

SUSTAINABLE BUSINESS SURVEY 2012

Conducted by Horizon Research Limited for

The Sustainable Business Council

in association with

Fairfax Media

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EXECUTIVE SUMMARY

This report summarises the results of the fourth in an annual series of sustainable business surveys conducted for the Sustainable Business Council in association with Fairfax Media. The survey was conducted by Horizon Research Limited, using similar questions to previous surveys to enable result tracking.

Previous surveys in September 2009, June to September 2010 and June 2011 were conducted by ShapeNZ, acquired by Horizon Research in January, 2012.

The percentage of organisations making operational changes for sustainability in the past year has trended down since 2009. This could indicate that:

- organisations that have already made changes are making fewer additional changes
- the number of organisations who have not already made changes but have an intention to do so is falling.

Key findings are shown in bullet form below. Comparisons between the 2009, 2010, 2011 and 2012 survey on all comparable questions are shown in Appendix 2.

Key findings:

Organisations

- 35% of organisations were thought to have a reputation that relies on sustainable business practice. There is a downward trend of 1.2% per annum in this measure since 2009.
- As in 2011, the level of organisations with a reputation that relies on sustainable business practice is noticeably higher for organisations that were not New Zealand owned.
- There is a significant increase in the level of New Zealand-owned organisations that were thought to believe that sustainability was about being “green and fluffy”, up from 3.5% in 2011 to 9.2% in 2012.
- 21.5% overall felt that their organisation focused on highest returns within the law and regulations, but this figure has moved significantly from 33% in 2011 to 43% in 2012 among those who worked for or with an organisation that was not New Zealand owned.
- Purchasing from suppliers who act sustainably has dropped from 23% overall in 2011 to 18.5% overall in 2012.
- 38% of respondents who worked for or with an organisation that was not New Zealand-owned felt that their organisation was seeking to purchase from suppliers acting sustainably, compared with 18% in 2011.

- In this survey, purchasing at best price has overtaken purchasing from sustainable suppliers for the first time.
- The percentage of respondents who said their organisation regards a supportive workplace as critical to a successful business rose from 51.2% in 2011 to 57.1% in 2012.

Sustainability

- 59.5% of organisations are thought to behave sustainably (i.e. look after profits as well as the environment and people), up from 54% in 2011.
- The percentage of organisations thought to have a sustainable development strategy has dropped consistently since 2009. The rate of decline is approximately 3.3% year on year.
- 46% of respondents overall did not know if their organisations had a sustainable development strategy, up from 39% in 2011.
- 55% of those in organisations with a sustainable development strategy said that their organisations implemented it in full. 38% said that they implemented some of it.
- 14% of organisations are said to have publically reported on the sustainable development progress of their New Zealand operations.

Procurement and sustainability

- 21% of organisation are said to currently have social/environmental procurement criteria. This is a slightly higher, but similar level to 2011.
- 24% of New Zealand-owned organisation are said to have no plans to introduce social/environmental procurement criteria in the future.
- 13% of organisations were known to have deselected suppliers because of these behaviours in the past twelve months, up from 10% in 2011.
- There is an increase in New Zealand owned organisations de-selecting suppliers because of their environmental, social or ethical behaviours. In 2011, the level was 10%; in 2012 it is 14%.
- In 2012, New Zealand-owned organisations are tending to purchase more on day-one price rather than whole of life cost.
- Overall, 20% of organisations were said to purchase solely or mostly on day-one price, down from 23.5% in 2011.
- 17% were said to purchase solely or mostly on a whole of life cost basis, down from 21% in 2011.
- 22% of respondents said that their organisation expected to make a profit from investment in specific sustainability initiatives.

Community and social activity

- The percentage of organisations contributing to community or social activities in this study is the same as in 2011.

- Overall, contributions of employee time have declined by an average of 2.8% annually since 2009.
- The percentage of organisations that are not New Zealand owned and have no involvement in more community or social activities has risen from 14% in 2011 to 28% in 2012.
- 34% of organisations were said to not measure their community involvement, down from 37% in 2011.

Emissions and resource use

- 14% of organisations, the same level as in 2011, were said to have measured their carbon emissions.
- The larger the organisation, the more likely it is to have measured its carbon emissions.
- 13% of organisations were said to have developed a plan to reduce carbon emissions, down from 16% in 2011.
- 31% of New Zealand–owned organisations were said to have intention to develop a plan to reduce emissions.
- Comparison with the 2011, 2010 and 2009 surveys shows a decrease of approximately 1.3% per annum over that time scale in the percentage of organisations that have carbon emission reduction plans.
- 35% of organisations were said to have initiatives that consider how they use other resources, like water and waste. This is the same level as in 2011.

Sustainable workplace

- 54% of organisations were said to have a code of conduct and commitment to ethics, down from 60% in 2011.
- Attention to turnover and retention of talent remains the lowest scoring sustainable workplace aspect.
- All aspects of a sustainable workplace were reported at a lower level than in 2011, continuing the downwards trend from 2009 reported in last year's survey.
- 38% of organisations were said to have made operational changes in the past year to reduce energy costs, environmental impact or become more sustainable. 19% were said to have no plans to make operational changes for this purpose.
- Once again, the most common change was a recycling programme, selected by 71% of respondents (down from 79.5% in 2011).
- Overall, it is evident that change activity has slowed since 2011, following a peak in 2010.
- 44% (46% in 2011) of respondents felt that their organisation was paying sufficient attention to the environment and sustainable development.
- For between 57% and 67% of respondents, whether their organisation was paying attention to the environment and sustainable development, or not, made no difference to whether they were likely to stay.

- Respondents are no longer as certain about whether they would consider leaving any organisation whose corporate responsibility behaviour no longer met their expectations. 40.5% said that they would consider leaving in those circumstances, down from 56% in 2011.
- 25.5% (27% in 2011) of respondents said that they would still recommend their organisation to others if it were environmentally irresponsible.

Sustainability outcomes

- “Reduced costs” remains the most valuable sustainability outcome for organisations, but a reduced level. The importance of this outcome has been declining in importance each year since 2009.
- “Protect your reputation” remains the second most valuable outcome.
- “Reduced risks” has hardly varied in level of importance over the four years, while all other factors have tending to decline in value, particularly since 2010.
- Size of organisation remains a strong indicator of reporting of sustainable performance; most large organisations report this, at least to their CEO.

Sustainability leadership and organisation membership

- 89% of respondents said that they believed that companies in New Zealand should take leadership in sustainability issues.
- 14% said that their organisation belonged to a sustainability-related business organisation.

Personal purchasing

- 19% of respondents, down from 24% in 2011, said that they considered sustainability all of the time when purchasing goods or services for themselves, their family or their organisation. 61% said that they considered sustainability some of the time, up from 58.5% in 2011.
- 20% said that they did not consider sustainability: the highest level over the four years of the surveys.
- Cost or price has become even more important than in 2011, with nearly 90% of respondents considering it as a factor, in comparison with 52% in 2011.
- All factors have trended downwards since 2009, with the exception of “Cost or price only”, which has trended upwards, with an increase in 2011 and a massive increase in 2012.
- 24% said that eco labels would make them more likely to buy the product, down from 28.5% in 2011.
- 62% overall (down from 67% in 2011) said that they would switch to another brand of product or service if they found their regular brand or service provider was having a bad affect on the environment, people or society, or behaving unethically.

Sustainability and competitive advantage

- Just fewer than 3% of respondents felt that New Zealand totally lived up to its “100% Pure” overseas marketing message. 54% feel that it mostly lives up to the message, a similar level to 2011.

Fuels, fuel costs and fuel-efficient vehicles

- 14% said that they had bought a more fuel -efficient vehicle in the past 12 months as a result of fuel costs.
- 35% said that they had not bought a more fuel efficient vehicle, but would like to be in a position to do so.
- Price sensitivity to fuel prices is strongly correlated with type of fuel used. Users of diesel are the most price sensitive; users of 98 octane petrol are the least price sensitive.

REPORT

1. Description of organisation

As in previous years, respondents were asked to rate the organisations they worked for, or with, on a series of business practices using 3 descriptors for each business practice with one descriptor being “Something between these two options”.

1.1 Sustainable business practice

There are some changes in comparison with 2011 for this business practice, with an apparent decline in the total percentage of organisations that were thought to have a reputation that relies on sustainable business practice or to have some interest in sustainable business practice.

The 2011 survey reported that the level of respondents that said that the organisation they worked for or with had a reputation that relied on sustainable business practice had not changed since the 2010 tracking survey. In this survey there is a decline in this measure, and while it is within the margin of error, there is now an evident downward trend of around 1.2% per annum since 2009. This decline is primarily for businesses that are New Zealand owned, with the relative figures dropping from 38.2% in 2011 to 35.2% in 2012.

As in 2011, the percentage of businesses that were said to have a reputation that relied on sustainable business practice is noticeably higher for organisations that were not New Zealand owned.

There is a significant increase in the level of New Zealand-owned organisations that were thought to believe that sustainability was about being “green and fluffy”, up from 3.5% in 2011 to 9.2% in 2012.

Attitude towards sustainable business practice	2012 Total	Ownership		
		NZ Owned	Not NZ Owned	Don't know
Has a reputation which relies on sustainable business practice	36.5%	35.2%	47.9%	25.2%
Believes sustainability is only about being 'green and fluffy'	8.0%	9.2%	3.3%	0.0%
Something in between these options	38.5%	40.0%	30.1%	34.1%
None of the above	17.0%	15.6%	18.9%	37.6%

1.2 Business focus

In the 2012 survey, significantly more respondents felt that their non-NZ owned organisations focused on returns within the law and regulations – up from 33.2% to 43.0% among those who worked for an organisation that was not NZ owned. This shift lifted the overall percentage for this business focus from 17.9% in 2011 to 21.5% in 2012.

Overall, however, 52% of all respondents felt that their organisations had some degree of balance between returns to investors and the organisation's role in the community.

As in the 2011 survey, companies that were not NZ owned were also felt to be significantly less likely than NZ-owned organisations to balance returns with their role in the community.

There is a continuing increase in the level of businesses thought to be focusing on highest returns since 2010, with an average increase of 1.7% per annum.

Business focus	2012 Total	Ownership		
		NZ Owned	Not NZ Owned	Don't know
Focuses on providing the highest possible returns to investors while obeying all laws and regulations	21.5%	18.4%	43.0%	19.2%
Generates returns to investors but is also balanced in its role in the community	21.1%	22.9%	12.8%	11.3%
Something in between these options	31.0%	31.0%	25.6%	45.2%
None of the above	26.4%	27.8%	18.6%	24.4%

1.3 Procurement focus

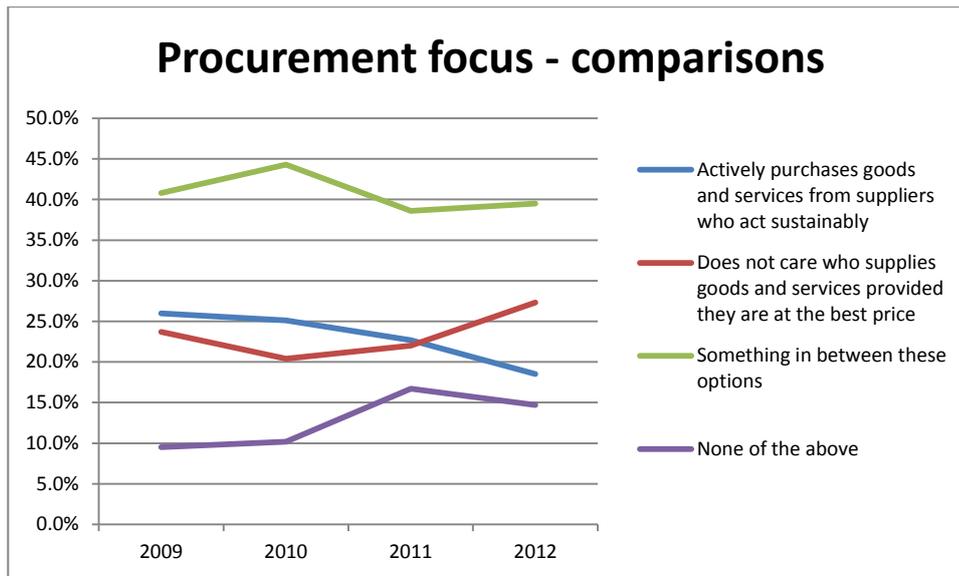
Purchasing from suppliers who act sustainably has dropped from 22.7% overall in 2011 to 18.5% overall in 2012. The drop is even more marked (from 24.3% down to 15.6%) for NZ-owned organisations in comparison with 2011, with a corresponding increase in the level of respondents who felt that their NZ-owned organisation did not care who supplied goods or services provided that they were at the best price (increased from 22.6% to 29.8%).

A significant change is the level of non-NZ owned organisations that are that are thought to be purchasing goods and services from suppliers who act sustainably. In 2011 it was commented that the level was significantly lower among those respondents who worked for or with an organisation that was not New Zealand-owned. In 2012, however, the result is the opposite; 38.3% of respondents who worked for or with an organisation that was not New Zealand-owned felt that their organisation was seeking to purchase from suppliers acting sustainably, compared with 17.9% in 2011.

Procurement focus	2012 Total	Ownership		
		NZ Owned	Not NZ Owned	Don't know
Actively purchases goods and services from suppliers who act sustainably	18.5%	15.6%	38.3%	7.9%
Does not care who supplies goods and services provided they are at the best price	27.3%	29.8%	15.8%	25.6%
Something in between these options	39.5%	40.1%	36.6%	22.0%
None of the above	14.7%	14.5%	9.4%	44.5%

In this survey, purchasing at best price has overtaken purchasing from sustainable suppliers for the first time.

Active purchasing from suppliers acting sustainably shows a declining trend from 2009, with the decline accelerating in the past two years. After dropping in 2010, the level of respondents who felt that their organisations were only concerned with best price has trended upwards since 2009, increasing sharply in 2012 from 22.0% to 27.3%.



1.4 Goals

The Goals question was phrased differently in the 2012 study, with the first descriptor, “Pursues customer satisfaction as the top priority ahead of all other considerations” remaining the same but the opposite descriptor changing from “Balances customer satisfaction with the organisation’s need to make profits” to “Pursues profit as a top priority ahead of all other considerations”.

Perhaps because of this change, pursuit of customer satisfaction ahead of all other considerations has significantly increased in this study, from 30.2% in 2011 to 46.0% in 2012. Only 8.9% of respondents felt that their organisation pursued profit ahead of all other considerations.

Goals	2012 Total	Ownership		
		NZ Owned	Not NZ Owned	Don't know
Pursues customer satisfaction as the top priority ahead of all other considerations	46.0%	46.2%	47.0%	42.0%
Pursues profit as a top priority ahead of all other considerations	8.9%	9.5%	8.0%	2.0%
Something in between these options	34.8%	35.3%	32.6%	31.9%
None of the above	10.3%	9.1%	12.4%	24.1%

1.5 Employee focus

The percentage of respondents who said their organisation regards a supportive workplace as critical to a successful business rose from 51.2% in 2011 to 57.1% in 2012. Overall, there is little change between the two years in the level of organisations that are perceived to inadequately support employees to complete their jobs, but a higher percentage of organisations that are not NZ owned are now perceived to act in this way (10% in 2011, 15% in 2012).

Employee focus	2012 Total	Ownership		
		NZ Owned	Not NZ Owned	Don't know
Regards a supportive workplace as critical to a successful business	57.1%	58.2%	47.7%	62.0%
Does not appear to adequately support employees to complete their jobs	14.6%	15.3%	15.4%	2.0%
Something in between these options	19.1%	18.9%	25.9%	5.2%
None of the above	9.1%	8.6%	10.9%	30.7%

The overall level of respondents saying that their organisation regards a supportive workplace as critical to a successful business has moved back to the 2010 level.

1.6 Comments

A sample of comments on respondents organisations follow:

“Aim to be a profitable business with a conscience.”

“The company claims customer satisfaction is top priority but lately is not walking the talk.”

“Everything needs to be sustainable and a win-win situation for all. Get those ingredients right and you have a profitable business.”

“I am new to my organisation and am disappointed by the lack of sustainable impact on our decision making. I plan to make changes! Also, we are not-for profit and so don't have investors...”

“I think the company tries to do its best but doesn't always succeed, e.g. procurement focus - company would like to purchase from suppliers who act sustainably but with all employees doing their own purchasing it doesn't always happen.”

“Working for a huge organisation means you are just a number. They want total loyalty from their staff but it's doesn't feel they have loyalty to us. As long as you are seen to be

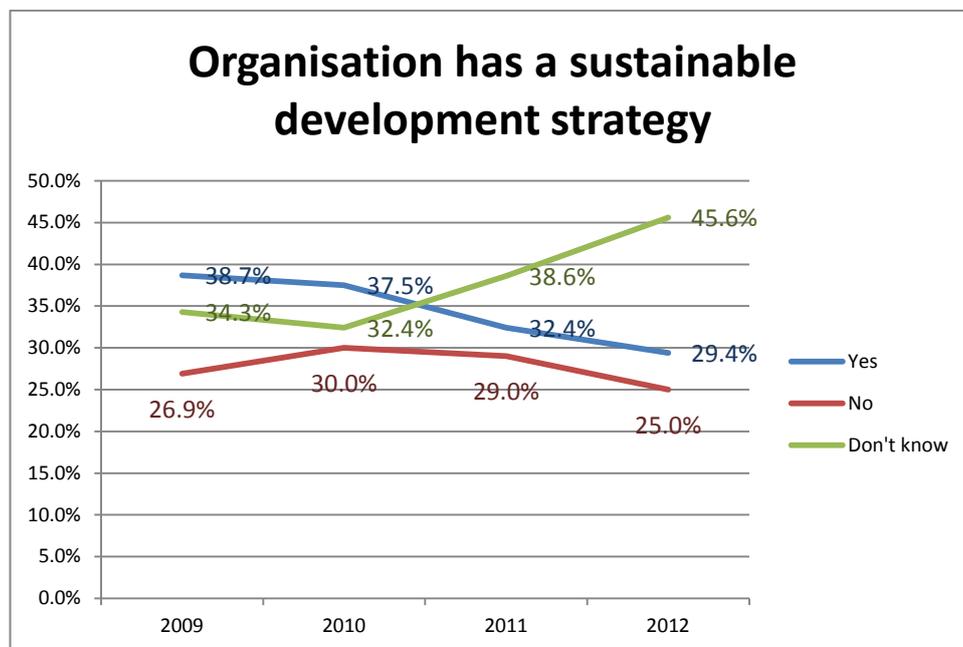
making them money they are happy as. They claim customer service is number one priority but staff that have good customer service can still be on performance management if they are not making the sales.”

2. Sustainability

2.1 Sustainable Development Strategy

The percentage of organisations thought to have a sustainable development strategy has dropped consistently since 2009. The rate of decline is approximately 3.3% year on year.

While fewer respondents are also saying that their organisation did not have a sustainable development strategy, there is an on-going increase in the level of respondents who do not know if their organisations have such a strategy.



In this survey, 45.6% of respondents overall did not know if their organisations had a sustainable development strategy, up from 38.6% in 2011.

A higher percentage of organisations that are not New Zealand-owned were said to have a sustainable development strategy, but nearly half of the respondents who worked for these organisations did not know whether they had a strategy or not.

Sustainable Development Strategy	2012 Total	Ownership		
		NZ Owned	Not NZ Owned	Don't know
Yes	29.4%	28.4%	27.8%	43.4%
No	25.0%	27.4%	19.7%	0.0%
Don't know	45.6%	44.2%	52.5%	56.6%

2.2 Implementation of sustainable development strategy

Respondents who said that their organisation had a sustainable development strategy were asked if their organisation actually implemented it. None said that their organisation did not implement its strategy. 55% overall said that it was implemented in full, but note that only 27% of those whose organisation was not NZ owned felt that their strategy was implemented in full. Despite the small sub-sample size, this difference is statistically significant.

Organisation implements sustainable development strategy	2012 Total	Organisation ownership		
		NZ Owned	Not NZ Owned	Don't know
Implements all of it	55.4%	65.0%	27.4%	0.9%
Implements some of it	38.3%	31.6%	72.6%	62.8%
Does not implement it	0.0%	0.0%	0.0%	0.0%
Not sure	6.3%	3.4%	0.0%	36.2%

Base – has sustainable development strategy	93	76	13	4
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2.3 Sustainable Behaviour

As in previous studies, respondents were asked whether they thought that their organisation behaves sustainably (i.e. looks after profits as well as the environment and people). 59.5% thought that their organisation did but 15% said that their organisation did not behave in this way. 25% were not sure.

Behaves sustainably	2012 Total	Ownership		
		NZ Owned	Not NZ Owned	Don't know
Yes	59.5%	60.3%	54.2%	59.1%
No	15.0%	15.3%	18.4%	2.4%
I really don't know	25.5%	24.5%	27.4%	38.5%

The percentage of respondents who believe that their organisation behaves sustainably has moved back up to the 2009 level.

The most frequently mentioned sustainable behaviours in respondents' organisations were:

- recycling
- energy management
- sustainable travel and vehicle options
- waste reduction
- purchasing sustainable/environmentally friendly products
- Community involvement

2.4 Sustainable development report

57% of respondents did not know whether their organisation had publically reported on the sustainable development of their New Zealand operations. Only 14% said that their organisations had done so.

The question asked in this study differed from that in previous years by adding “publically reported”. In previous surveys respondents were asked if their organisations had “completed a Sustainable Development report covering their New Zealand operations”. This may have had an effect on the results for non-NZ owned organisations: in the previous survey (2011) it was evident that organisations that were not NZ owned were far more likely than NZ owned organisations to have completed a report or be planning to. This trend is not seen in this study.

What is evident, however, is that a higher percentage (14% v 9% in 2011) of NZ-owned organisations have now completed a report, suggesting that around half of the 6% intention to produce a report shown in the 2011 survey has been turned into action.

Equally, a higher percentage of NZ –owned organisations than non-NZ owned organisations do not plan to report.

Publicly reported on the sustainable development progress of New Zealand operations	2012 Total	Ownership		
		NZ Owned	Not NZ Owned	Don't know
Yes	14.0%	13.8%	12.7%	20.6%
No - but we plan to	3.2%	3.1%	1.4%	11.1%
No and no plans to	26.1%	28.6%	19.9%	1.3%
Don't know	56.7%	52.8%	66.1%	67.1%

3. Procurement and Sustainability

3.1 Social/environmental criteria

As in 2011, a high proportion (52.5%) of respondents did not know whether their organisations included social or environmental criteria in their supplier terms and conditions.

The small difference between New Zealand-owned organisations and other organisations in currently including social or environmental criteria in their supplier terms and conditions is within the margin of error for this survey and is not significant.

23% of New Zealand-owned organisation are said to have no plans to introduce these criteria in the future.

Social/environmental criteria in supplier terms and conditions	2012 Total	Ownership		
		NZ Owned	Not NZ Owned	Don't know
Yes	20.9%	20.6%	18.4%	32.5%
No - but we plan to	3.6%	3.8%	3.2%	0.0%
No and no plans to	23.0%	23.7%	22.9%	11.5%
Don't know	52.5%	51.8%	55.4%	56.0%

The 2012 survey shows a small lift in the percentage of organisations that are said to include social/environmental criteria in supplier terms and conditions and a decline in the level of those that say that their organisation has no plans in this area and does not intend to introduce these criteria.

3.2 Effect of environmental, social or ethical behaviour

13% of organisations in New Zealand appear to have deselected suppliers in the past year because of their environmental, social or ethical behaviours.

Results from the 2012 survey are very similar to those from 2011. It appears, however, that there is an increase in New Zealand owned organisations de-selecting suppliers because of their environmental, social or ethical behaviours. In 2011, the level was 9.7%; in 2012 it is 14.1%. There is a corresponding reduction in the level of NZ owned organisations that have not deselected suppliers on those grounds.

57.3% of respondents did not know whether their organisations had deselected suppliers over the past twelve months because of the suppliers' environmental, social or ethical behaviours. As in 2011, respondents working in organisations that were not New Zealand-owned were even less likely to know.

De-selected suppliers in the past year because of their environmental, social or ethical behaviours	2012 Total	Ownership		
		NZ Owned	Not NZ Owned	Don't know
Yes	13.0%	14.1%	10.5%	0.0%
No	29.7%	31.4%	26.5%	11.6%
Don't know	55.9%	54.5%	63.1%	88.4%

The percentage of respondents that said that their organisation had not deselected suppliers has declined in comparison with the 2011, 2010 and 2009 surveys. The percentage of those who said that suppliers had been deselected has returned to the 2010 level, but is still lower than in 2009 level.

A range of reasons was given for de-selection of suppliers, but they were clustered most strongly around:

- **Ethics and service**

“Showed inappropriate priorities and selective (but inequitable) judgements and behaviours”

“Adopted practices in their manufacturing process that were designed primarily to benefit them at the expense of the buyer.”

“Unethical accounting practices - but more that other businesses performed to higher standards”

“Were not transparent, sustainably focussed, or were not giving good service to our clients.”
- **Lack of sustainability policy or options**

“Did not have an environmental sustainability policy that they could prove they followed.”

“Did not supply us with plans that include sustainable options.”

“Sourced paper from tropical rainforests that are important for the survival of endangered species”

“Not willing to take responsibility for ensuring packaging was recyclable.”
- **Using dangerous or banned chemicals or substances**

“A number of China based companies for the potential toxicity of their products, and our lack of trust that they would not include ingredients in their products that are potentially harmful, or known to be toxic”

“Unsafe practice”

- **Faulty/substandard products**

“Failed to offer adequate support of their (failing) products - too focused on cost to care.”

“A number of things.... not turning up when they’re supposed to, supplying faulty or substandard product, bad sales reps etc.”

“Poor performance in relation to quality and the way they reacted to questions over this.”

“An engineering service provider was providing sub-standard & sometimes technically illegal service. Was not practical & did not recycle parts.”

3.3 Organisational purchasing approach

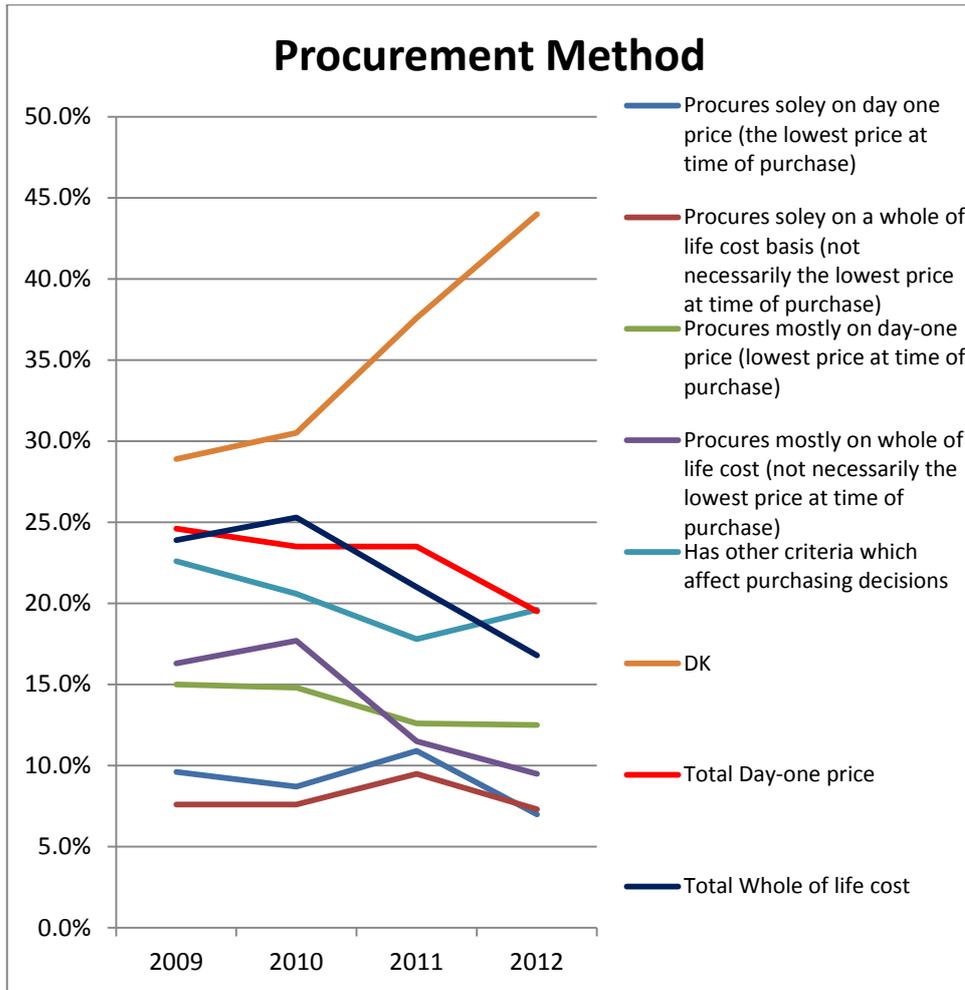
Respondent were asked to select the statement that best described how their organisation bought goods and services.

44% overall did not know what approach was used. In 2012, NZ owned organisations are less likely than non-NZ owned organisations to buy on whole of life basis. In 2011, the opposite was evident.

As in 2011, non-NZ owned organisations are more likely to have their own criteria that affect their purchasing decisions. Overall, 20% of organisations were said to purchase solely or mostly on day-one price, slightly down on 2011. 17% were said to purchase solely or mostly on a whole of life cost basis. In 2012, New Zealand-owned organisations are tending to purchase more on day-one price rather than whole of life cost.

How organisation buys goods and services	Total	Ownership		
		NZ Owned	Not NZ Owned	Don't know
Procures solely on day-one price (the lowest price at time of purchase)	7.0%	7.5%	6.5%	0.6%
Procures solely on a whole of life cost basis (not necessarily the lowest price at time of purchase)	7.3%	6.9%	13.9%	0.0%
Procures mostly on day-one price (lowest price at time of purchase)	12.5%	13.6%	4.3%	12.3%
Procures mostly on whole of life cost (not necessarily the lowest price at time of purchase)	9.5%	9.8%	11.4%	0.0%
Has other criteria which affect purchasing decisions	19.6%	19.6%	17.4%	24.0%
Don't know	44.0%	42.6%	46.6%	63.2%

Purchasing on the basis of a whole of life basis appears to have steadily declined since 2010.



Respondents were asked in what ways environmental considerations had an impact on their organisation’s decisions to buy goods and services. A selection of responses follows. There appears to be a slightly different underlying tenor of the comments with perhaps more pragmatism evident in 2012 versus a greater awareness of cost impact in 2011.

“All things being equal -would purchase the environmental option. This is based on the ability for the supplier to fulfil the criteria in the purchase order, such as delivery on time and maintaining quality standards.”

“As we have "green" certification we must be very careful to ensure products purchased meet the standard required.”

“We are aware of it but it is not the major determinant. Many companies now comment on their eco impact when presenting their product/service.”

“Consideration on how they are produced, ethics. Can by-products be reused, recycled etc.”

“Being sustainable is not a prize, it’s a journey - hence you need a long term view.”

“Doesn't so much impact our buying, but how much we buy and the way we use things to reduce our impact.”

“Most electronic goods have to be bought anyway, so no impact there. Most of our suppliers are NZ based but seeing that our purchases are mostly office products - there doesn't seem to be much environmental difference between suppliers.”

“Our business is service based and we do not have a lot of purchases, however power companies based on price and degree of renewable generation; appliances on price, ability to do the task, longevity of product and options for disposal; energy efficiency (not necessarily in that order); efficiency is usually the highest priority for services..”

“There are products within the industry that are definitely environmentally lacking, but we often have to use what designers specify, unless we have input at the design stage. Then we can only suggest because price is often more expensive for green products. The building code itself specifies un green products which are endorsed by building research companies who are in turn paid by the supplier of said products.....to recommend they be a preferred material.”

“Wherever possible sustainable product sourcing is preferred, but not at any cost.”

4. Community and Social activities

4.1 Involvement

Respondents were asked what community or social activities their organisations were involved in. Whereas in 2011, responses indicated that, on average, organisations that are not New Zealand owned were involved in more community or social activities than New Zealand-owned organisations, in 2012 this is not the case; the levels are now very similar. Note that this measures only the percentage of organisations that are involved with community and social activities; it does not measure the amount of involvement.

Overall, 31% of organisations do not have community or social activity involvement. This is the same level as in 2011; however, the percentage of non-NZ owned organisation with no involvement has risen from 14% to 28%.

As in 2011, the most common involvement was in contributing financially to charities or community organisations. The percentage of NZ owned organisations contributing in this manner has risen from 44% to 48%; with organisations that were not New Zealand-owned the percentage has fallen from 68% to 52%.

The relative levels of involvement are shown in the following table. On average, organisations that did contribute did so in 1.95 different ways.

Community or social activities involved in	2012 Total	Ownership		
		NZ Owned	Not NZ Owned	Don't know
Contributing financially to charities and community organisations	48.6%	48.3%	52.4%	43.0%
Contributing employee time (e.g. volunteering, mentoring)	29.5%	30.0%	26.3%	30.7%
Contributing in kind (e.g. gifts, products)	33.1%	33.9%	28.8%	29.8%
Strategic long term partnerships with civil society organisations	20.5%	20.7%	21.6%	12.8%
None of these	31.0%	31.1%	28.4%	35.3%
Other (please specify)	3.1%	3.4%	1.3%	2.2%

Overall, contributions of employee time have declined by an average of 2.8% annually since 2009.

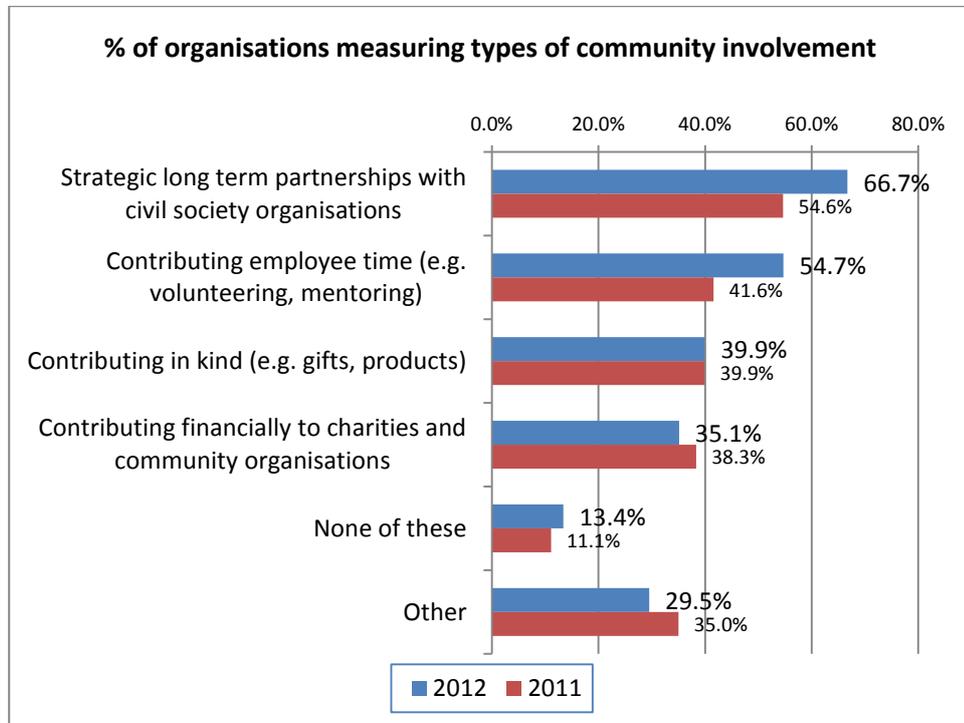
4.2 Measurement

The overall percentage of organisations that measure their community involvement has remained static at 28%. This year, nearly 38% of respondents said that they did not know whether their organisations measured their community involvement or not, up from 34% in 2011. 34% of respondents said that their organisations were did not measure their community involvement, down from 37% in 2011.

Measurement of community involvement	2012 Total	Ownership		
		NZ Owned	Not NZ Owned	Don't know
Yes	27.9%	29.6%	20.7%	18.0%
No	34.2%	36.0%	28.6%	18.6%
Don't know	37.9%	34.4%	50.7%	63.4%

The 2012 results for NZ owned organisations are not materially different from 2011. With non-NZ owned organisations, however, there is an apparent drop from 31% to 21% in the percentage of organisations that measure their involvement.

The following chart shows the percentage of the organisations that are involved in each type of community or social involvement that measures its involvement. As in 2011, those involved in long-term strategic partnerships are much more likely to measure their involvement. Financial contribution is the least measured, with a lower percentage of organisations measuring it in 2012 compared with 2011.



5. Profit from investment in sustainability

Respondents were asked whether they thought that the organisation they worked for or with expected to make a profit from any investment it does or might make in specific sustainability initiatives (like producing products and services which are better for the environment or people). The wording of this question is slightly different from that in 2009, 2010 and 2011, which asked if the respondents' organisation should expect to make a profit and is not completely comparable.

23% of respondents said that this did not apply and 35% were unsure, with the balance nearly equally split between those who thought their organisation expected a profit and those that did not. A higher percentage of respondents in non-NZ owned organisations said that their organisation expected to make a profit from investment in sustainability initiatives.

Profit expectation from investment in specific sustainability initiatives	2012 Total	Ownership		
		NZ Owned	Not NZ Owned	Don't know
Yes	21.8%	20.4%	25.8%	35.2%
No	19.7%	21.9%	12.2%	0.6%
Does not apply	23.4%	25.2%	16.2%	9.5%
Don't know	35.1%	32.5%	45.8%	54.8%

6. Emissions and resource use

6.1 Measurement of carbon emissions

The percentage of respondents that who did not know whether their organisations had measured their carbon emissions increased from 41% in 2011 to 49% in 2012. This increase appears to have come from the percentage of respondents who said that their organisations had not done so, and had no plans to; this declined from 41% in 2011 to 34% in 2012.

There was fundamentally no change in the level of respondents who said that there organisation does measure its emissions (steady at 14%) or did not do so but planned to (3% to 4% - within the margin of error). The results can therefore be interpreted as there being effectively no change overall in the level of organisations measuring their carbon emissions.

Measured carbon emissions	2012 Total	Ownership		
		NZ Owned	Not NZ Owned	Don't know
Yes	13.5%	10.0%	21.1%	54.5%
No - but we plan to	3.1%	3.5%	1.7%	0.0%
No and no plans to	34.4%	36.5%	29.7%	10.0%
Don't know	49.0%	50.0%	47.5%	35.5%

As in 2011, New Zealand-owned organisations were far less likely to have measured their carbon emissions than other organisations. Note that while there was no overall change, the percentage of non-NZ owned organisations that were measuring their carbon emissions dropped markedly from 38% in 2011 to 21% in 2012. At the same time, the percentage of these organisations that were not measuring their emissions and had no plans to do so increased from 20% in 2011 to 30% in 2012.

As in 2011, measurement of carbon emissions also appears to have a relationship with to organisational size. The larger the organisation, the more likely it is to have measured its carbon emissions and the less likely it is to have no plans to do so. However, note that as in 2011, respondents working for or with larger organisations were less likely to know whether their organisation had measured its carbon emissions.

Measured carbon emissions	2012 Total	No. people employed by organisation			
		0 to 20 employees	21 to 100 employees	101 or more employees	Don't know
Yes	13.5%	3.7%	12.9%	26.7%	1.0%
No - but we plan to	3.1%	4.2%	3.8%	2.0%	0.0%
No and no plans to	34.4%	57.9%	18.9%	15.2%	14.7%
Don't know	49.0%	34.2%	64.4%	56.1%	84.3%

6.2 Plan to reduce carbon emissions

As with the questions on measurement of emissions, a higher percentage of respondents in the 2012 survey than in 2011 were unsure whether their organisation had developed a plan to reduce its carbon emissions. Apparent movements in the results for this question, therefore, may be largely a consequence of this increase.

It does appear, however, that there is a decline from 16% in 2011 to 13% in 2012 in the percentage of organisations that have developed a plan to reduce carbon emissions, with a significant drop from 35% to 20% among non-NZ owned organisations.

31% of New Zealand-owned organisations were said to have intention to develop a plan to reduce emissions. This is much lower than the 41% in 2011, but the result may be a consequence of the increase in those who are unsure.

Plan to reduce carbon emissions	Total	Ownership		
		NZ Owned	Not NZ Owned	Don't know
Yes	13.4%	10.9%	20.1%	42.2%
No - but we plan to	6.3%	6.1%	5.7%	12.3%
No and no plans to	29.0%	31.1%	21.7%	10.0%
Don't know	51.2%	52.0%	52.6%	35.5%

As in 2011, around 80% of those organisations that had already measured their carbon emissions had also already developed a plan to reduce them and around 75% of those who intended to measure their emission also intended to develop a plan to reduce them.

Once again, the larger the organisation, the more likely they are to have developed a plan to reduce carbon emissions and respondents working for or with larger organisations were less likely to know whether their organisation had plans to measure their carbon emissions

Plan to reduce carbon emissions	Total	No. people employed by organisation			
		0 to 20 employees	21 to 100 employees	101 or more employees	Don't know
Yes	13.4%	4.4%	16.0%	24.5%	1.0%
No - but we plan to	6.3%	10.7%	3.0%	2.7%	2.5%
No and no plans to	29.0%	51.7%	13.8%	10.8%	6.5%
Don't know	51.2%	33.2%	67.2%	61.0%	89.8%

Comparison with the 2011, 2010 and 2009 surveys shows a decrease of approximately 1.3% per annum over that time scale in the percentage of organisations that have carbon emission reduction plans.

6.3 Plans covering other resources used

The percentage of organisations said to have initiatives that consider how they use other resources, like water and waste, at 35%, has not changed since the 2011 study. What has changed, however, is the percentage of organisations that do not currently have these plans and who do not intend to set up a plan: this measure has dropped from 7% in 2011 to 2% in 2012.

Initiatives for use of other resources	2012 Total	Ownership		
		NZ Owned	Not NZ Owned	Don't know
Yes	34.8%	34.9%	33.3%	36.4%
No - but we plan to	2.0%	2.0%	2.8%	0.0%
No and no plans to	22.5%	22.8%	21.0%	21.4%
Don't know	40.7%	40.3%	42.9%	42.2%

As in 2011, analysis by size of organisation indicates that large organisations lead others in having initiatives for the use of other resources. The 2012 survey does indicate that mid-size organisations have followed through on their 2011 intention to put plans in place; the percentage of mid-size organisations (21 to 100 employees) with plans in place has risen from 25% in 2011 to 32% in 2012.

Initiatives for use of other resources	Total	No. people employed by organisation			
		0 to 20 employees	21 to 100 employees	101 or more employees	Don't know
Yes	34.8%	30.6%	32.4%	44.5%	5.8%
No - but we plan to	2.0%	3.1%	1.3%	1.2%	0.0%
No and no plans to	22.5%	38.2%	10.1%	10.2%	9.0%
Don't know	40.7%	28.1%	56.3%	44.1%	85.1%

Comments on these question areas included:

"The National Government disbanded the environmental programme for government agencies - now it's all about being cost effective"

"We do attempt to recycle what we can. It is difficult as it is easy to end up with stacks of wood we will never use again, so we need to be very selective about what we are prepared to save."

"Being a not for profit organisation we do not need to consider as carefully the natural resources."

"The carbon tax is a rort. Carbon emission control per se is nonsense, unless we cap Ruapehu and Eyjafjallajökull. Controlling waste and improving efficiency in a sustainable way makes more sense."

"Bring on better electric vehicles. We use bikes, but that is proving to be a bit scary. Too many accidents."

"In today's environment, business... if you don't try to save every step of the way you are probably going out of business. The way things are for just about everyone means you'd have to be some kind of nutbar to be worrying about your carbon footprint while your house is up for mortgagee sale?? I firmly believe that you cannot get ahead in NZ anymore if you're honest."

"We consider resource use and outputs very carefully. Everything that can be recycled or reused is. However a very small business can't always justify a formal plan to document what is our normal practice and beliefs anyway. What's the point in writing a big story to ourselves about what we believe in?"

"The "Carbon Footprint" is a load of nonsense, just another way for government to ping the populace with yet another tax. Global warming being man-made is an utter fallacy;

we are in an inter-glacial period of the natural warming and cooling cycle that has been happening on earth for the past 5 million years.”

“Why measure anthropomorphic carbon emissions at work, when nature overwhelms man?”

“When working fulltime for the company I tried to put in place recycling but no one seemed very interested and I think they all thought I was a bit over the top.”

7. Sustainable workplace

7.1 Organisations with a sustainable workplace

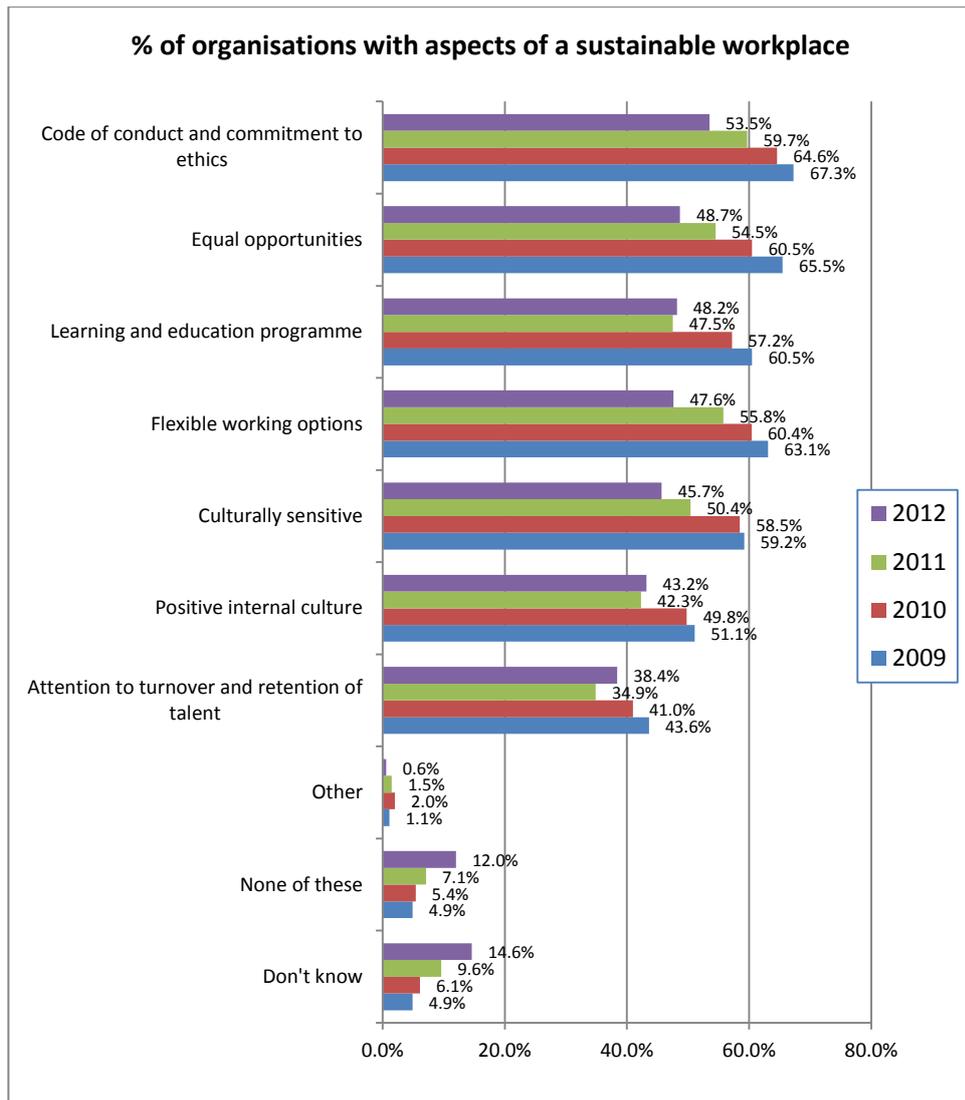
As in previous years, respondents were given a list of aspects of a sustainable workplace and asked which of them their organisation possessed. In the 2011 survey, larger organisations and organisations that were not New Zealand-owned were reported as having more of these aspects overall than New Zealand-owned organisations. In the 2012 results, larger organisations still have more of these aspects, but non-NZ owned organisations now have less, on average, than NZ-owned organisations.

Aspects of sustainable workplace	Total	NZ Owned	Not NZ Owned	Not sure
Code of conduct and commitment to ethics	53.5%	53.6%	57.4%	43.6%
Equal opportunities	48.7%	48.8%	56.5%	30.5%
Learning and education programme	48.2%	49.0%	49.8%	31.0%
Flexible working options	47.6%	50.3%	44.4%	8.4%
Culturally sensitive	45.7%	46.3%	41.6%	45.5%
Positive internal culture	43.2%	43.7%	44.6%	30.5%
Attention to staff turnover and retention of talent	38.4%	40.2%	28.6%	31.0%
Other	0.6%	0.6%	0.5%	0.0%
None of these	12.0%	12.9%	5.4%	11.6%
Don't know	14.6%	12.9%	20.2%	30.3%
Average number of aspects	3.53	3.58	3.49	2.62

All aspects were reported at a lower level than in 2011, continuing the downwards trend from 2009 reported in last year’s survey.

Attention to staff turnover and retention of talent remains the lowest scoring aspect.

Comparisons between 2012 and prior years are shown on the chart below:



7.2 Operational changes for sustainability

In comparison with 2011, a lower percentage of organisations were said to have made operational changes in the past year to reduce energy costs, environmental impact or become more sustainable (37.7% versus 39.7% in 2011). Fewer were also said to be planning to do so in the next year (3.7% versus 5.5%).

Operational changes for sustainability	2012 Total	Ownership		
		NZ Owned	Not NZ Owned	Don't know
Yes	37.7%	36.3%	43.0%	48.7%
No - but we plan to in the next year	3.7%	3.9%	4.2%	0.0%
No - no plan to make changes in the next year	19.1%	19.9%	17.1%	8.5%
Don't know	39.5%	39.9%	35.7%	42.9%

Larger organisations were more likely to have made operational changes for sustainability. This is a similar result to 2011.

Operational changes for sustainability	2012 Total	No. people employed by organisation			
		0 to 20 employees	21 to 100 employees	101 or more employees	Don't know
Yes	37.7%	32.8%	43.8%	44.9%	9.2%
No - but we plan to	3.7%	4.1%	1.5%	4.4%	0.0%
No and no plans to	19.1%	31.3%	8.3%	10.2%	6.4%
Don't know	39.5%	31.8%	46.5%	40.4%	84.4%

As with a number of other measures, the percentage of organisations making operational changes for sustainability has trended down since 2009.

7.3 Operational changes made in past 12 months

Following the surveys from 2009, respondents whose organisation had made operational changes in the past year to reduce energy costs or environmental impact or to become more sustainable were asked to select from a list the types of operational changes that had been made.

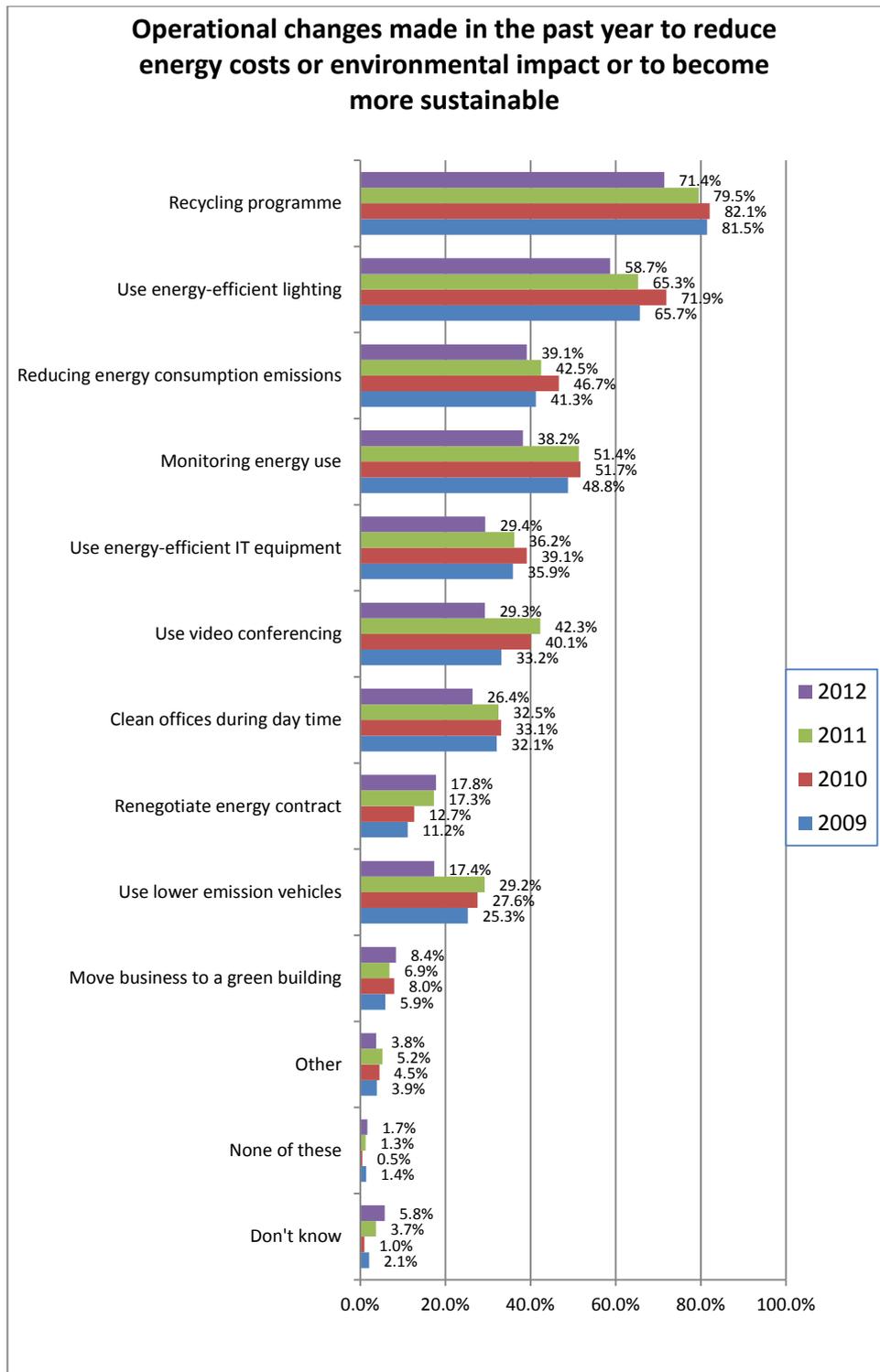
Overall, it is evident that change activity has slowed since 2011, following a peak in 2010. That is probably not surprising given that this question measures changes in the past twelve months, not changes over a number of years. As one respondent commented:

“We could tick all of these but most have been in place more than 12 months.”

The most common change remained a recycling programme, selected by 71% of respondents overall, but by 86% of respondents from a non-NZ owned organisation.

Changing to use of lower emission vehicles has dropped dramatically from 29% in 2011 to 17% in 2012.

Year on year comparisons from 2009 are shown in the following chart:



On average, 3.4 operational changes had been made by organisations in the past twelve months to reduce energy costs, environmental impact or become more sustainable, down from 4.1 in 2011.

7.4 Attention to sustainability and impact on staff stay/leave decisions

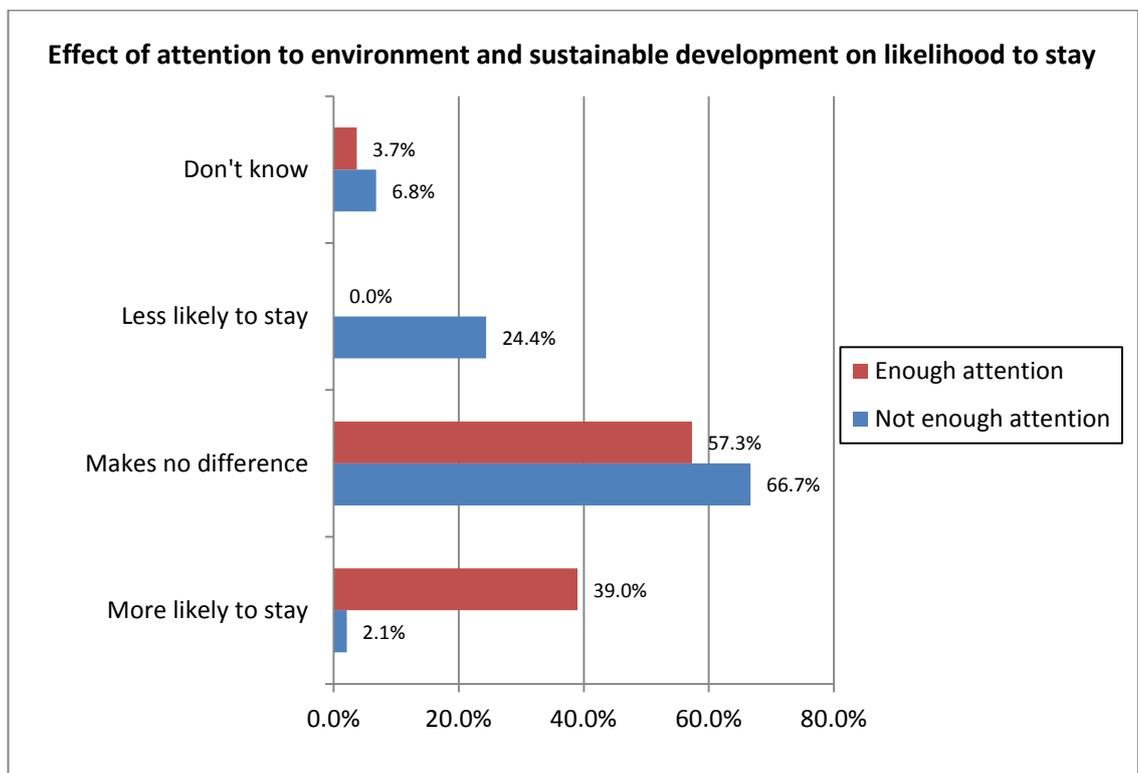
44.2% of respondents felt that their organisation was paying sufficient attention to the environment and sustainable development, within the margin of error in comparison with 2011 and therefore effectively the same. As in 2011, the smaller the organisation, the more the respondents felt that this was so. The overall level has declined from 49.6% in 2010, but the decline is balanced by an increase in the percentage of people who answered “Don’t know”.

26.5% felt that their organisation was not paying enough attention to the environment and sustainable development. The overall result is effectively at the same level as in the previous 2 years’ surveys. Respondents in larger companies were much more likely to feel this way.

29% said that they did not know. The “Don’t know” figure was highest in mid-size organisations (21 to 100 employees).

Results on the effect of organisations’ attention to the environment and sustainable development on staff intention to stay with their organisation were very similar to 2011. For between 57% and 67% of respondents, whether their organisation was paying attention to the environment and sustainable development, or not, made no difference to whether they were likely to stay.

Again, as in 2011, an organisation paying sufficient attention to the environment and sustainable development, in respondents’ opinion, made 39% of them more likely to stay. Where there was felt to be insufficient attention, 24.4% said that this made them less likely to stay with the organisation. The following chart shows the overall effect.



Respondents are no longer as certain about whether they would consider leaving any organisation whose corporate responsibility behaviour no longer met their expectations, with a significant rise in the “Don’t know” response and a significant drop in the “Yes” response. 40.5% said that they would consider leaving, down from 56.0% in 2011 and 62.0% in 2010. Only 14.9% said that they would not consider leaving and 44.6% said that they did not know, up from 27.5% in 2011.

As in 2011 and 2010, respondents were also asked whether they would recommend their organisation to others if it was environmentally irresponsible. 25.5% of respondents said that they would recommend their organisation while 38.2% said that they would not. While the percentage who said that they would not has declined from 45.9% in 2011, this is balanced by the increase in those who said they did not know whether they would or not.

8. Sustainability outcomes and reporting

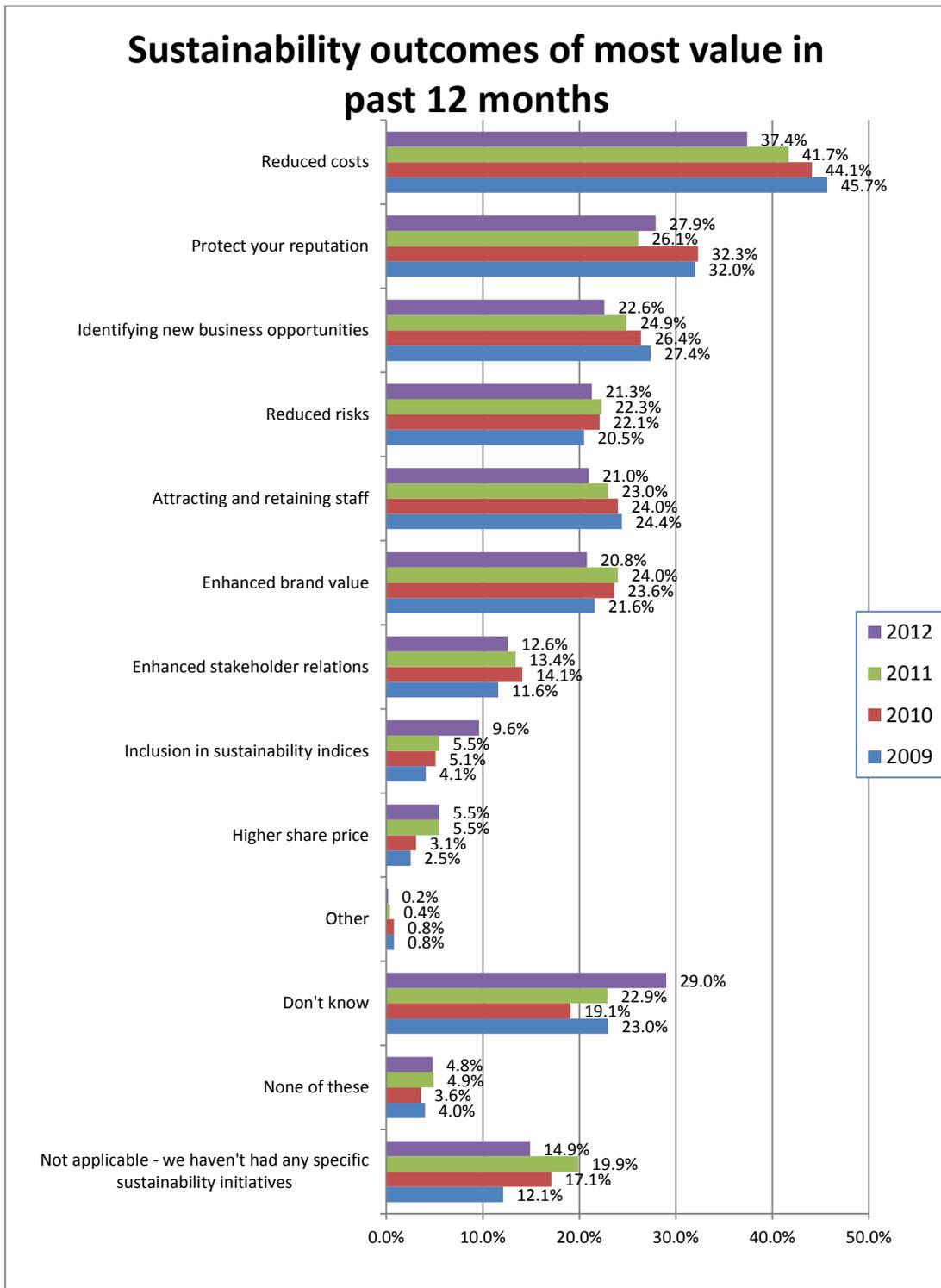
8.1 Outcomes

The sustainability outcomes measured in 2010 and 2011 were measured again in the 2012 survey, with respondents asked which had been of most value to their organisation over the previous 12 months.

Once again, “Reduced costs” was the most important outcome, but at a reduced level. The importance of this outcome has been declining in importance each year since 2009. “Protect your reputation” was again in second place, at 27.9% - slightly higher than in 2011.

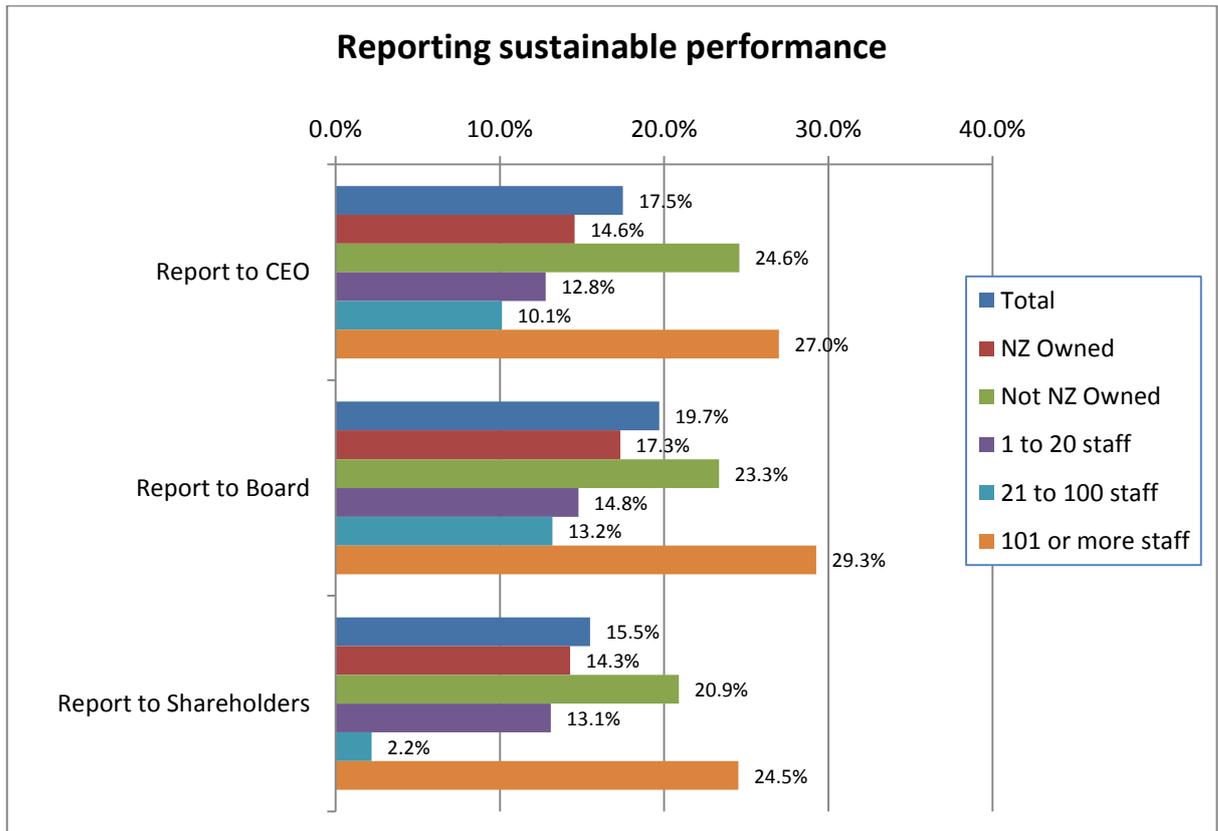
“Reduced risks” has hardly varied in level of importance over the four years, while all other factors have tending to decline in value, particularly since 2010.

The following chart below shows comparisons between the four survey years:



8.1 Reporting sustainable performance

NZ owned organisations remain far less likely than other organisations to report sustainable performance. However, as noted in the 2011 report, many NZ owned organisations are relatively small and size of organisation remains a stronger indicator of reporting of sustainable performance.



8.2.1 Reports to the CEO

47.6% of respondents overall were not sure whether their organisations prepared regular reports for their CEO on sustainable performance. 17.5%, a similar level to 2011, reported that their organisation did prepare reports, but this was more prevalent (27%) for large organisations and organisations that were not New Zealand-owned (23%).

Reporting to a CEO in smaller organisations (1 to 20 employees), was higher (12.89%) than in 2011 (9.5%).

8.2.2 Reports to the Board

There was no change in the level of reporting regularly to the Board on sustainable performance; 38.5% said that their organisation did so. 19.3%, primarily working for New Zealand-owned organisations, said that this was not applicable. 22.5%, down from 2011, said that their organisations did not report sustainable performance to the board; this was more prevalent in smaller organisations.

8.2.3 Reports to Shareholders

Nearly 40% of respondents overall did not know whether their organisations prepared regular reports to their shareholders on sustainable performance and another 24%, mostly working for

New Zealand-owned organisations, said that this was not applicable. 21% said that their organisations did not report sustainable performance to the board and only 15.5% reported that their organisation did. Again, this was much more prevalent (24%+) for large organisations and organisations that were not New Zealand-owned (21%). Reporting to shareholders has returned to the 2009 levels

9. Sustainability leadership and organisation membership

9.1 Leadership

89% of respondents said that they believed that companies in New Zealand should take leadership in sustainability issues. This level of support was consistent across organisation size and NZ/not NZ ownership.

9.2 Membership of sustainability-related business organisations

While a majority of respondents (54%) did not know whether their organisation belonged to a sustainability-related business organisation, 14% said that theirs did. Organisations that were not NZ owned were more likely (20.5%) to belong to a sustainability-related business organisation.

Membership of sustainability-related business organisations	2012 Total	Ownership		
		NZ Owned	Not NZ Owned	Don't know
Yes	14.3%	12.1%	20.5%	37.8%
No - but we plan to	2.8%	3.2%	1.6%	0.0%
No - but we have in the past	2.9%	2.2%	8.7%	0.0%
No and no plans to	25.6%	27.1%	14.8%	25.8%
Don't know	54.4%	55.4%	54.4%	36.4%

10. Personal purchasing

10.1 Taking sustainability into account

19.1% of respondents, a lower level than in 2011, said they considered sustainability all of the time when purchasing goods or services for themselves, their family or their organisation. This is the lowest level in the four years of these surveys. 61.2% said that they considered sustainability some of the time, slightly up on 2011, and 19.8% said that they did not: the highest level over the four years of the surveys.

People in the 2012 study who are likely to consider sustainability all of the time were more likely to be:

- 18 to 24 years of age
- \$20,001 to \$50,000 per annum household income
- degree qualified.

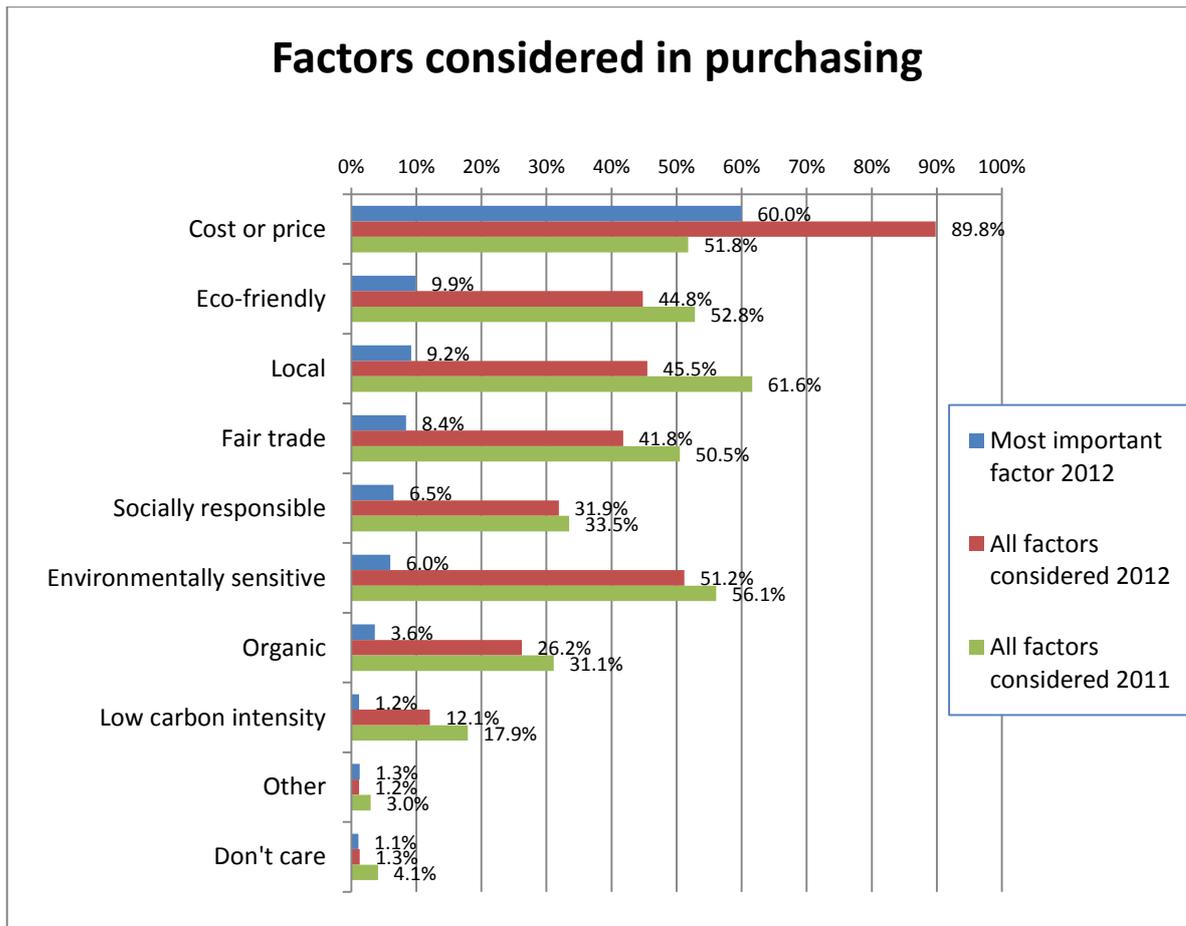
Those respondents in the 2012 study who said that they did not consider sustainability when purchasing were more likely to be:

- male
- earning \$100,000 per annum or more
- Be managers, business proprietors or self-employed, students; trained service workers; beneficiaries or unemployed.

10.2 Factors considered

As in 2011, cost or price is the single most important consideration in respondents purchasing for themselves, their family or their organisation. However, it has become even more important than in 2011, with nearly 90% of respondents considering it as a factor, in comparison with 52% in 2011. It was commented in the 2011 report that 'All other factors must therefore be considered as being in the "all things being equal category"; i.e. price will drive purchase decisions for most people unless prices are equal or close to equal between products'. The evidence of this survey suggests that that continues to be true.

The chart below shows the most important factors compared with the likelihood of them being included in the range of considerations. 2011 figures for all factors considered are included.



All factors have trended downwards since 2009, with the exception of “Cost or price only”, which has trended upwards, with an increase in 2011 and a massive increase in 2012. “Organic” has remained constant up until 2011, but declined in the 2012 survey.

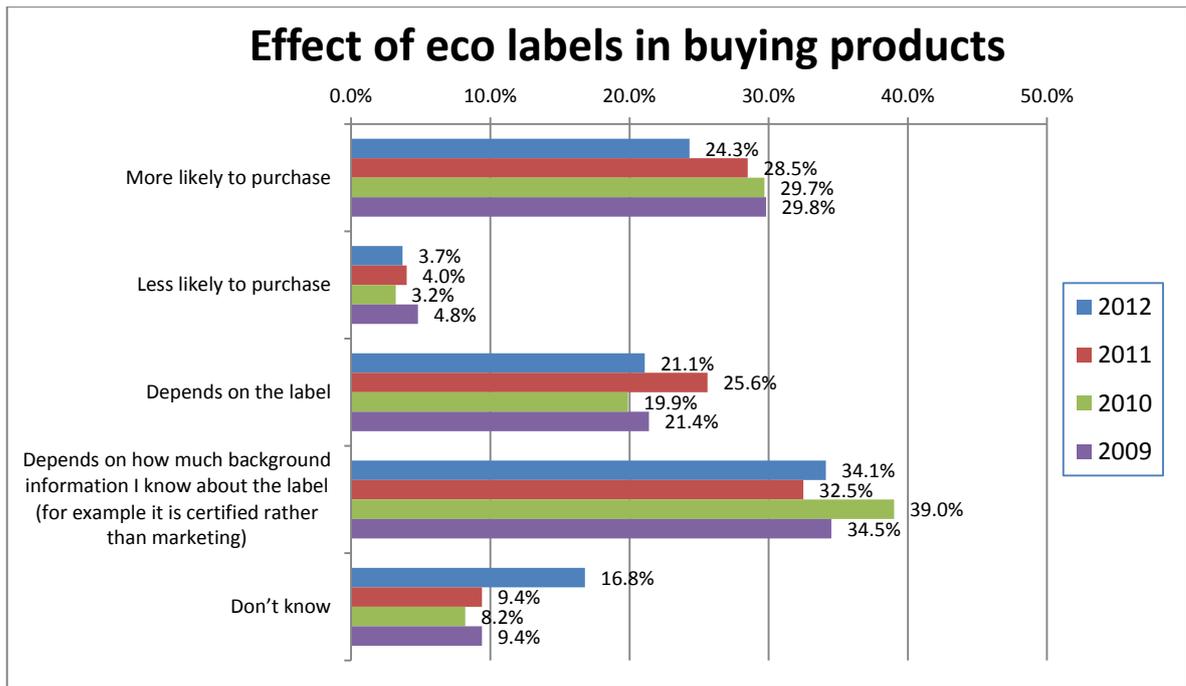
10.3 Effect of eco labels on purchasing

Over the four years of this monitor, respondents were asked whether eco labels, certifying environmental friendliness, would make them more or less likely to buy a product. In the past three years, the most selected response was that it would depend on how much background information they knew about the label and the 2012 was no exception, with 34% selecting that. A further 21% said that it would depend on the label. 24.3% said that it would make them more likely to buy the product, down from the previous 3 years.

Only 4% said that it would make them less likely to purchase the product; this is a consistent level over the four years of this measure.

As in 2011, respondents who consider sustainability all of the time when purchasing are more likely to be encouraged to purchase products with eco labels. This group is around 22% of the market.

The following chart compares results from the four survey years:



10.4 Effect on purchasing of manufacturer or service provider behaviour

Respondents were asked if they would switch to another brand of product or service “if you found your regular brand or service provider was having a bad affect on the environment, people or society, or behaving unethically”. The level of respondents who were unsure whether that would cause them to switch was up from 27% in 2011 to 32%, and there was a corresponding drop in the percentage that would switch, down from 67% to 62%.

However, 91% of those who said that they consider sustainable factors when purchasing “all of the time” would switch. 65.0% of those who consider sustainable factors “some of the time” would switch, together with 27% of those who said that they do not consider sustainability when purchasing.

Only 6% said that they would not switch; this is a consistent level in 2011 and 2012.

Switch if regular brand/service having bad effects	Total	Consider sustainable factors		
		All of the time	Some of the time	No
Yes	61.7%	91.3%	64.7%	27.3%
No	6.1%	3.3%	1.1%	24.4%
Not Sure	32.3%	4.7%	34.0%	48.3%

Respondents commented that:

“Yes (I would change) but they would have to be very bad. Not just some greenie hype”

“A limited budget dictates and also some of the environmental friendly cleaning products/washing powder are so caught up the environmental issue that they lack the substance/power to clean/do what they say they do. It has to be about balance.”

“As a family we are interested in the long term - we would not want to support unethical behaviour or those having large negative impacts on the environment and people. Hence we avoid buying Chinese products where possible - even when they are cheaper as we do not wish to be a part of exploitation - e.g. won't buy "Apple" products.”

“Bad karma...seriously, any association with a company known to be morally or ethically irresponsible would throw doubt onto one's own morals and ethics and business dealings.”

“But you have to be practical. If you really want something but the price is way beyond your means you will always go for the best price; anyone would whether you have \$\$\$ or not, you will go for the bargain.”

“I would need conclusive proof of the fact that my regular brand was "guilty" and the alternative brand was measurably better.”

“Deserted Cottonsoft very quickly when I heard they were producing toilet and other products here unsustainably, despite their labelling and PR spin. Have now deserted all caged hen egg producers.”

“Example, bio fuel use would make me switch away from that supplier right away. The huge destruction of native forest to plant Palm Oil trees is shocking!!”

“I get very angry that I don't always have a choice, e.g. those horrible foam meat packs and other unnecessary packaging in supermarkets, etc.”

“I have switched and continue to do so every time I find a fairer producer, a more local producer, a more natural product. I buy Fairtrade every time I can and ask stores to stock Fairtrade items. I support producers who use local ingredients, organic ingredients and fair trade ingredients. Fair trade is my most important factor as I want people to earn a living wage. Next I choose local to support NZ producers. Thirdly I try to select organic if possible but won't buy from overseas if there is a local alternative because of carbon foot print. Some bloody complicated calculations go on during every shop!”

“I stopped buying Cadbury products because of its use of Palm Oil and although they have stopped using Palm Oil I still do not purchase their products. I will readily do the same for any other company that makes similarly bad choices.”

11. Sustainability and competitive advantage

Respondents were asked whether, in general, they thought that New Zealand lives up to its environmentally pure overseas marketing message. The 2012 results were very similar to 2011.

Just fewer than 3% of respondents felt that New Zealand totally lived up to its “100% Pure” overseas marketing message. 54%, a similar level to 2011, feel that it mostly lives up to the message. 34% felt that it slightly lives up to the message and 9% (down from 14.5% in 2011) feel that it does not live up to the message at all.

Respondents commented that:

“43rd for clean rivers in the OECD, need to make producers responsible for the cost of their packaging, recycling etc., no environment = no economy.”

“NZ's current government is solely focussed on bringing money into NZ and would allow e.g. high-intensity dairy farms and increased coal use. NZ can be much closer to self-sufficient (e.g. 1970s) if it imported only selected items from overseas, requiring the kind of farms we had then and with current knowledge and technology <http://www.windflow.co.nz/>) no coal use.”

“Compared to most other countries, NZ is way up there in corporate sustainability.”

“Far too much intensive farming throughout the country. A more enlightened, smaller-scale, agricultural and horticultural base is emerging within local communities, providing alternatives to supermarkets for consumers. Long over-due!”

“Not the farmers. They pollute the environment and get others to pay to clean it up.”

“Environmentally pure is only a ‘ploy’ to get people to pay more for something that can be bought elsewhere, overseas, for half the price. We already know our rivers and lakes are a mess; so is covering up the lie ethical?”

“I am very sorry to say, that although NZ brands itself as clean and green, it is anything but.”

“It's largely credit to the small population and good conservation policy. But many Kiwis don't recycle and many cities, including the capital city Wellington, don't have enough recycle facilities, such as rubbish bins for recyclable items. The careless attitude and waste does not match the PURE message.”

“NZ has lost significant ground in the so-called 'clean green image' over the past 2-3 decades. High consumption and increasing environmental pollution are big negatives. Aesthetically NZ still appears to be a great place, but we need to look under the bonnet more carefully. Native pastoral farming is under threat, and on-going land-based and aquatic intensification will have long-term repercussions. Decisions need to be made on maximum output levels for our productive land, our urban sprawl and industrial objectives, and optimum population levels based on sound & sustainable economic values.”

“We are just very lucky we have a low population density so the impact of our behaviour to the visitor appears to be minimal.”

12. Fuels, fuel costs and fuel-efficient vehicles

12.1 Fuel efficient vehicles

Respondents were asked whether the cost of fuel had resulted in them buying a more fuel efficient vehicle in the past 12 months.

14% said that it did not apply.

14% said that they had bought a more fuel efficient vehicle; this represents around 451,000 people aged 18+years.

35% said that they had not bought a more fuel efficient vehicle, but would like to be in a position to do so. This represents around 1,130,000 people aged 18+years.

37% said that they had not bought a more fuel efficient car. As they did not select the option “No, but I would like to be in a situation to be able to”, the 1,199,000 people represented by this response presumably do not believe they need to buy a more fuel efficient vehicle.

12.2 Fuels and fuel costs

Respondents were asked what types of the fuel they usually used in the vehicle they mainly drove. Results are as shown below:

Fuel used	Total
98 octane petrol	6.8%
95/96 octane petrol	8.3%
91 octane petrol	64.7%
Diesel	8.5%
LPG	0.0%*
Does not apply	11.6%

* Only one respondent

Respondents were given a list of prices and asked at what price per litre for the fuel they used they would consider buying a more fuel efficient vehicle.

The percentage of respondents who said that they had already acquired a more fuel efficient vehicle and did not need to change is shown below. Figures shown are as a percentage of the users of each fuel type.

Fuel used	Total
98 octane petrol	2.9%
95/96 octane petrol	14.5%
91 octane petrol	19.8%
Diesel	31.5%

The percentage of users of each fuel type who said that they would not change because of the fuel price is shown below. There is significant variation:

Fuel used	Total
98 octane petrol	52.5%
95/96 octane petrol	24.3%
91 octane petrol	21.7%
Diesel	18.5%

Analysis of those who said that would consider buying a more fuel-efficient vehicle at a certain fuel price per litre shows that Diesel and 91 Octane petrol users are the most price-sensitive. More than 50% of diesel users would consider a change at \$2.00 per litre (at the time of the survey, the AA reported June 2012 diesel pump prices at 140.9 cents per litre).

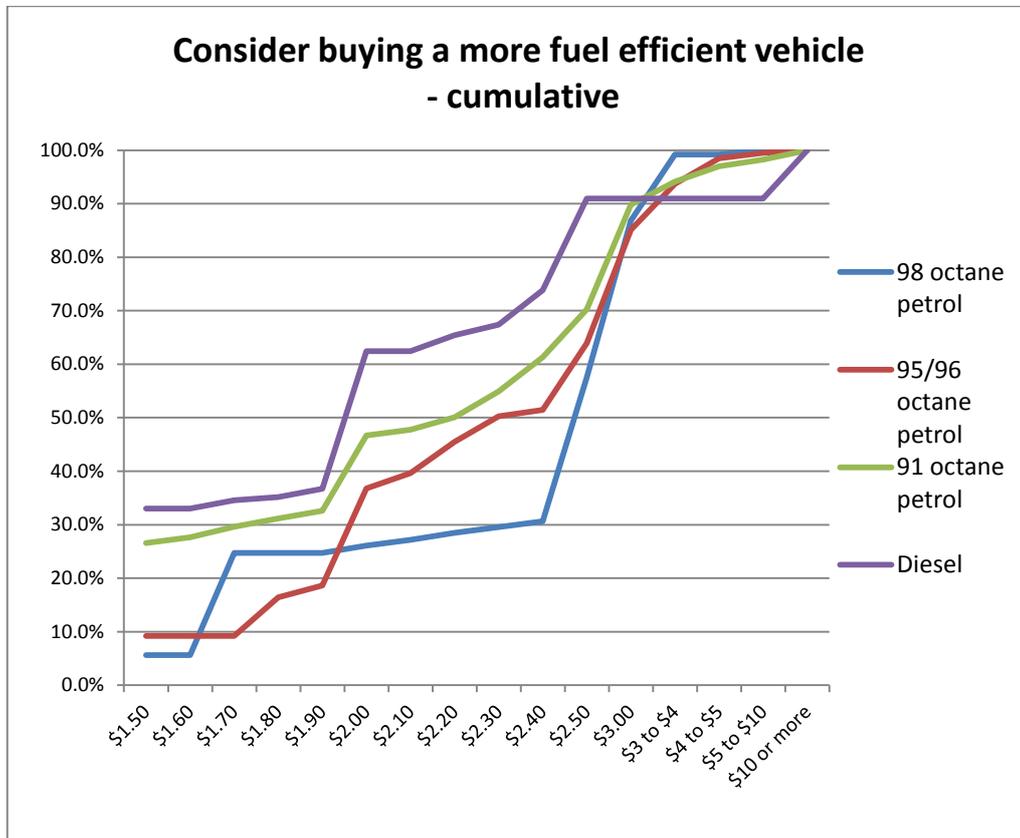
More than 50% of 91 octane petrol users would consider changing vehicles at \$2.20 per litre (at the time of the survey, the AA reported June 2012 91 octane pump prices at 199.9 cents per litre).

More than 50% of 95/96 octane petrol users would consider buying a more fuel-efficient vehicle at \$2.30 per litre (at the time of the survey, the AA reported June 2012 95 octane pump prices at 204.9 cents per litre).

The least price sensitive are 98 octane petrol users. For them, the price would have to reach \$2.50 per litre before more than 50% would consider a more fuel efficient vehicle.

A number of respondents selected a price at which they would change at a level below the fuel prices at the pump at the time of the survey.

The cumulative results (i.e. the total percentage that would consider buying a more fuel-efficient vehicle at a given price) are shown in the following chart:



APPENDIX 1 – METHODOLOGY

Sample

This survey is of 1,152 respondents who are members of Horizon Research’s online HorizonPoll panel which is representative of the New Zealand population aged 18+ at the 2006 census.

Post-sample iterative rim weighting was used to match population averages for age, gender, ethnicity, education level, personal income and, to ensure a sample aligned with 2011 voter support, party vote in the 2011 General Election.

The maximum margin of error at a 95% confidence level is $\pm 2.9\%$ overall.

Dates

Respondents completed surveys between June 6 and June 21, 2012.

Organisation size

Where analysis by organisation size has been referred to in the report, terminology used is:

- Up to 20 employees (“smaller organisations”)
- 21 to 100 employees (“mid-sized organisations”)
- 101 or more employees (“larger organisations”)

Analysis

All analysis shown in this report is taken from the weighted data.

Respondent comments

All verbatim comments from respondents are captured in, and available from, the Horizon Research system.

APPENDIX 2 – COMPARISONS WITH PREVIOUS SURVEYS

Attitude towards sustainable business practice	Survey year			
	2012	2011	2010	2009
<u>Attitude towards sustainable business practice</u>				
Has a reputation which relies on sustainable business practice	36.5%	37.8%	37.6%	40.7%
Believes sustainability is only about being 'green and fluffy'	8.0%	3.1%	4.3%	3.1%
Something in between these options	38.5%	39.0%	42.3%	40.7%
None of the above	17.0%	20.1%	15.9%	15.5%
<u>Business focus</u>				
Focuses on providing the highest possible returns to investors while obeying all laws and regulations	21.5%	17.9%	15.3%	16.5%
Generates returns to investors but is also balanced in its role in the community	21.1%	22.2%	33.2%	34.3%
Something in between these options	31.0%	27.4%	27.0%	26.1%
None of the above	26.4%	32.6%	24.4%	23.2%
<u>Procurement focus</u>				
Actively purchases goods and services from suppliers who act sustainably	18.5%	22.7%	25.1%	26.0%
Does not care who supplies goods and services provided they are at the best price	27.3%	22.0%	20.4%	23.7%
Something in between these options	39.5%	38.6%	44.3%	40.8%
None of the above	14.7%	16.7%	10.2%	9.5%
<u>Goals</u>				
Pursues customer satisfaction as the top priority ahead of all other considerations	46.0%	30.2%	29.3%	31.0%
Balances customer satisfaction with the organisation's need to make profits		36.4%	36.5%	36.1%
Pursues profit as a top priority ahead of all other considerations	8.9%			
Something in between these options	34.8%	23.1%	24.5%	23.5%
None of the above	10.3%	10.4%	9.7%	9.5%
<u>Employee focus</u>				
Regards a supportive workplace as critical to a successful business	57.1%	51.2%	57.3%	59.5%
Does not appear to adequately support employees to complete their jobs	14.6%	13.9%	14.5%	14.1%
Something in between these options	19.1%	25.2%	22.9%	22.2%
None of the above	9.1%	9.7%	5.3%	4.2%

Sustainable behaviour	Survey year			
	2012	2011	2010	2009
<u>Does the organisation you work for or with have a sustainable development strategy?</u>				
Yes	29.4%	32.4%	37.5%	38.7%
No	25.0%	29.0%	30.0%	26.9%
Don't know	45.6%	38.6%	32.4%	34.3%
<u>Would you say your organisation behaves sustainably (looks after profits as well as the environment and people)?</u>				
Yes	59.5%	53.8%	57.8%	60.0%
No	15.0%	15.8%	17.7%	17.2%
I really don't know	25.5%	30.4%	24.5%	22.7%
<u>Has your organisation completed a Sustainable Development report covering your New Zealand operations?</u>				
Yes		10.6%	9.5%	10.3%
No - but we plan to		5.7%	6.2%	6.4%
No and no plans to		25.8%	30.8%	24.9%
Don't know		57.9%	53.5%	58.4%
<u>Has your organisation publicly reported on the Sustainable Development progress of its New Zealand operations, either in separate reports or annual reports, during the past 12 months?</u>				
Yes	14.0%			
No - but we plan to	3.2%			
No and no plans to	26.1%			
Don't know	56.7%			
<u>Does the organisation you work with or for include social/environmental criteria in its supplier terms and conditions?</u>				
Yes	20.9%	19.1%	21.7%	22.7%
No - but we plan to	3.6%	6.8%	6.1%	5.9%
No and no plans to	23.0%	27.4%	25.9%	23.4%
Don't know	52.5%	46.7%	46.4%	48.1%
<u>Has the organisation you work for or with deselected suppliers in the past year because of their environmental, social or ethical behaviours?</u>				
Yes	13.0%	9.6%	13.0%	19.2%
No	29.7%	34.6%	35.6%	33.5%
Don't know	57.3%	55.9%	51.4%	47.4%

Community or social activities	Survey year			
	2012	2011	2010	2009
What community or social activities is your organisation involved in?				
Contributing financially to charities and community organisations	48.6%	44.6%	45.1%	47.6%
Contributing employee time (e.g. volunteering, mentoring)	29.5%	32.5%	37.7%	37.2%
Contributing in kind (e.g. gifts, products)	33.1%	27.7%	35.0%	32.2%
Strategic long term partnerships with civil society organisations	20.5%	18.8%	23.2%	24.0%
None of these	31.0%	30.6%	23.0%	24.5%
Other (please specify)	3.1%	6.1%	6.2%	5.8%
Does the organisation you work for or with measure its community involvement?				
Yes	27.9%	28.6%	29.9%	32.9%
No	34.2%	37.1%	38.5%	33.5%
Don't know	37.9%	34.3%	31.6%	33.6%

Procurement	Survey year			
	2012	2011	2010	2009
Which of the following best describes the way in which your organisation buys goods and services?				
Procures solely on day one price (the lowest price at time of purchase)	7.0%	10.9%	8.7%	9.6%
Procures solely on a whole of life cost basis (not necessarily the lowest price at time of purchase)	7.3%	9.5%	7.6%	7.6%
Procures mostly on day-one price (lowest price at time of purchase)	12.5%	12.6%	14.8%	15.0%
Procures mostly on whole of life cost (not necessarily the lowest price at time of purchase)	9.5%	11.5%	17.7%	16.3%
Has other criteria which affect purchasing decisions	19.6%	17.8%	20.6%	22.6%
Don't know	44.0%	37.6%	30.5%	28.9%

Profit from sustainability	Survey year			
	2012	2011	2010	2009
<p>In your view, should the organisation you work for or with expect to make a profit from any investment it makes in specific sustainability initiatives (like producing products and services which are better for the environment or <u>people</u>)?</p> <p>Yes</p> <p>No</p> <p>Don't know</p>		42.9%	42.9%	44.7%
		24.0%	28.2%	25.1%
		33.1%	28.8%	30.3%
<p>Does the organisation you work for or with expect to make a profit from any investment it does or might make in specific sustainability initiatives (like producing products and services which are better for the environment or <u>people</u>)?</p> <p>Yes</p> <p>No</p> <p>Does not apply</p> <p>Not sure</p>	21.8%			
	19.7%			
	23.4%			
	35.1%			
<p>Have the profits or benefits of sustainability initiatives generally met your organisation's <u>expectations</u>?</p> <p>Yes</p> <p>No</p> <p>Don't know</p> <p>Not applicable - we haven't had any specific sustainability initiatives</p>		14.7%	26.5%	25.9%
		7.3%	8.7%	7.9%
		44.5%	42.5%	44.4%
		33.5%	22.3%	21.8%

Emissions and resources	Survey year			
	2012	2011	2010	2009
Has the organisation you work for or with measured its carbon emissions (i.e. completed a <u>carbon footprint</u>)?				
Yes	13.5%	14.2%	15.8%	12.8%
No - but we plan to	3.1%	4.1%	7.8%	8.9%
No and no plans to	34.4%	40.9%	36.8%	33.5%
Don't know	49.0%	40.8%	39.7%	44.8%
Has it developed a plan to reduce those <u>emissions</u>?				
Yes	13.4%	16.0%	19.0%	16.8%
No - but we plan to	6.3%	7.8%	7.7%	8.9%
No and no plans to	29.0%	36.5%	33.5%	29.2%
Don't know	51.2%	39.8%	39.7%	45.1%
Does your organisation have initiatives that consider how it uses other resources, like <u>water and waste</u>?				
Yes	34.8%	35.2%	46.2%	47.3%
No - but we plan to	2.0%	7.3%	5.6%	5.3%
No and no plans to	22.5%	25.5%	21.0%	18.1%
Don't know	40.7%	32.0%	27.2%	29.3%

Sustainable workplace	Survey year			
	2012	2011	2010	2009
What aspects of a sustainable workplace does <u>your organisation possess</u>?				
Flexible working options	47.6%	55.8%	60.4%	63.1%
Learning and education programme	48.2%	47.5%	57.2%	60.5%
Positive internal culture	43.2%	42.3%	49.8%	51.1%
Culturally sensitive	45.7%	50.4%	58.5%	59.2%
Code of conduct and commitment to ethics	53.5%	59.7%	64.6%	67.3%
Equal opportunities	48.7%	54.5%	60.5%	65.5%
Attention to turnover and retention of talent	38.4%	34.9%	41.0%	43.6%
None of these	12.0%	7.1%	5.4%	4.9%
Don't know	14.6%	9.6%	6.1%	4.9%
Other (please specify)	0.6%	1.5%	2.0%	1.1%
Has the organisation you work for or with made operational changes in the past year to reduce energy costs, environmental impact or <u>become more sustainable</u>?				
Yes	37.7%	39.7%	48.1%	51.6%
No - but we plan to in the next year	3.7%	5.5%	5.0%	5.9%
No and have no plan to make changes in the next year	19.1%	20.9%	19.1%	15.6%
Don't know	39.5%	34.0%	27.8%	26.8%
What types of operational changes have been made in the past year to reduce energy costs or environmental impact or to become <u>more sustainable</u>?				
Use energy-efficient lighting	58.7%	65.3%	71.9%	65.7%
Reducing energy consumption emissions	39.1%	42.5%	46.7%	41.3%
Clean offices during day time	26.4%	32.5%	33.1%	32.1%
Use lower emission vehicles	17.4%	29.2%	27.6%	25.3%
Use video conferencing	29.3%	42.3%	40.1%	33.2%
Recycling programme	71.4%	79.5%	82.1%	81.5%
Monitoring energy use	38.2%	51.4%	51.7%	48.8%
Use energy-efficient IT equipment	29.4%	36.2%	39.1%	35.9%
Renegotiate energy contract	17.8%	17.3%	12.7%	11.2%
Move business to a green building	8.4%	6.9%	8.0%	5.9%
None of these	1.7%	1.3%	0.5%	1.4%
Don't know	5.8%	3.7%	1.0%	2.1%
Other	3.8%	5.2%	4.5%	3.9%

Attention to the environment and sustainable development	Survey year			
	2012	2011	2010	2009
Do you think your organisation is paying enough attention to the environment and sustainable <u>development</u>?				
Yes	44.2%	45.5%	49.6%	
No	26.5%	27.2%	27.5%	
Don't know	29.3%	27.3%	22.9%	
Does your view that your organisation <u>is not</u> paying enough attention to the environment and sustainable development make you more <u>or less likely to stay with the organisation</u>?				
More likely to stay	2.1%	3.8%	3.6%	
Less likely to stay	24.4%	32.0%	23.7%	
Makes no difference	66.7%	59.8%	67.5%	
Don't know	6.8%	4.4%	5.3%	
Does your view that your organisation <u>is</u> paying enough attention to the environment and sustainable development make you more or <u>less likely to stay with the organisation</u>?				
More likely to stay	39.0%	40.6%	51.0%	
Less likely to stay	0.0%	1.1%	0.8%	
Makes no difference	57.3%	52.4%	46.2%	
Don't know	3.7%	6.0%	2.0%	
Would you recommend your organisation to others if it were environmentally <u>irresponsible</u>?				
Yes	25.5%	26.8%	27.5%	
No	38.2%	45.9%	48.5%	
Don't know	36.3%	27.3%	23.9%	
Would you consider leaving any organisation whose corporate responsibility behaviour no <u>longer meets your expectations</u>?				
Yes	40.5%	56.0%	62.0%	
No	14.9%	16.5%	14.3%	
Don't know	44.6%	27.5%	23.7%	

Most valuable outcomes	Survey year			
	2012	2011	2010	2009
Thinking of the business case for sustainable development, please indicate which of the outcomes below have been of most value to your organisation over the past 12 months as a result of your sustainable development practices or initiatives?				
Reduced costs	37.4%	41.7%	44.1%	45.7%
Reduced risks	21.3%	22.3%	22.1%	20.5%
Attracting and retaining staff	21.0%	23.0%	24.0%	24.4%
Identifying new business opportunities	22.6%	24.9%	26.4%	27.4%
Enhanced stakeholder relations	12.6%	13.4%	14.1%	11.6%
Enhanced brand value	20.8%	24.0%	23.6%	21.6%
Protect your reputation	27.9%	26.1%	32.3%	32.0%
Higher share price	5.5%	5.5%	3.1%	2.5%
Inclusion in sustainability indices	9.6%	5.5%	5.1%	4.1%
None of these	4.8%	4.9%	3.6%	4.0%
Not applicable - we haven't had any specific sustainability initiatives	14.9%	19.9%	17.1%	12.1%
Don't know	29.0%	22.9%	19.1%	23.0%
Other (please specify)	0.2%	0.4%	0.8%	0.8%

Reporting	Survey year			
	2012	2011	2010	2009
Does your organisation prepare reports regularly for its chief executive officer on its sustainable performance?				
Yes	17.5%	18.1%	19.8%	22.4%
No	34.9%	36.6%	39.6%	35.4%
Don't know	47.6%	45.3%	40.7%	42.1%
Does your organisation report regularly to its board on sustainable performance?				
Yes	19.7%	17.4%	20.1%	21.5%
No	22.5%	26.4%	27.0%	26.3%
Don't know	38.5%	38.6%	35.5%	35.6%
N/A	19.3%	17.6%	17.4%	16.7%
Does your organisation report regularly to its shareholders on sustainable performance?				
Yes	15.5%	13.8%	14.6%	15.6%
No	20.8%	26.3%	25.6%	25.2%
Don't know	39.8%	34.5%	33.1%	33.8%
N/A	23.9%	25.4%	26.7%	25.4%

Personal purchasing	Survey year			
	2012	2011	2010	2009
Do you personally consider sustainable factors when purchasing goods or services for yourself, <u>your family or your organisation?</u>				
Yes, all of the time	19.1%	24.1%	21.9%	22.4%
Yes, some of the time	61.2%	58.5%	66.3%	63.8%
No	19.8%	17.4%	11.9%	13.7%

Personal purchasing	Survey year			
	2012	2011	2010	2009
What factors do you consider when purchasing <u>products?</u>				
Environmentally sensitive	51.2%	56.1%	60.0%	60.4%
Organic	26.2%	31.1%	31.7%	31.2%
Fair trade	41.8%	50.5%	56.7%	54.5%
Low carbon intensity	12.1%	17.9%	19.7%	19.7%
Eco-friendly	44.8%	52.8%	58.5%	57.9%
Local	45.5%	61.6%	65.6%	63.4%
Cost or price only	89.8%	51.8%	46.5%	45.0%
Socially responsible	31.9%	33.5%	39.7%	0.0%
Don't care	1.3%	4.1%	1.8%	2.2%
Other	1.2%	3.0%	2.8%	3.1%
Given a choice of just one, which single factor is most important to you when purchasing <u>products?</u>				
Environmentally sensitive	6.0%	8.4%	11.6%	
Organic	3.6%	3.1%	2.4%	
Fair trade	8.4%	5.9%	8.2%	
Low carbon intensity	1.2%	0.6%	0.6%	
Eco-friendly	9.9%	10.3%	12.3%	
Local	9.2%	12.2%	14.5%	
Cost or price only	60.0%	45.1%	39.5%	
Socially responsible	6.5%	8.2%	6.3%	
Don't care	1.1%	2.9%	1.0%	
Other	1.3%	3.3%	3.5%	

Personal purchasing	Survey year			
	2012	2011	2010	2009
Do eco labels, certifying environmental friendliness, make you more or less likely to buy a product?				
More likely	24.3%	28.5%	29.7%	29.8%
Less likely	3.7%	4.0%	3.2%	4.8%
Depends on the label	21.1%	25.6%	19.9%	21.4%
Depends on how much background information I know about the label (for example it is certified rather than marketing)	34.1%	32.5%	39.0%	34.5%
Don't know	16.8%	9.4%	8.2%	9.4%
Would you switch to another brand of product or service if you found your regular brand or service provider was having a bad affect on the environment, people or society, or behaving <u>unethically</u>?				
Yes	61.7%	67.2%		
No	6.1%	6.0%		
Not sure	32.3%	26.8%		

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