



# **NZ Sectoral & Regional Business Excellence Awards Criteria**

**Level 1**

**2009**

## **CRITERIA CATEGORY POINTS BREAKDOWN**

<b>1. Leadership</b>	<b>120</b>
(a) Organisational Leadership	70
(b) Public Responsibility and Community Leadership	50
<b>2. Strategic Planning</b>	<b>85</b>
(a) Strategy Development	40
(b) Strategy Deployment	45
<b>3. Customer and Market Focus</b>	<b>85</b>
(a) Customer and Market knowledge	40
(b) Customer Relationships and Satisfaction	45
<b>4. Measurement, Analysis &amp; Knowledge Management</b>	<b>90</b>
(a) Key Information and Data, Analysis and Improvement	45
(b) Managing and using information	45
<b>5. Workforce Focus</b>	<b>85</b>
(a) Work Engagement	45
(b) Workforce Environment	40
<b>6. Process Management</b>	<b>85</b>
(a) Work Systems Design	40
(b) Work Process Management and Improvement	45
<b>7. Business Results</b>	<b>450</b>
(a) Product and Service Results	100
(b) Customer Focused Results	100
(c) Financial and Market Results	100
(d) Workforce Focused Results	75
(e) Organisational Effectiveness Results	75
<b>Total Points</b>	<b>1000</b>

## **YOUR ORGANISATION'S BUSINESS PROFILE**

**NB: This information does not form part of the evaluation and scoring.**

To complement your entry please provide the following profile of your business in order that the evaluators might better understand your business, the key influences, how you operate and the key challenges you face.

### **1. Organisational Description**

#### ***General***

- Where is your business located?
- How long has the business been operating?
- What is the ownership structure (private or public, franchise, etc)?
- How is the business structured?

#### ***Business Environment***

- What are your main products and/or services?
- How do you provide/deliver your products and services to your customers?
- How would you describe your vision for the business?
- What is the make-up of your business's workforce, i.e., numbers and types of employees? Eg, full time, part time, contractors etc
- What equipment, facilities and technology do you use?
- What key regulations relate to your business? Please include as appropriate: OSH regulations; Health & Safety; accreditation requirements; certification requirements; registration requirements; environmental regulations; financial regulations; product regulations etc.
- What are the organisation's strengths and/or opportunities in terms of sustainable development (for example, use of recycled materials, carbon neutral activities, strong community involvement, employment of long term unemployed, product safety, eco-labels, resource efficiency, employee share ownership scheme etc)?

### **2. Organisational Relationships**

#### ***Suppliers, Partners, Distributors and other key stakeholders***

- What are your most important types of suppliers, partners and distributors?
- How do you communicate with your key suppliers, partners and distributors?
- List any other key stakeholder groups (those that have the ability to impact significantly on your organisation and those you have the ability to significantly impact upon such as community groups, environmental advocates, customers, media, neighbors, shareholders, employees) relationships and how they contribute to your business.

### **3. Organisational Challenges**

#### ***Competitive Environment***

- What is your competitive position in your industry/sector?
- What are the principal factors that determine your success relative to your competitors?
- What are the key challenges facing your business?

## CRITERIA CATEGORIES

### **1. Leadership**

**120 points**

This section reviews how your leadership guides your organisation and monitors organisational performance. In addition, it considers responsibility to the public and community.

#### **1(a) Organisational Leadership**

**70 points**

- i. Describe how (i.e. by what method or process) the company leader(s) do the following:
  - set and communicate the company vision and values,
  - determines and communicates the key objectives and results of the company (long-term and short-term);
  - sets performance expectations and creates an environment which motivates and empowers staff to achieve this.
  - creates an environment for innovation, flexibility and learning;
  - demonstrates commitment to sustainable development (social, economic and environmental responsibility);
  - communicates with and engages all key stakeholders and the workforce
  - review overall performance and the achievement of business objectives
- ii. What are the key company performance measures that the leaders review and how often are they reviewed?
- iii. How do you evaluate the performance of the leader(s) and use the results of reviews to improve performance (of both the company and the leadership system itself).

#### **1(b) Public Responsibility and Community Leadership**

**50 points**

- i. How do you address / review,
  - fiscal accountability
  - transparency in operations and disclosure policies where applicable
  - Independence in internal and external audit
  - Protection of stakeholder interests
- ii. How do you identify, review, prioritise and address impacts / issues / risks / concerns relating to your company's products / services / operations (e.g. regulatory, legal, social and environmental)? Describe what they are.
- iii. How do you promote an environment that fosters and ensures legal, ethical, environmentally and socially responsible business practices in all stakeholder interactions?

- iv. Demonstrate how the company and its people are actively involved to strengthen and support the community. How do you determine which areas to support?
- v. What policies and practices exist to ensure sustainable development is integrated into business operations, e.g. volunteering policy, environmental technology, philanthropy targets, environmental policy, external initiatives e.g. audit, environmental management system, eco-labels etc
- vi. How does the organisation encourage it's supply chain (e.g. customers, manufacturers, contractors) to make choices that conform to it's sustainable development policy and or principles in order to improve their sustainable development performance?

## 2. Strategic Planning

85 points

### 2(a) Strategy Development

40 points

- i. How do you develop your strategic business plans and objectives (i.e. what are the key process steps and who are the key participants in the process?)

The strategic objectives should demonstrate how you balance the needs of all key stakeholders (e.g. customers, shareholders/owners, staff, suppliers, community, etc, as appropriate). Outline or include what key information, data, reports and research, is used as inputs to the planning process.

- ii. How does the organisation know what sustainable development issues and impacts are likely to be most important to stakeholders now and in the future? And how does your organization use the information?
- iii. Provide evidence of how you have addressed the following in your planning process:
  - customer and market needs;
  - the competitive environment and your relative capabilities;
  - changes in technology or innovation;
  - your strengths and weaknesses, opportunities and threats ( SWOT );
  - financial, societal, environmental, regulatory and other risks;
  - impact of changes in the national or local economy, and your industry in particular, which might affect the sustainability of the organisation
- iv. Summarise your strategic plans, objectives and timetables for achieving them. This should address both long term and shorter term.

### 2(b) Strategy Deployment

45 points

- i. How are these strategic objectives developed into action plans, including Human Resource plans and how are they effectively deployed throughout the organisation?
- ii. How do you ensure that adequate resources are available to achieve them?
- iii. How do you track progress to ensure accomplishment of your plans? (Describe any performance measures and targets used as indicators of progress towards objectives).
- iv. What are your key performance targets and how are they determined? ( you should also consider how these might compare to performance targets of competitors if known and / or benchmarks where available )

### **3. Customer and Market Focus**

**85 points**

#### **3(a) Customer, stakeholder and Market Knowledge**

**40 points**

This section should demonstrate how well you know your customers, your stakeholders and the market, and how well you use this knowledge.

- i. How do you determine your target customers, customer groups and market segments (both current and potential)?
- ii. How do you determine key customer requirements and expectations and their relative importance to customers purchasing decisions?

Methods might include customer feedback, surveys, focus groups, analysis of customer loyalty and retention data, customer complaint information etc. (It should also address both product and service features)

- iii. How do you use the customer information to become more customer focused and to identify opportunities for improvement?

#### **3 (b) Customer Relationships and Satisfaction**

**45 points**

- i. How do you build customer relationships to:
  - acquire customers;
  - meet and exceed their needs;
  - ensure their satisfaction and loyalty; and
  - increase positive referrals and repeat business?
- ii. How do you enable customers to seek information, conduct business, provide feedback and make complaints?
- iii. How do you manage customer complaints and ensure they are resolved effectively and promptly?

This should also describe how you deal with product, service or delivery failures. Include how complaints are aggregated and analysed and then used for learning and improvement, in your organisation.

- iv. How do you determine/measure customer satisfaction/dissatisfaction and loyalty?

Where possible, describe how you obtain customer satisfaction data and information relative to competitors and/or to industry benchmarks.

- v. Does the organisation influence the choices of its customers to make it easy for them to make environmentally and socially responsible decisions? If so how?

#### **4. Measurement, Analysis & Knowledge Management**

**90 points**

##### **4(a) Key Information and Data, Analysis & Improvement**

**45 points**

This section should demonstrate how well you use information and data to support key business activities, to analyse the performance of the business and make decisions based on fact. In this section you are asked to define the key information and data used by the business, how this is analysed and how it is made available to others both inside and outside the business.

- i. How do you determine what key business information and data you will use to manage the business?
- ii. What are your key performance measures and how do you analyse and review organisational performance, capabilities and progress against strategic objectives and action plans?
- iii. How do you review performance to identify priorities for improvement and how do you make improvements to the business and business processes?

##### **4(b) Managing and using Information**

**45 points**

- i. How do you ensure that information and data is made available to those who need it and is reliable, timely and accurate? Include how information and data is made available to customers, suppliers and partners as appropriate.
- ii. How do you ensure that the systems used to store and manage information and data are reliable, user friendly and kept current with business needs and directions?
- iii. How do you manage organisational knowledge including the collection and transfer of knowledge?



## 5. Workforce Focus

85 points

### 5 (a) Workforce Engagement

45 points

- i. How do you determine the key factors that affect workforce engagement and satisfaction?
- ii. How do you ensure a culture within the organisation conducive to high performance, a motivated workforce, effective communication, skill sharing, ethical behavior, innovation, commitment to sustainable development and co-operation?.
- iii. How does your workforce performance management system support high performance and address effective remuneration, reward and recognition?
- iv. How do you motivate and develop your workforce and your leaders and help them utilise their full potential, to achieve high levels of performance and strong customer focus?
- v. How do you motivate and develop your workforce to become involved in social, economic and/or environmental responsibility activity?
- vi. What methods do you utilise for Leadership training and development and staff training and development? How do you seek input from your leaders and your workforce on their training needs?
- vii. What plans are in place for career progression and succession for key roles throughout the organisation?
- viii. How do you assess or measure your workforce well-being, satisfaction and motivation, and then use that information to improve? (*Describe both formal and informal assessment measures used*).

### 5 (b) Workforce Environment

40 points

- i. How do you assess your workforce capability and capacity needs, including skills, competencies and staffing levels?
- ii. How do you recruit, hire and retain new employees?
- iii. How do you ensure you are an equal opportunity employer?
- iv. How do you manage and organise your workforce to accomplish the organisations objectives?
- v. How do you ensure a safe and healthy workplace? Refer here to both physical and emotional (e.g. bullying) safety? (Include how your workforce participates in this. Describe any performance measures and targets).
- vi. How do you know if you are paying a living wage (enough for employees and their families to meet their needs?)
- vii. What workforce support do you provide via services, facilities or benefits, for the diverse needs of your workforce?

## **6. Process Management**

**85 points**

### **6(a) Work System Design**

**40 points**

#### **Describe your key business processes**

- i. What are your organisation's core competencies?
- ii. What are your key business processes and how do they contribute to delivering customer value, profitability and sustainability for the business?
- iii. How do you determine key business process requirements, incorporating input from customers, suppliers, and partners etc as appropriate?
- iv. How do you design and innovate your key business processes to meet these requirements and the sustainable development objectives of your business?
- v. How does the organisation ensure that it does not put any stakeholders at risk when developing new products and / or services, (for example, using ingredients in food manufacture that have any uncertainty, for example additives that have been banned in other countries such as food colouring in childrens food or referring clients to use services that are likely to have ethical, social or environmental risks).
- vi. How do you ensure that you are prepared for a workplace disaster or emergency (e.g. employee injury, toxic substance spill)?

### **6(b) Work Process Management & Improvement**

**45 points**

- i. What are the key performance measures and/or indicators used to manage your key business processes?
- ii. How is customer, supplier, stakeholder and partner input, (where appropriate) gathered to obtain feedback on the operation, fairness and effectiveness of these key processes?
- iii. How do you improve these key processes for enhanced product and/or service performance?
- iv. How do you know if the organisation is operating fairly? Consider the impact both within the supply chain (e.g. child labour being used in manufacturer's business) and within the business directly (such as fairness of remuneration rates).

## **7. Business Results**

**450 points**

How well have you performed? Include your business results (current and past), preferably in graphical form to clearly demonstrate both the level of performance and trends over time, and as a possible indication of future performance.

Where possible, include targets or comparative benchmark or competitive data to enable an assessment to be made of the results. This should also help to demonstrate how you have achieved the objectives indicated in your Strategic business plans in Section 2.

### **7(a) Product and Service Results**

**100 points**

- Describe your current performance levels and trends for measures or indicators of product and / or service performance that have been identified as being important to your customers.

### **7(b) Customer Focused Results**

**100 points**

- Describe your current performance levels and trends for measures or indicators of customer satisfaction.

*These might include some or any of the following: satisfaction rates, customer retention rates, customer perception of the organisation as a good citizen (referring to its environmental and social responsibility and ethical behavior), trust and positive referral rates. You might also show how these results compare with your competitors results.*

### **7(c) Financial and Market Results**

**100 points**

- Describe your current performance levels and trends for measures or indicators of your Financial and Marketplace Performance.

*Financial results might include some or any of the following: sales, turnover, net profit, Return on Capital, ebit etc. Marketplace results might include market share, market position, business growth etc.*

### **7(d) Workforce Focused Results**

**75 points**

- Describe your current performance levels and trends for measures or indicators of your workforce satisfaction and engagement.

*Results might include measures of employee well-being, satisfaction, staff climate survey results, learning and development, innovation and suggestion rates, safety/accident statistics, staff complaints about ethical or bullying behavior, on the job improvements, changing supervisory rations, new skill acquisition, internal promotion rates, productivity improvements, staff turnover, absenteeism, grievances, Equal Opportunity Employer (EEO) statistics (such as diversity, ratio of basic salary of men to women by employee category) , evidence of wage rates meeting living wage etc.*

**7(e) Organisational Effectiveness Results**

**75 points**

- Describe your current performance levels and trends for measures or indicators of the operational performance of your work processes.

*Results might include productivity, percentage on-time delivery performance, cycle time improvement, response times, supplier/partner performance and efficiencies/savings, waste reduction, carbon emission reductions and regulatory compliance (including environmental).*

- Summarize your organisation's results in relation to the sustainable development issues and impacts identified as most important by your stakeholders and the organisation (see 2(a)(ii))

## **A New lense; sustainable development**

The New Zealand Sectoral and Regional Awards criteria include questions and hints about sustainable development.

### What is sustainable development and how does it relate to my organisation?

Sustainable development is a much misunderstood term. The most well-known definition is

*development that meets the needs of the present without compromising the ability of future generations to meet their own needs.*

1987, Brundtland Commission

A sustainable organisation is one that integrates economic (for example support of local suppliers, fairness of remuneration), social (for example being a good employer, human rights, contributing to the local community), and environmental (for example water, waste, energy, conservation) considerations into its strategy, practices and culture (and achieves improvements in economic, social, and environmental performance). In New Zealand, there has been an expansion of this concept to include cultural performance (the *quadruple bottom line*), from within the Local Government Act 2002. Although this Act does not apply to many of the applicants of these awards, the New Zealand context of cultural performance should not be overlooked. (Note the reference to Tangata Whenua in the results section). For the purposes of these awards, cultural considerations are included within social considerations.

To make the concept of sustainable development more meaningful in the context of New Zealand organisations, we have developed a set of principles that, if they are being followed, will mean that the organisation is operating with the principle of sustainable development.

Occasionally within the questions, we have included a brief explanation of sustainable development (social, environmental and economic). This is merely to remind the applicant of the meaning and breadth of sustainable development. It may be that the organisation is focused on only one or two aspects of sustainable development. In fact, this often occurs as organisations begin to explore what sustainable development means for them. And with the rapid rise of "Green consumerism", quite often the focus is environmental sustainability. That is a valid approach, although we would expect over time to see evidence of how the organisation was thinking more holistically to cover the more complex aspects of sustainable development.

For these awards, the judges are looking for the smart integration of the economic, social and environmental considerations relevant to the individual organisation, to achieve excellence in sustainable business performance. The below principles are designed to be a guide to the breadth of factors that the judges will be considering in assessing applicants responses to the questions that make explicit reference to sustainable development and/or environmental, social, economic and stakeholder considerations.

The principles are:

- Good Employer – the organisation is committed to employees' satisfaction, development and wellbeing. The organisation, from the most senior management level display and model fairness and equity in all aspects of employee dealings and show no tolerance for discrimination, bullying or harassment. Workplaces are safe and healthy and employees are encouraged to provide input and participate.

- Environmental responsibility – the organisation is respectful of environmental limits and operates in an environmentally efficient way in the design and delivery of its products/services. There is a continual quest for environmental improvement and employees are encouraged to become involved in this process.
- Integrated and long term thinking – seeking solutions that are mutually reinforcing rather than accepting that a gain in one area will necessarily be achieved at the expense of another. Considering the long term (inter generational) implications of all decisions.
- Community contribution and fairness – the organisation contributes to making the communities in which it operates better places to live and do business and employees are encouraged to become involved in achieving this goal. All employees demonstrate honesty and fairness when dealing with stakeholders.
- Cultural consideration – working in partnerships with Maori to empower Maori in decisions that affect them
- Integration of sustainable development into the organisation – sustainable development is a corporate priority and is reflected in all aspects of the organisation, including business processes (such as decision making, performance management) to ensure that decisions are made with their sustainability effects in mind. There is clear evidence of management commitment to sustainable development.
- Minimising risk and maximising opportunity – Addressing risks and uncertainty when making choices and taking a precautionary approach when making decisions that may cause serious or irreversible damage
- Transparency and accountability – the organisation is transparent and accountable about its performance in matters that are important to stakeholders.
- Influencing others – the organisation actively encourages the supply chain and its employees to improve their own sustainable development performance. When possible, actively encourage policy makers to reward (through an appropriate mix of carrots and sticks) environmental sustainable development excellence.

#### Why sustainable development?

For organisations new to sustainable development, there may be some question as to why sustainable development should be integrated into their organisations. For this reason, the business case for sustainable development, as defined by the New Zealand Business Council for Sustainable Development (NZBCSD) is reproduced below. It is based on the belief that operating within a well-defined framework of sustainable development helps companies:

- Be more efficient and competitive
- Engage in responsible entrepreneurship
- Increase their financial return and reduce risk for shareholders
- Attract and retain employees
- Improve customer sales and loyalty
- Grow supplier commitment
- Strengthen community relations
- Contribute to environmental sustainability

(New Zealand Business Council for Sustainable Development, [www.shapenz.org.nz/vision.asp](http://www.shapenz.org.nz/vision.asp))

#### Stakeholders and stakeholder engagement

Stakeholder is a term that is used repeatedly in the criteria, generally as one of the key levers to achieve sustainable development. Included in the term stakeholders are those that

have the ability to impact significantly on your organisation and those you have the ability to significantly impact upon such as community groups, environmental advocates, customers, media, neighbors, shareholders, employees. Stakeholders are important to the concept of sustainable development as they can be critical to the success of the organisation and to ensuring the organisation does not become too internally focused.

For large organisations, good practice examples of stakeholder involvement include a stakeholder council, that reports to the board every quarter on issues and impacts that are of concern to them. Or formal stakeholder engagement processes that bring stakeholder groups together to build a shared understanding of issues of significance to key groups. For smaller organisations, good practice may include identifying stakeholders (both groups and individuals) and ideally meeting with them, or at least doing some desk based research, or role-playing (i.e. if I was the local neighbourhood group, what would I care most about?) as the organisation builds capacity in stakeholder engagement. And of course, the point of knowing what issues are important to key stakeholders is not just for knowledge sake but to use this knowledge to both minimize risk (reputational, financial) and maximize opportunities for both the organisation and the community.

#### Resources

For organisations that are new to sustainable development, the Ministry for the Environment keeps an up to date page of references useful for organisations integrating sustainable development:

([www.mfe.govt.nz/publications/sus-dev/sustainable-business-oct07/sustainable-business-oct07.html](http://www.mfe.govt.nz/publications/sus-dev/sustainable-business-oct07/sustainable-business-oct07.html) )

#### **Hints for completing sustainable development questions in the Awards criteria**

The comments below have been included to give further explanation to the meaning of the question. Referencing refers to the question numbering.

1(a)(i) in demonstrating its commitment to sustainable development, include how sustainable development is integrated into the strategic planning process, into goals and performance, policy, governance (i.e. where does responsibility for sustainable development performance lie?), staff training, monitoring and external initiatives.

An example of good practice regarding governance of sustainable development includes a committee of the board of directors or a cross functional sustainability team or a member of the senior management team responsible for performance and tied to his/her performance agreement.

Other examples of commitment to sustainable development include memberships to organisations that support improving sustainable development performance such as the New Zealand Business Council for sustainable development and the Sustainable Business Network. There are also programmes both national and international that can be 'signed up to' such as the Global Compact, or used, such as an Environmental Management System (e.g. ISO14001) or Reputational Assessment programmes (e.g. Reputex). For local authorities, the Cities for Climate Protection is a membership based programme and Govt 3, the government sustainability programme.

1 (b) (ii) for social and environmental issues/impacts etc, good practice would include issues and impacts that arise as a result of consideration of a number of factors such as:

- significance to stakeholders (include representatives of future generations)

- technical information such as environmental reviews, and social impact reports
- Review of current and potential sustainable development issues that are of importance or potential importance to civil society – both from a risk and opportunity perspective
- Review of international good practice and consideration of issues that are being addressed by industry leaders in sustainable development and the organisation's peers
- Impacts and issues that are identified in guidance and standards such as the global reporting initiative ([www.globalreporting.org](http://www.globalreporting.org)), SA8000 ([www.sa-intl.org](http://www.sa-intl.org)), UN Global Compact ([www.unglobalcompact.org](http://www.unglobalcompact.org))
- Analysis by the organisation's senior team of any other issues and impacts identified as a result of thorough understanding of the business and its operating environment

In relation to prioritizing such issues, good practice could include a process that weighted criteria most relevant to the organisation. The criteria could include assessing the issue's/impact's risk to the business, the ability the organisation has to influence others (e.g. customers or suppliers) performance in relation to this issue, the level of importance to stakeholders, and how easy it is to address the issue/impact.

1(b)(iii) The judges would expect to see here how the organisation supported its employees in this process such as through staff training on key legal, ethical, environmental and social issues.

1(b)(iv) In determining which areas to support, include information about how you have assessed what the key social and/or environmental challenges are for your local community and used this assessment in making community involvement decisions. Also include how staff have been involved in making these decisions and how the organisation has contributed toward a deepened understanding by staff of social, ethical and/or environmental challenges within the local community.

1(b)(v) As well as a discussion about policies, include in the discussion any external initiatives or programmes the organisation participates in such as eco labels/certification/external standards complied with.

Also include here any other support the organisation has such as membership to sustainable development business organisations such as the Sustainable Business Network or the New Zealand Business Council for Sustainable Development, or external courses that staff have undertaken or external consultants that have been employed to support the organisation.

1(b)(vi) Good practice could include making it easy for customers to recycle the product, sustainable product design e.g. creating products that can be "refilled and used again", or making products that 'last' or using environmentally responsible materials. For manufacturers, contractors or suppliers of service, good practice could consist of requiring minimum environmental and/or social standards to be met and monitored as part of the request for proposal (RFP) process.

2(a)(i) include the process for how sustainable development is represented during the strategy development process. For example, a sustainable development lense at the risks and opportunity time in the strategy process, or the in-house sustainability team prepare an annual report for the senior management team to consider at their strategy 'away days' that includes information such as: sustainability risks and opportunities on the 1-3 year horizon,



review of appropriateness of current sustainable development priorities, review of current business processes to manage sustainable development.

2a(ii) Understanding what social and environmental issues are important (both currently and in the future) to key stakeholders, including customers, is important in planning. There have been examples of organisations who have misjudged these issues and have paid for the consequences. For example, Mercury Energy received much unwanted publicity in 2007, after a contractor cut power to Mrs Muliaga's home in South Auckland, where she was using an electrically operated oxygen machine, because she was late in paying a \$168.40 bill. She later died. Had Mercury Energy considered the social issue of fair access to electricity in life saving situations, the death may not have occurred.

Internationally, Nike, still suffer the reputation of using child labour because years ago they were caught using child labour in their supply chain. They underestimated the importance of the issue to society. Despite committed efforts to eliminate child labour in the supply chain, Nike have struggled to shrug off the reputational damage.

How do you know what the issues are that your customers and society care about, not just today but in the foreseeable future and does the organisation manage the risks and capitalize on the opportunities of these issues and impacts?

We would expect to see how the organisation is engaging with stakeholders (see discussion about stakeholder engagement and good practice examples) and using this information to improve performance and how the organisation is responding back to stakeholders.

2(a)(iii) – bullet 5 – When considering environmental and social risks, consider changing factors as well as current factors, for example responses to climate change and accounting for carbon emissions were on the agenda of very few boards 2 years ago. Now, the issue is a priority for some organisations and is relevant to every organisation. What are the next 'climate change'?

2(a)(iv) good practice could include a discussion about how sustainable development has been integrated as a key strand of the business strategy

2(b)i action plans would include sustainable development or environmental management activities and action plans that give effect the integration of sustainable development into your business strategy

2(b)i include budgetary allocation and staff time explicitly allocated to developing and delivering sustainable development and environmental management activities.

3(a)(ii) include here matters of importance to customers, not just about the product and service but also about how the organisation conducts itself, e.g. ethical behavior, support for the local community, leadership in environmental responsibility.

3(b)(v) For example, the customer has the option of selecting statements/invoices/newsletters to be sent electronically if they want to encourage resource use (paper and energy) efficiency/ savings. Or continual improvement in product design includes how the product is more resource efficient in its manufacture.

4(a)(i) include here information about potential sustainable development impact. Information could include life cycle analysis, energy efficiency data, carbon emissions, environmental impact reports, social impact reports, and certification standards, supply chain labour audits (e.g. materials manufactured in Asia come from factories certified for labour standards that meet international Labour organisation (ILO) convention).

4(a)(iv) Include here if relevant a discussion about how the organisation minimizes risks for the communities in which it operates, it's customers, staff and the supply chain affected by the organisation's products/services? For example for a food manufacturer; do they use ingredients (e.g. additives) that are banned in other countries (because of potential risk) but allowed in New Zealand?

4(b)(i) include here how the organisation communicates it's performance about significant sustainable development issues and impacts

5(a)(iii) include here how staff are rewarded for actively participating in the organisation's community and environmental projects

5(a)(v) Include how you support employees to learn more about the environmental and social impact of the business and how employees are involved in the continual improvement of this performance?

5(b)(iii) Being an Equal Opportunity Employer means eliminating barriers to ensure that all employees are considered for the employment of their choice and have the chance to perform to their maximum potential. EEO practices include fairness at work, hiring based on merit and promotion based on talent. It concerns all aspects of employment including recruitment, pay and other rewards, career development and work conditions.(Equal Employment Opportunities Trust - <http://www.eeotrust.org.nz/equal/index.cfm>)

5(b)(vi) There is a growing international issue that has not yet received much profile in New Zealand – the living wage. Good practice would include at the least understanding competitors remuneration rates. From there matching or exceeding competitors rates, exploring alternative employment structures for fairness such as contractors vs employees, employee ownership scheme, bonus schemes etc.

6(b)(iii) Include here environmental and social performance improvements of the organisation, and it's products/services.

6(b)(iv) Fairness is a subjective term and one not often applied in a business setting. However, organisations are faced with opportunities to operate more fairly all the time. What process have you used to understand what these opportunities are for your business? Good practice could include asking stakeholders for their views on where there are opportunities for increased fairness. Better practice would include taking actions to improve fairness throughout the supply chain (such as requiring certification of labour standards in manufacturing factories based overseas) and within the organisation (such as fairness of remuneration rates). Landcare Research has included in its sustainability reporting (integrated into its annual reporting) for a number of years a statement from the staff union about their view of the organisation's performance. This level of transparency of a stakeholder's perception of fairness is an example of good practice.

7(a) Include here results from issues that were identified at 3(a)(ii) including matters of importance to customers, not just about the product and service but also about how the organisation conducts itself, e.g. ethical behavior, support for the local community, leadership in environmental responsibility.

7(e) It takes years for an organisation to build a non financial reporting system designed to gather the types of results identified below. It is expected that an organisation that has been producing a sustainability report will have much of this data already. However, most organisations, particularly those new to sustainable development will have limited systems in place. The judges will be looking for the building over time of the non financial reporting system designed to capture sustainable development results. In time results could include the following list. However, judges will also be looking for results in the areas identified as key sustainable development issues and impacts specific to the organisation (which may not be covered by the examples below):

#### Environmental Results

- energy use
- materials use
- energy efficiency results
- carbon emissions
- emissions and waste, e.g. carbon emissions, water discharged, waste by type and disposal methods
- water use
- product improvements to minimize environmental impact
- results of initiatives to mitigate negative environmental impacts

#### Economic Results

- Standard entry level wage compared to minimum wage
- Spending on locally based suppliers
- Financial implications for the organisations activities due to climate change

#### Social Results (including ethical and cultural)

- employee time donated to voluntary causes,
- donations and in-kind support to community groups,
- breaches of ethical behaviour,
- breaches of regulatory and/or legal compliance,
- customer labeling,
- customer health and safety,
- stakeholder trust,
- staff perception of the organisation as a good citizen (referring to its environmental and social responsibility and ethical behavior),
- specific engagement with Tangata Whenua about matters of cultural significance to Maori,
- results of initiatives to mitigate negative social impacts
- partnerships within your supply chain that are designed to improve industry environmental and/or social outcomes.

Nb many of the workforce results would also fit within the social results of sustainable development, however these are already being reported at 7(d).

See the global reporting initiative for sample indicators ([www.globalreporting.org](http://www.globalreporting.org)). Any benchmarking of other organisations performance in relation to these issues would be helpful to provide. Include results of any external review/certification

Also, for organisations that prepare a sustainability/triple bottom line/corporate social responsibility report, it would be useful to include a copy with your application.