supply lines where the commercial model supports it. Any such change still needs to be tested for the investment, implementation and supply implications, but changing the operating model can sometimes create more resilience than changing suppliers.



4.

Climate, nature and the new conditions of trade



Climate and nature requirements are becoming part of the conditions of trade. Buyers, investors, lenders, insurers and regulators may expect evidence or information that is not otherwise required in New Zealand, while energy and natural-resource dependencies can alter costs, asset value and the case for investment. The articles in this section look at how environmental requirements, energy choices and natural-resource dependencies are changing commercial decisions. The focus is on competitiveness and value: which conditions affect access to customers and capital, what sits behind long-lived investment decisions and where adaptation may need to begin before the pressure becomes immediate.

Photo by:
Aaron Burden on Unsplash



Governing ESG risk in a volatile trade world**IoD Content Team | IoD and HSE Global
| 21 April 2026 | Article**

Tariff volatility and sustainability requirements can collide in the same sourcing decision. Moving supply to avoid a tariff may reduce one cost while introducing labour, environmental or modern slavery exposure elsewhere in the chain. A lower-priced alternative can therefore carry wider commercial consequences, including whether customers or financiers remain comfortable with the new source of supply.

Sourcing decisions need to account for the requirements of priority markets as well as price and continuity. A response to one geopolitical pressure can create another exposure, particularly where customers expect evidence about labour or environmental practices. The governance question is whether management can see those trade-offs before a short-term sourcing solution creates a longer-term market problem.

The cheap energy era is ending**Dr Rod Carr, director and former chair, Climate
Change Commission | IoD | 24 March 2026 | Article**

New Zealand organisations remain exposed to imported fossil fuels and volatile global energy prices at the same time as domestic gas supply declines. Assets and operating models built on an assumption of cheap, readily available energy may therefore face different economics over their useful life. Long fuel supply chains also create a resilience and sovereignty exposure when international conflict constrains routes or raises prices.

Energy strategy therefore sits inside value, continuity and capital allocation. Electrification and efficiency can reduce emissions, but they can also reduce exposure to imported fuels and price volatility. Timing is material because replacement equipment, grid connections and supporting infrastructure often take years to plan. That makes it important to understand when an option becomes more expensive, constrained or unavailable if investment is deferred.

Agribusiness' future is electric**Harry Rozga | IoD | 25 August 2026 | Article**

Energy security is becoming part of the competitiveness equation for agribusiness. Drawing on KPMG's Agribusiness Agenda 2026 and Australian work on "energy sovereignty", the article looks at electrification as a way to reduce exposure to volatile imported fuels while improving reliability and productivity. Upfront investment remains a constraint, but the economics can extend beyond emissions reduction.

Forest Lodge Orchard in Central Otago has combined solar generation, battery storage and electric machinery, saving more than \$40,000 a year in fuel costs while creating additional revenue and a point of difference with customers. The example brings the energy transition back to capital timing: investment can build resilience and competitiveness while reducing exposure to global fuel markets.

[Nature: a practical lens for ESG and climate risk](#)

**Sam Parsons, Nature and Climate Change Specialist,
Boffa Miskell | IoD | 22 April 2026 | Article**

Freshwater, healthy soils, pollination, timber and other natural systems are productive inputs for many New Zealand organisations. When their condition declines, the consequences can appear in output, supply reliability and long-term asset value. A place-based nature lens can make those dependencies more tangible by linking an environmental condition to a particular site, resource or operating activity.

Long-lived capital decisions need to account for those dependencies. An asset, product or revenue stream may rely on a resource or ecosystem service remaining available at a particular quality and cost, whether that dependence is formally identified as a nature risk. Making those dependencies visible allows adaptation, investment and market choices to be considered before deterioration is seen in regulation or financial performance.

[Tighter budgets put nature investment to the test](#)

Eva Siwicka | IoD | 26 August 2026 | Article

Nature investment faces a harder test when budgets tighten. Eva Siwicka argues that projects are more likely to hold their place when the business case is clear about the value being protected or created, the scale required and the return that can be demonstrated. For organisations dependent on healthy soils, reliable water or functioning ecosystems, natural capital can warrant the same analytical discipline as other assets.

The discussion also brings nature into capital allocation. Some investment protects continuity or reduces future costs; other initiatives support reputation, community relationships or access to capital. Where risks operate across a catchment, the appropriate scale of intervention may extend beyond a single property. Waiting for greater certainty can itself narrow the choices available as conditions deteriorate or costs rise.

[Sustainability moves into the growth agenda](#)

Mike Burrell, Sustainable Business Council CEO | IoD | 22 May 2026 | Article

Global business discussions are bringing competitiveness, energy security and resilience into the sustainability agenda. Energy security, resilience and investment are being discussed alongside emissions reduction as part of the conditions for future growth. Sustainability choices are being judged through business performance, as well as environmental performance.

New Zealand organisations therefore need to test whether energy, innovation and adaptation plans improve the organisation's competitive position as well as its environmental performance. Stakeholder and market expectations may continue to shift even when domestic policy is uncertain. Capital decisions need to account for that possibility, particularly where an asset or operating model will remain in place for many years.



Taking action: board focus, actions and discussions for 2026

The board needs a clear line of sight from geopolitical change to organisational decisions. These cross-cutting focus areas draw together the practical questions raised throughout the reader without turning the agenda into a running review of world events.

Focus	Actions	Discussion
Power, economics and uncertainty	Identify the external economic assumptions with the greatest effect on revenue, cost and capital plans. Consider a small number of plausible shifts and agree which would change a decision.	Which assumption would alter our strategy first if it moved outside the range in the current plan?
Trade, tariffs and market access	Map material revenue and procurement exposure by market. Assess the economics and lead time of credible alternatives before access becomes constrained.	Where are we dependent on one market or trade setting and what would it take to build another route?
Supply chains, critical resources and resilience	Look beyond direct suppliers to critical upstream inputs, routes, energy and infrastructure. Set trigger points for changes to inventory, sourcing, logistics or customer commitments.	Which critical dependency could disrupt us most and how much of that disruption are we prepared to carry?
Climate, nature and the new conditions of trade	Track environmental requirements and stakeholder expectations that affect priority customers, finance, insurance, contracts or markets. Identify where changing standards could alter risk, value or capital plans, and whether the organisation can provide the evidence expected.	Which market or stakeholder expectations could change our competitiveness or require earlier adaptation?
Decision pace and external insight	Agree which signals management will monitor, when they will be escalated and who can act between board meetings. Use targeted advice where the organisation lacks direct experience or sufficient internal capability.	What would cause us to act before the next scheduled meeting and who has authority to do what?

RESOURCES:

Institute of Directors | [Geopolitical climate briefing with Vangelis Vitalis](#)

Institute of Directors | [Geopolitical climate briefing with Charles Finny](#)

Chapter Zero New Zealand and KPMG | [Financial quantification: from climate risk to value creation](#)

Chapter Zero New Zealand | [Climate scenario analysis](#)

Marsh | [Navigating global risks in the Pacific 2026](#)

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