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Our Approach to Corporate Sustainability

Our Commitment

The Group takes its responsibility as a corporate citizen very seriously. Sustainability sits at the heart of our strategic execution framework, and we recognise that how we do business affects not just our own future, but that of our customers, suppliers and communities.

We have set out the principles we apply to this task in our Corporate Sustainability Commitment (see <http://www.nzpost.co.nz/about-us/corporate-sustainability/our-commitment/statement-of-commitment>). We are working to make it a natural part of our daily business by putting in place strong governance, hard targets and open reporting on what we're doing, and by working with leading organisations in the corporate sustainability field.

How We Govern

In recognition of the importance Corporate Sustainability represents to our business, the Group Leadership Team (GLT), chaired by the CE of the New Zealand Post Group, has responsibility for the programme's strategy and performance.

The core work streams continue as separate focus areas, reporting to the GLT, and chaired by respective GLT members:

- Community (Chair CEO Kiwibank)
- Workplace (Chair GM HR)
- Environment (Chair GM Operations)
- Marketplace (Chair GM CSS).

It should be noted that marketplace now forms a separate stream to environment and reflects the need to place greater emphasis on managing our customer's corporate sustainability requirements.

Understanding What's Important

The material sustainability issues for the New Zealand Post Group were originally

identified in 2007 when the Group developed its approach to sustainable development. In refining this earlier assessment, the Group does not do a one off assessment of its significant issues, but uses a range of mechanisms throughout the year to ensure it continues to address the most important areas of impact. Through the 2010-2011 year these have included:

- a review of the corporate responsibility programme and its objectives
- annual assessment of the strategic risks to the New Zealand Post Group
- a cross business review of the risk and opportunities for the environmental, marketplace, community and workplace areas
- participation in national discussion forums to identify emerging issues for the business from a sustainable development perspective
- media and stakeholder discussion on specific topics

Understanding Stakeholder Perspectives

Our stakeholders are people who are affected by our business, or who can have an effect on our business. This includes central government, regulators, local government, shareholders, staff, customers, the postal sector, business stakeholder groups, suppliers, unions and communities. Engagement with a range of stakeholder groups occurs across our entire businesses.

The process for identifying stakeholder groups and their issues is part of the 'business as usual' processes that already exist across the Group; including customer surveys, participation in relevant business forums, contract reviews, customer feedback, and stakeholder briefings on specific issues. The Group's decision this year to focus on the robust implementation of the Global

Reporting Initiative (GRI) framework will lead to a review and development of our stakeholder management process over 2010/11.

Aligning with International Practice

The Group continues its commitment to work with other postal organisations through the Universal Postal Union and the Brussels-based International Postal Corporation, to understand and reduce the environmental footprints of postal services. We participate annually in the environmental measurement and monitoring project, which helps us benchmark the performance of the New Zealand Post Group against other organisations.

Partnering with Sector Leaders

Post Group holds a number of memberships of organisations that are actively working with government, companies and not-for-profit organisations on sustainable development issues. This enables us to develop our expertise, contribute to policy processes and understand emerging issues in the domestic and offshore markets.

These include:

- Business New Zealand's Sustainable Business Forum.
- The Packaging Council
- The New Zealand Business Council for Sustainable Development
- The Sustainable Business Network
- The Green Building Council
- Transparency International New Zealand

Our Progress in Integrating Corporate Sustainability into our Business

The Group has participated in the Corporate Responsibility Index (CRI) for the past four years. It measures performance

across six areas – corporate strategy, integration into the business, management process for community, environment, marketplace and workplace, performance and impact on company-specific environmental and social measures and assurance/disclosure.

CRI Results

In the programme year 2009-2010 year Post Group once again lifted its overall score – from 68% (2008), 87% (2009) to 92% for 2010 – 12% above our target of 80%.

The score reflects our continued focus on and coordination of corporate sustainability strategies across the Group. This

improvement has earned the New Zealand Post Group a Gold rating for the first time, compared to Silver in 2009. These improvements have been made across the board, from working with our suppliers, saving money from our energy initiatives, focus on our office paper use and helping communities improve their education skills.

CRI Results for 2010 for the New Zealand Post Group

Area	Score 2009	Score 2010	% change	Rating band
Overall Score	87%	92%	5%	Gold (90 - 95%)
Corporate Strategy	100%	100%	0%	Platinum (→95%)
Integration	90%	92%	2%	Gold (90 - 95%)
Management	88%	91%	3%	Gold (90 - 95%)
Impact Areas	81%	90%	9%	Gold (90 - 95%)
Disclosure	92%	100%	8%	Platinum (→95%)

Overall the greatest improvement was in the level of evidence for corporate sustainability activity across the Group, especially in relation to community and

to a lesser extent marketplace. As in previous years, Corporate Strategy remained the area of greatest strength (as it was in 2008/09).



New Zealand Post's successful drive to slash CO₂ emissions across its network, including trialling electric technology (pictured at left) helped it to win the Environment Award and Best Public Sector titles at the 2010 Sustainable 60 Awards. The Sustainable 60 Awards, developed by the Fairfax Media Business Group and PricewaterhouseCoopers, share and reward excellence in sustainable business practice in New Zealand. New Zealand Post was also a finalist in the Community category for the Duffy Books in Homes partnership.

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