

Sustainable development

“NIWA is committed to maintaining the health of New Zealand’s environmental systems. We do this by providing sustainability advice and services, and by operating in an environmentally, socially, culturally, and financially responsible manner. We firmly believe that this behaviour contributes to sustained economic growth and value creation. Principles for sound environmental and social behaviour are fully embedded in the organisation.”

John Morgan, Chief Executive

NIWA’s mission is to be an internationally respected research organisation dedicated to creating and delivering innovative and excellent science that enables New Zealanders to make informed decisions on the sustainable use of their natural environment and its living resources. In the coming year our key focuses will be:

- mitigating and adapting to climate change;
- ensuring a secure and sustainable energy supply;
- developing high-value species for sustainable aquaculture;
- wise allocation of freshwater resources and the protection of water quality;
- improved responses to weather-related hazards.

NIWA’s sustainability initiatives

To NIWA, sustainability is about meeting the needs of the present without compromising the ability of future generations to meet their own needs. We take an integrated view of sustainability, incorporating all aspects of our business.

Our aspirations are:

- **Environmental** – We help maintain the health of the environment and minimise our operational impact, and through our science we help others to do the same. We believe in pragmatic sustainable development and that prevention is better than cure.
- **Social** – We create a safe, supportive, enriching environment for our staff in our quest to be an employer of choice.
- **Cultural** – We actively contribute to the communities we live and work in and are developing relationships between environmental science and Māori interests that reflect a working partnership for the future benefit of all New Zealanders.
- **Economic** – We ensure sustainable growth of the company and provide added value to the national economy. We contribute to job growth and reinvest a substantial part of our profits into science that benefits New Zealand.

In 2007–08 we plan to expand our leadership role in sustainability by continuing to provide essential advice to the public and government bodies on major sustainability issues, demonstrating alternative energy sources, investing in more energy efficient systems at our regional offices, defining our carbon footprint, investigating and taking initiatives

towards carbon neutrality, and continuously monitoring our performance for structured improvements. We made major progress this year with the endorsement by the Chief Executive and the Board of the development of a sustainable development action plan with a specific budget to guide the internal operations of the company.

Fit with NIWA’s strategy

NIWA’s sustainability philosophy flows from the company’s strategic direction.

NIWA aims to continue to grow as a successful research organisation and a commercial consultancy, offering value-added science-based products and services. High achievement in all four sustainability performance areas – environmental, social, cultural, and economic – is critical for long-term growth. Financial returns are essential for developmental investment; outstanding environmental performance drives the quality and relevance of our products and services; and it is our motivated and dedicated staff who will achieve the company’s strategy.

Context for sustainable development

Sustainability is a key policy theme for central government, and NIWA is committed to helping the government, and the country as a whole, achieve its environmental, social, cultural, and economic goals. NIWA achieves this through its science, and by ensuring the government receives sound advice.

Internationally, scientific research and debate on climate change have increased the pace of action on greenhouse gas emissions and preparedness for natural hazards. NIWA staff serve on the Bureau of the Intergovernmental Panel on Climate Change (IPCC), and carry out research for New Zealand on climate change, climate forecasts, the effects of climate (present and future), and climate-related hazards. NIWA also represents New Zealand at a large range of scientific meetings and governmental forums.

About NIWA’s sustainability reporting

This year, we have provided an overview of our sustainable development reporting in this section to identify our key strategies, whilst the full sustainability report is published on our website at www.niwa.co.nz/ar/2007. We are continuously improving our reporting and find that the amount of information presented now warrants this approach.

Our sustainability reporting covers the activities of the parent company, NIWA Science, and incorporates selected information from NIWA Vessel Management.

Because of the nature of our business, we have reported extensively on our environmental performance over the years. This year we have increased reporting in the social areas of community, and people, health, and safety.

Verification

This summary section and our full online sustainability report have been verified by ERM New Zealand Ltd. Their assurance statement comments on accuracy, materiality, completeness, and responsiveness to stakeholder interests. NIWA acts on verifier recommendations and, in line with comments last year, began implementing ways in which the company could work more closely with partners and suppliers to explore sustainability issues. The company also provides more commentary on any targets not achieved in 2006–07.

Improved reporting and benchmarking

As a first step towards international benchmarking, we have done what we can this year to measure our performance against the updated G3 sustainability reporting guidelines of the Global Reporting Initiative (GRI). We have aimed at achieving the first rung, Level C. The GRI is a collaborating centre of the United Nations Environment Programme. The G3 guidelines provide an internationally recognised framework for benchmarking. They were developed with input from a large pool of experts from around the globe, including New Zealand, and are designed for companies and organisations of any size and sector. More information on the GRI and G3 framework can be seen at www.globalreporting.org.

Stakeholder engagement

NIWA actively engages with its key stakeholder groups and maintains open, two-way communications. Information on stakeholder engagement is located throughout the annual report and online sustainability report. This is an overview of our stakeholders, their interests in NIWA, our methods of engagement, and where to find more information.

| Key stakeholder group | Stakeholders' interests in NIWA | Forms of stakeholder engagement | Stakeholder engagement information |
|--|---|---|--|
| Shareholding Ministers (Minister of Finance and Minister of Crown Research Institutes) Crown Company Monitoring Advisory Unit (CCMAU) | Performance against the Statement of Corporate Intent, financial return, solutions for NZ's environmental issues, governance, strategy, investment for the future | Direct engagement, performance reports, quarterly, half-yearly, and annual reports | Online sustainability report Annual report 2007 |
| Foundation for Research, Science & Technology (FRST) | Value for investment, contribution to government's sustainability goals | Direct engagement, funding proposals and performance reports, annual report | Online sustainability report Annual report 2007 |
| National, regional, and local government and other authorities | Solutions for environmental and ecological issues | Direct engagement, client reports, workshops, annual report | Online sustainability report Annual report 2007 |
| Commercial clients | Solutions for environmental issues, value, service delivery, cost, business continuity | Direct engagement, client reports, annual report | Online sustainability report Annual report 2007 |
| Iwi and other partners | Contribution of science to environmental protection, conservation, food sources and land use, alternative energy; Te Kūwaha: working with Māori | Direct engagement and partnership programmes, hui, workshops, annual report, website | Online sustainability report Annual report 2007 |
| Suppliers | Facilitation of agreed service, prompt payment, fair treatment, safe workplace, procurement policies | Direct engagement, annual report | Online sustainability report Annual report 2007 |
| Employees and their representatives | Competitive remuneration, fair treatment, involvement, professional development, safe work environment | Culture review, annual one-on-one performance reviews, intranet, website, Public Service Association Partnership Forums | Online sustainability report Annual report 2007 |
| Communities and the wider New Zealand public | Impact of operations, involvement by the organisation, benefits such as education and sponsorships | Consultation programmes, website, workshops, training programmes, publications, media releases, sponsorships | Online sustainability report Annual report 2007 |

Performance highlights 2006-07

NIWA revised and significantly extended its list of voluntary indicators that track the company's performance to improve understanding and where the challenges lie, and to more closely link with stakeholder interests and requirements.

The following table is a brief summary of our performance for the year. For more highlights and information, see the full sustainability report on www.niwa.co.nz/ar/2007.

| Category | Highlights 2006-07 | Further action for 2007-08 |
|---------------|--|--|
| Environmental | <ul style="list-style-type: none"> International and NZ achievements in atmospheric, climate change, natural hazard, energy, freshwater, coastal, aquatic biodiversity & biosecurity, fisheries, aquaculture & biotechnology, and oceanic science and research Purchase of hybrid vehicles, increased videoconferencing to reduce travel Internal energy audits Increased paper recycling by 17.7%; reduction of solid waste by 2.5% | <ul style="list-style-type: none"> Establishment of the company's carbon footprint and measures to reduce it Development of a 'green' purchasing and new building policy Further reduction of waste and paper usage |
| Social | <ul style="list-style-type: none"> Internal culture review and workshops with staff New human resources framework Ratification of two collective employment agreements | <ul style="list-style-type: none"> Staff turnover of less than 10% Reduction of workplace injuries Introduction of mentoring schemes and new induction programme for staff Improved staff feedback mechanisms |
| Cultural | <ul style="list-style-type: none"> Re-launch of Sea & Learn shipboard education programme for high schools Sponsorship of NIWA Interactive Room at Kelly Tarlton's for primary school students Funding of 22 postdoctoral scholarships 10 public environmental training courses Te Kūwaha: workshop on customary coastal and kaimoana management | <ul style="list-style-type: none"> Increase from 10 to 20 days in the Sea & Learn programme Continued sponsorship of the Interactive Room 22 courses scheduled Continued growth in research and services of benefit to Māori |
| Economic | <ul style="list-style-type: none"> Record revenue of \$114 million and net surplus of \$10 million, with a return on equity of 22.6% | <ul style="list-style-type: none"> Allocation of revenue for sustainable development |

Sustainability contact

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For further information, see our full and verified online sustainability report: www.niwa.co.nz/ar/2007.