

Statement of Corporate Intent

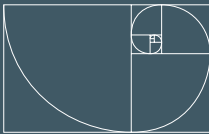
Te ara whāinga ki mau

2020 – 2023



Driving prosperity by transforming agriculture

Ānga taurikura whakamua mā
te whakaumu ahuwhehua



The “golden spiral” is a unique mathematical relationship that derives from the famous “Fibonacci sequence.” The Fibonacci sequence is a never-ending sequence starting with 0 and 1, and continuing by adding the previous two numbers. The Fibonacci sequence shows balance and harmony frequently in the natural world — the number of petals on a flower, for instance, will often be a Fibonacci number. At AgResearch, our science strives to achieve a harmony between agriculture and the environment that New Zealand treasures.



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Chair and Chief Executive's overview

Ngā arotakenga o te Heamana me te Tumuaki Whakahaere

This Statement of Corporate Intent (SCI) sets out the framework for the key activities AgResearch will undertake in the 2020/21 year. It also provides financial forecasts for the coming three financial years.

There is no doubt the next few years are critical for AgResearch and New Zealand. The impact of the COVID-19 pandemic is already demonstrating that there will be significant long-term implications for all sectors in New Zealand, including agriculture. This is on top of the considerable challenges faced from climate change, evolving consumer demands and preferences, fast-moving technological advancements and rapid population growth. In this time of extraordinary challenges for both New Zealand and the world, AgResearch is focused on its core purpose of enhancing the value, productivity and profitability of our pastoral, agri-food and agri-technology sector value chains. However, along with these challenges come many opportunities, and we must be nimble to leverage them. We remain steadfast in our commitment to support and empower the primary sector as it navigates the years ahead.

As New Zealand now looks toward recovering from the worst effects of the virus, the health and safety of our people remains our top priority. Our pandemic response plan will continue to guide us in the months ahead as we protect our people from the illness while maintaining the organisation's integrity and service delivery to customers and collaborators. We implemented a range of digital technology and wellbeing initiatives to support our staff working remotely

throughout the heightened alert levels and during their return to our sites. We are proud of the way our people displayed AgResearch's values with the move to remote working in late March, and the flexibility and dedication they are showing as we progress into a new way of operating. We also supported the national response through providing laboratory space for testing, and are pleased to be involved in a collaborative COVID-19 vaccine research project with Avalia Immunotherapies. We were also pleased to be part of a collaboration that received funding through the COVID-19 Innovation Acceleration Fund to develop a unique technology using different forms of light to kill the virus causing COVID-19, and other harmful viruses that can linger in commercial and public places. During alert levels 4 and 3 AgResearch also maintained a base of capability around essential services, for example in support of national bovine Tb diagnostic services, as well as capability to maintain animal welfare and vital forage collections of national significance.

Fiscal responsibility remains a critical area for AgResearch, particularly considering disruption caused by the virus. We have robust reporting measures and a strategy to mitigate a drop in revenue, but inevitably there is still an adverse impact on our forecast earnings. In addition to

implementing cost saving initiatives in the last quarter of the 2019/20 year, AgResearch will continue to assess opportunities for savings over the medium term to ensure the financial sustainability of the organisation. As the 2020/21 year commences, we are committed to continuing to deliver our science.

To ensure the organisation is set up for success, the Board and management are working to refine AgResearch's strategic direction. A strategic plan to support our organisational strategy is close to completion and will guide our organisational priorities in the coming years. We know New Zealand will need to be at the edge of innovation and technology for primary industries to succeed in the future, and we intend to make a significant and enduring contribution through relevant, agile and adaptable science, and innovative thought leadership.

Ensuring we have modern facilities to enable innovative and integrative research and support new ways of working will continue to be a priority in the years ahead. Te Ohu Rangahau Kai, the joint food science facility with Massey University in Palmerston North, opened to our people in early June. This world-class facility features laboratories and shared spaces focused around education and research into meat and dairy in a three-storey, 5,000 square metre building that will be New Zealand's largest agri-food innovation centre. We are excited about the opportunities for innovation that will result from having world-class talent from AgResearch, Massey

University, and the Riddet Institute collaborating and working together under one roof and to be part of wider Food HQ initiative. For instance, we are currently discussing with Food HQ partners how we can collaboratively engage in the development of the Government's planned food and beverage industry transformation plan. Our other national centre of excellence, in Lincoln, is progressing well. Following recent Ministerial consent of the Implementation Business Case for the Lincoln facility, work will steam ahead this year to prepare for construction commencing in the second half of the 2021 calendar year. We are also working hard with Lincoln University to embed a culture of collaboration between our two entities while both our new facilities are constructed. We look forward to working with our partners and stakeholders to make a modern Lincoln education, science and innovation precinct a reality.

Although the foreseeable future will bring challenges and uncertainties, there will also be many opportunities for the sector. We know that primary industries are likely to drive the nation's economic recovery, and AgResearch is prepared to lead the way with our science. We are confident we will have the right people in the right places to support and empower the primary sector through this time, and to identify and exploit the inherent opportunities to come. We look forward to making our contribution to New Zealand's recovery through the uptake of our world-leading research and innovative technologies.



Dr Paul Reynolds
Chair, AgResearch

A handwritten signature in black ink, appearing to read 'Paul'.



Tony Hickmott
Acting Chief Executive,
AgResearch

A handwritten signature in black ink, appearing to read 'Tony'.



Our strategy

Tā mātou rautaki

Our vision is to drive New Zealand's prosperity by transforming agriculture.

This vision is supported by a focus on two broad areas of aspiration; developing the world's smartest and most sustainable land use systems and developing the most sought-after, high value food and bio-based products. The breadth of our science capability across the agricultural value chain underpins AgResearch's differentiated value proposition, ensuring a focused approach to increasing the value of New Zealand's exports while optimising land use outcomes and enhancing our environment.

Our FRONT framework is the strategy that gears us toward achieving this vision. The framework has five strategic initiatives that direct and facilitate organisational performance.

1. **Financial Strength** – Ensuring stability and sustainability, which creates opportunities for strategic growth and direct reinvestment into science capability and capacity.
2. **Revitalised Science Plan** – Creating value through integrated research that is focused on consumer needs and responds to the five interconnected, global mega-trends that are driving the future economic and environmental sustainability of our food production systems.
3. **One AgResearch** – An aligned culture that is innovative, energised, vibrant and collaborative, which attracts, develops and retains people who are the best at what they do and who strengthen our team's collective expertise.
4. **New Ways of Working (He Ara Hou)** – Creating a people-focused environment with vibrant, collaborative campus facilities and research hubs. This means investing in facilities, people and systems to support the transformation process, and ultimately results in delivering collaborative science across the value chain.
5. **Transforming through Technology** – Embracing technology to change the way we deliver science, enable industry to transform agriculture and to improve our systems and processes.

Driving prosperity by transforming agriculture

agresearch
āra māori, mātauranga

Our consumer-centred, system-based science drives the world's...

Smartest, most sustainable land use systems

Most sought-after food and bio-based products

Our *tohu* represents how AgResearch reaches for the stars while staying firmly grounded.

Our integrated research capability is embedded with our commitment to Te Ao Māori.

Our Strategic Initiatives

- F** Financial Strength
- R** Revitalised Science Plan
- O** One AgResearch
- N** New Ways of Working
- T** Transforming through Technology

Our Impact Increasing the value of New Zealand's exports while enhancing our environment and optimising land use

Strategic refresh

A strategic refresh was commenced early in the second half of the 2019/20 year to determine in more detail how the organisational strategy and Science Plan objectives will best be achieved. A refreshed strategic plan is now under development. As part of this process, three pillars have been identified to underpin our strategic direction. These pillars seek to maximise our strengths and prepare us for the future. The pillars are:

- **FUSE** what is uniquely Aotearoa Mātauranga Māori with our science
- **FOCUS** on high value, high uptake of our science
- **OPTIMISE** how we work.

The pillars respond to three distinct challenges facing AgResearch:

- Continuing to build on science engagement with Māori.
- Refreshing our focus on the unique science contribution AgResearch makes, and the challenges relating to negative public sentiment towards the agricultural sector.
- Financial strength and improving engagement with our people.

The refresh is being undertaken in tandem with a review of our operating model, to ensure AgResearch is efficient and well-positioned to achieve our strategy. We intend to complete the refreshed strategic plan and review of our operating model in the second half of the 2020 calendar year.

Te Ao Māori strategy

AgResearch is acutely aware of the need to support the growing Māori economy, and we appreciate that there is also much Western science can learn from traditional Māori knowledge and stewardship of the land. For example, a current AgResearch collaboration with Ora Limited on unlocking the secrets of mamaku (black tree fern), which has been used for centuries by Māori as a sunscreen. Alongside Ora Limited, AgResearch plans to delve deeper into the skincare properties of mamaku. This includes looking at its biochemical properties, such as controlling melanin production and its anti-oxidant value. Skin cell assay trials and human trials are also planned, as is work to find new uses for the by-product of mamaku extraction, so that the whole of the taonga can be utilised.

Supporting Mātauranga Māori is a key feature of our Science Plan, and our aim is to make significant and lasting impacts for Māori to enhance resource stewardship and unlock the potential of whenua-based assets. AgResearch can enable Māori communities to grow and develop their land-based

resources by working alongside iwi to provide solutions fused in Mātauranga Māori and Western scientific themes. This also has the benefit of empowering rural communities to be both prosperous and resilient.

To achieve this, we are developing a Te Ao Māori strategy to embed Māori approaches within the organisation and the work we do. The strategy will support Māori to express tino rangatiratanga in the realisation of their land assets, with science and Mātauranga Māori-based solutions. We will also prompt the Government's Vision Mātauranga policy across four themes:

- **Indigenous innovation** – contributing to economic growth through distinctive science and innovation
- **Taiao (environment)** – achieving environmental sustainability through iwi and hapū relationships with land and sea
- **Hauora (health)** – improving health and social wellbeing
- **Mātauranga** – exploring indigenous knowledge and science and innovation.



Our vision for the Te Ao Māori strategy is to be a valued long-term partner with multiple Māori agribusiness entities to deliver transcultural science excellence that enhances community wellbeing across social, environmental, cultural and economic outcomes. This will be achieved by empowering Māori agribusiness entities with the knowledge, tools and skills they need to achieve their aspirations, expressed in the following kawa:

- **Mana whenua me manaakitanga** – where the relationship between Māori communities and their whenua is strong;
- **Arikitanga and tikanga including the use of Mātauranga Māori** – where the use of traditional knowledge to guide practice is the norm
- **Tino rangatiratanga** – empowering Māori cultural identity and connection
- **Kotahitanga and rawatanga** – the resourcing of Māori aspirations and needs
- **Whakamārohirohi** – building Māori community resilience
- **Hūrokuroku** – future proofing of sustainable outcomes.

This will include provision of opportunities to enhance company-wide understanding of

Te Ao Māori, including Māori values, world-view concepts, protocols, language, and the special nature of iwi, hapū and whānau relationships to their traditional resources.

By unlocking the unique characteristics, Mātauranga and values of Te Ao Māori, our strategy will enable vibrant Māori agribusinesses to:

- design holistic land use configurations centred on kaitiakitanga principles
- network Māori properties and value webs built on aligned kaupapa
- develop product attributes and business models that reflect Te Ao Māori.

The strategy, in conjunction with the Science Plan, will form the basis of ongoing discussions with government on enhanced funding options to support research in and for the Māori agribusiness sector.

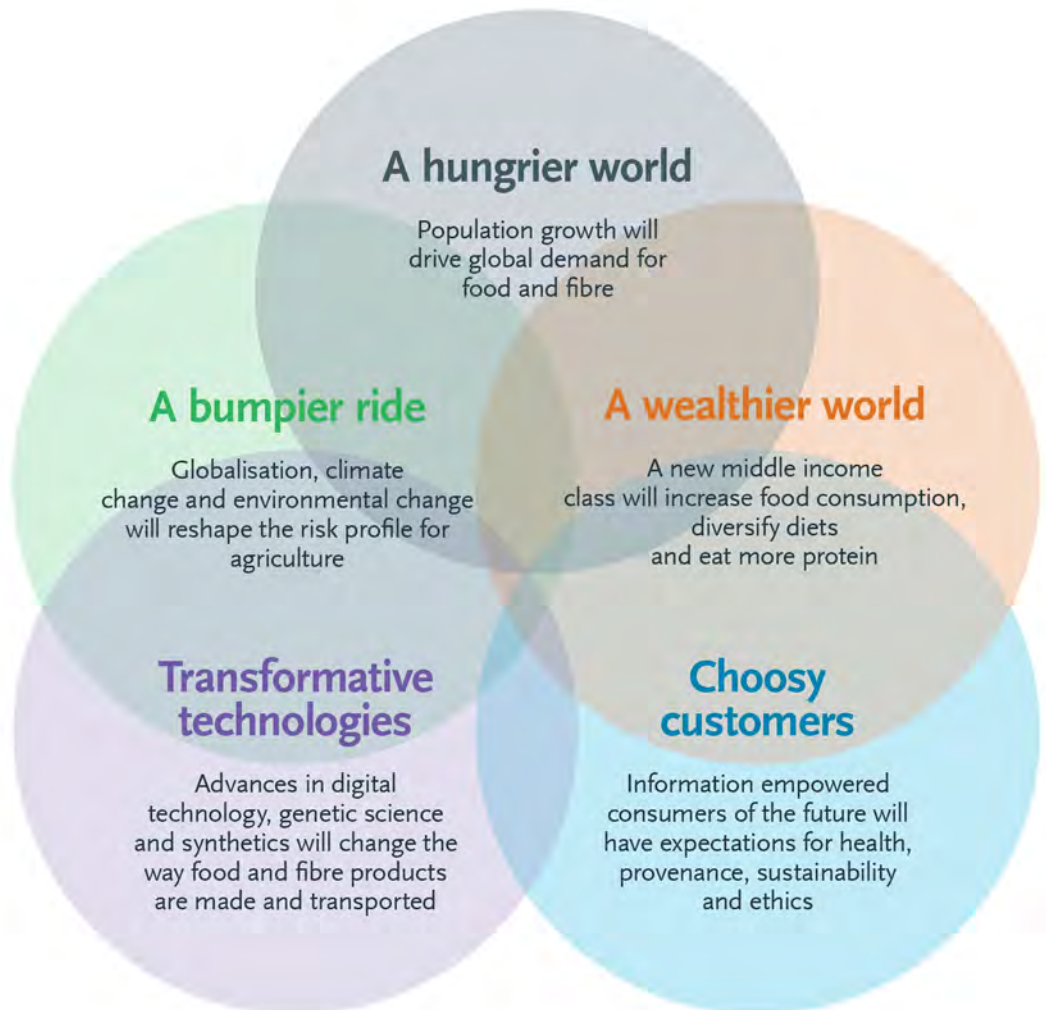
At the time of writing, AgResearch has commenced a series of virtual wananga to help inform the development of our Mātauranga Māori research programmes. This process will ensure we are focused on undertaking research that is relevant and impactful for Māori and therefore the wider primary sector.

Science Plan

In September 2019 AgResearch published a revitalised Science Plan. The Science Plan maps out AgResearch's strategy for transforming New Zealand's food production systems to strongly contribute to the Government's priorities for the wellbeing of New Zealand and its people. It links our actions in the laboratory, our efforts out on the land, and our collaboration with partners through to the outcomes that Government has agreed we should deliver. The Science Plan is a key part of our FRONT strategic framework, and now guides all our science and research activities.

The Science Plan revolves around consumer-centred, system-based science that drives the world's smartest and most sustainable land-use systems, and the most sought-after food and bioproducts.

It responds to the following five identified mega-trends:



To achieve the outcomes of the Science Plan, the other strands of the FRONT framework are crucial.

For example, the twin purposes of the One AgResearch strategic initiative are to harness the diversity of talents across the organisation, and increase science vitality. By enabling and encouraging our scientists to work in more multidisciplinary and transdisciplinary ways, AgResearch can leverage expertise across the breadth of the organisation, leading to greater innovation and better science outcomes. The strategic initiative New Ways of Working will also support the implementation of the Science Plan through modern, vibrant fit-for-purpose facilities and research hubs, empowering our people to collaborate and innovate much more easily. The strategic initiative Transforming through Technology will ensure modern and enabling digital platforms underpin our success.

The Science Plan objectives form the framework of measurements for our programme of work. A high-level summary by theme is set out below. Specific measurements to achieve these will be confirmed in the coming year.

A. Sustainable agri-food production systems

We will improve the performance of our land and our water quality in response to land use choices and our management decisions to deliver equitable and balanced economic, social, cultural and environmental outcomes by:

- Designing diversified landscapes and enterprises that support regional economies while operating within natural resource limits
- Reducing environmental footprints at both farm and catchment scale
- Maximising the biological and economic efficiency of farm systems
- Enhancing natural capital stocks and flows.

B. Climate change mitigation and adaptation

We will adapt to and mitigate the effects of climate change while enhancing biosecurity by:

- Reducing methane and nitrous oxide emissions from pastoral systems
- Designing low carbon-emitting and high-carbon sequestration systems
- Developing adaptive animal breeds, forage cultivars and farm systems
- Developing strategies and tools to prevent incursions and manage pests and diseases, including next-generation biocontrol agents
- Building farm system resilience to extreme weather events.

C. Vibrant Māori Agribusiness

We will enable vibrant Māori agribusinesses, unlocking the unique characteristics, mātauranga and values of Te Ao Māori by:

- Designing holistic land use configurations centred on kaitiakitanga principles
- Networking Māori properties and value webs built on aligned kaupapa
- Developing product attributes and business models that reflect Te Ao Māori.

D. Fit-for-purpose plants and animals

We will develop forages and animals with the attributes that meet the requirements of future diverse production systems and value webs by:

- Matching animals and forages for minimised environmental impact and maximised product value
- Developing world-leading animal health and welfare systems.

E. Added value foods and bio-based products

We will create safe food and bio-based products with optimised nutritional, sensory and performance attributes, capturing value through provenance and credible consumer health and wellbeing effects by:

- Ensuring full food safety, traceability and validated provenance
- Taking a consumer-centric approach to differentiating New Zealand raw materials and whole foods
- Scientific evaluation of the effect of functional foods and ingredients on consumer health and wellbeing
- Developing non-invasive food and bio-product evaluation tools
- Using systems biology approaches for predictive control of food and bio-based product properties from pasture to plate
- Understanding global consumer trends and markets.

F. Minimised resource loss

We will maximise value and minimise waste from whole of resource across production to consumption by:

- Using “circular bio-economy concepts” to reduce waste and optimise energy and water usage efficiency from agri-food production
- Developing new technologies to unlock the inherent biological value in secondary food and bio-based product processing streams.

G. Transformed sectors

We will provide the underpinning science evidence to support the transformational agenda of the agri-food sector and aid transition to new agri-food systems that enhance to societal and environmental conditions by:

- Developing knowledge and technical capabilities that either disrupt existing competencies and technologies or complement them, to produce in new combinations
- Developing new tools, processes and systems to enable implementation of effective practice and behaviour change
- Designing interventions with policy and practice to support society-accepted transition pathways and transformation
- Developing improved practice for monitoring and evaluation of impact within complex systems.



Our Tohu represents how AgResearch reaches for the stars while staying firmly grounded.

Our integrated research capability is embedded with our commitment to Te Ao Māori.

Our consumer-centred, systems based science drives the worlds...

Smartest, most sustainable land-use systems
Most sought after food and bio-products

Overarching Principles

A. Protected, enhanced and sustained natural resources

B. Prosperous land based enterprises

C. Added-value foods and bio-based products that meet consumer needs



Our Science Objectives

Sustainable agri-food production systems

Climate change adaptation and mitigation

Vibrant Māori agribusiness

Added value foods and bio-based products

Fit-for-purpose plants and animals

Minimised resource loss

Transformed sectors

Realigning our Science Groups

Following the implementation of the Science Plan, AgResearch began to reassess the structure of our Research business unit to position it for the successful delivery of the Plan's outcomes, and ensure it is aligned to achieving our organisational strategy.

A proposed structure was announced early in the 2020 calendar year. Following consultation, the new structure was confirmed. Key aspects of the structure include:

- The establishment of Associate Research Director (ARD) roles focused on specific elements of our science – strategy, investments, delivery, capability and enablers
- Better defined accountabilities in mid-tier science leadership through a series of senior operational roles across the five elements
- Dedicated resources to strategic and operational integration of Te Ao Māori.

Recruitment for the ARD roles got under way in June 2020. AgResearch intends to have the full new structure in place later this calendar year.

Alignment with government priorities

AgResearch's strategy is well aligned to government priorities. It will support accelerating the shift from volume to value agricultural production, enabling the transition to a productive, sustainable and low-emissions economy. It will also directly support regional economic development by enabling prosperous and sustainable regions.

We pursue activities that can sustainably transform New Zealand's agricultural systems, including addressing production, land management, and biosecurity. Our research is aligned to the Government's fundamental objectives for climate change policy and New Zealand's transition to a net zero emissions economy.

We recognise that greater innovation comes from collaboration, and that this is critical to support the Government's research and science aspirations. Crown Research Institutes (CRIs) have therefore been focused on ensuring we work closely together so that we play to our strengths, exploit our

capabilities, and achieve better outcomes for New Zealand. AgResearch welcomed the Government's review of CRIs' positioning to meet New Zealand's current and future needs (Te Pae Kahurangi), and will look to adopt recommendations from the review panel's report. This will help further cement our close relationship with other CRIs, and provide a roadmap to collectively and respectively work towards, as well as clarity on whether there are any related system implications arising from the assessment of cross-institute capabilities.

AgResearch also welcomes the Government's direction to use Strategic Science Investment Funding (SSIF) platforms flexibly. The ability to be more agile and flexible with SSIF will allow AgResearch to more easily shift funding between platforms as priorities change and opportunities emerge, and ensure our science remains well-aligned. This will be particularly important as New Zealand recovers from the effects of COVID-19.





Responding to COVID-19

Ngā urupare ki te KOWHEORI-19

Financial viability

At the time of writing, the full effects of COVID-19 on New Zealand's economy are only beginning to become clear. Maintaining financial viability for AgResearch as we navigate the impact of the virus is a key priority.

AgResearch's commercial revenue comes primarily from dairy, meat and fibre on-farm, and food and fibre off-farm, from both domestic and international customers. The inability to perform both laboratory and farm-based science during heightened alert levels had an immediate and significant impact on AgResearch's ability to deliver projects, and consequently our revenue. In addition, in the short term, the COVID-19 response has necessitated that many of our stakeholders and partners narrow their focus to basic business continuity considerations, meaning some of our collaborations have become less of a priority to other parties or have lost momentum.

The effects of the pandemic have caused significant implications for our international business, given COVID-19 affected some of our key partners much earlier than it did New Zealand. Work with some of our international

customers had to be put on hold or was significantly delayed.

On a positive note, there is a perception that New Zealand has quality control and response systems in place and may be able to rebound economically faster than other countries to the pandemic due to the way it has been managed by the government. This, coupled with a growing correlation by consumers to food safety, may improve New Zealand's marketability and provide flow on benefits and opportunities to AgResearch. Nonetheless, this is difficult to quantify within the current environment.

To support our financial position, AgResearch is considering a range of options, including diversifying revenue sources, adapting our work programmes to focus on high value/high uptake science, agility and a lower cost structure. The financial impact has been captured in our budget and projected results, which are provided in the financial results section of this document. We also expect to identify organisational cost savings as part of our strategic refresh and operating model review processes, both of which will be complete in the first part of the 2020-21 year.

Science delivery and revenue

Our key focus now and in the months ahead is delivering contracted science and continuing to seek out business opportunities with stakeholders and partners.

AgResearch implemented initiatives early in the 2020 calendar year to closely monitor progress on each of our projects, particularly those identified as most clearly at risk from COVID-19 effects. While project delays in some areas were inevitable, a safe and managed return to work for some of our science staff at Alert Levels 3 and 2 mitigated some of these delays. A proactive focus on determining what science programmes and projects could be delivered, and therefore should be prioritised, was carefully worked through in the last quarter of the 2019/20 year. We also worked hard to maintain constructive discussions with our stakeholders around the reprioritisation of contract milestones to match our ability to deliver under the operating constraints.

Some projects will inevitably be permanent losses rather than a revenue shift to future years, while others will require a full additional season or year to re-engage at the correct time in the production cycle.

Our efforts are now concentrated on building an understanding of the longer-term potential impacts of COVID-19 on the research and development plans of our stakeholders, both domestic and international. Our focus over the last 12 months has been based around two key areas; engaging well with existing stakeholders, and business development.

AgResearch appreciates it will take some time to develop insight into the longer-term impact of the virus, as many of our commercial stakeholders are grappling to understand the impact of COVID-19 on the operating environments within key export markets. This is somewhat dependent on how consumers and supply chains respond in a post-pandemic world. We know that

once this becomes clearer, opportunities for AgResearch and the primary sector will abound. We are focused on being ready when they do.

Our comprehensive stakeholder engagement programme is continuing to make significant progress nonetheless. We're strengthening our relationship with existing stakeholders by engaging more consistently and in more depth. We remain focused on building diversity in our stakeholder base, allowing access to new revenue streams and building more effective revenue resilience. For example, we are working with the horticulture industry to use AgResearch's unique capability in metabolomics for understanding the mechanisms of health benefits of food products, and develop the tools for authenticity and differentiation of New Zealand products with unique attributes. We are also working with the seafood industry to improve the genetic traits and online assessment of seafood quality.

In addition, we have also built a new partnership with Farmlands. This partnership will enable our science impacts to reach and benefit farmers and their industries. Work commenced recently on a scoping project with Farmlands and Manaaki Whenua for funding from Our Land and Water National Science Challenge, with a larger multi-year project planned. This work will investigate industry schemes that reward good practice in New Zealand and relate these to Farm Environment Plans.

Despite the COVID-19 crisis, New Zealand and AgResearch are well placed to attract international investment. All our international projects are conducted in New Zealand; the key for AgResearch is to connect, develop and maintain those relationships. In 2020/21 we will deliver our international investment strategy to grow research and development investment by adapting our new ways of connecting with our existing and potential new clients.

This strategy focuses on four often interconnected goals:

- building global science collaboration and reputation, including people development
- support for New Zealand stakeholders abroad (direct and indirect)
- science diplomacy: support for New Zealand government trade and policy goals
- working with international companies to support world-class capability development.

Given the impact of COVID-19 on borders, AgResearch will implement our international strategy through continuing to leverage our professional networks and virtual connections. We will also leverage our key government connections; for example, New Zealand Trade and Enterprise (NZTE), who is working with international companies in Singapore, and the joint Ministry of Foreign Affairs/NZTE venture Government2Government, to support us with market access and other international business opportunities.

To support the strategy, we have set up a working group to ensure we are connected internally on our international activities. Assessment criteria to evaluate commercial opportunities has also recently been confirmed to allow us to systematically

evaluate the international investment opportunities and protect the needs and proprieties of New Zealand industries and commercial interests.

In addition, we will continue to shift our SSIF to generate new ideas critical for New Zealand; unique to AgResearch and contributing to Government's Kei Mua Te Ao. More information on this is set out in the Our Science section.

We are also contributing our expertise and facilities to the COVID-19 response for New Zealand. For example, AgResearch scientists are part of a collaborative partnership developing a SARS-CoV-2 vaccine for New Zealand. This collaboration involves Avalia Immunotherapies, Ferrier Research Institute, Malaghan Institute of Medical Research, and the University of Otago. AgResearch and its partners have also secured funding to develop a unique technology using different forms of light to kill the virus causing COVID-19, and other harmful viruses that can linger in commercial and public places. Scientists from AgResearch will work with colleagues from Massey University and Christchurch firm Energylight Group Ltd to research a combination of different types of light that can be used to sanitise surfaces and circulating air, particularly where industrial scale use of chemical disinfectants or other sterilisation methods are unsuitable.



Our people: One AgResearch and New Ways of Working

Our change management programmes to implement One AgResearch and New Ways of Working initiatives in recent years prepared AgResearch for the remote working environment that was required in the last quarter of the 2019/20 year. Our technologies and digital platforms allowed those of our staff that could work from home to do so efficiently and productively, and our staff wellbeing programme meant that our people were well-looked after throughout the heightened alert level period. AgResearch showed flexibility, resilience and innovation during what was a testing and often anxious time for many of our people.

The managed return to work at our campuses is under way, with our people having the flexibility to continue working from home if

preferred. Our flexible working arrangements guidance is currently being updated to reflect the greater flexibility we intend to offer our people going forward.

The reduced alert levels in May saw increased science-based activity in on-site laboratories, animal and greenhouse facilities, and travel to regionally constrained AgResearch farms and field-sites. Our pandemic response plan will continue to guide us in the months to come as we establish a new way of operating. Our focus has been on ensuring our laboratories were up-and-running safely and as quickly as possible for our scientists. We will continue to work with our people to establish a safe and new way of operating.



Our science

Ā mātou pūtaiao

The Government has priorities for improving New Zealand's environmental performance, international leadership in the reduction of livestock greenhouse gas emissions, adapting to climate change, and building regional economic prosperity.

There is a clear role for science in these endeavours, and our integrated research approach working directly with landowners and partnering with private sector entrepreneurs means we are well-placed to lead the transformation of agriculture and New Zealand food products and production systems.

Our Science Plan aligns with these priorities and positions AgResearch well to respond. While we wait to see the impacts of the virus on a post-COVID-19 world, we know that the mega-trends identified in the Plan will still be very much present and require swift and innovative solutions. Further, AgResearch will also be proactive, both as a standalone entity and in collaboration with other CRIs, in pushing forward areas of critical capability and aligned ideas to support and accelerate New Zealand's economic recovery. We are acutely aware that we can have a significant role in supporting and facilitating the contribution the primary sector will make on this front.

Science-led innovation is essential to ensuring the food export sector strikes the correct balance between profit and sustainable growth. Our science has and will make meaningful steps to help New Zealand achieve its goal of becoming a carbon neutral economy by 2050. We will also provide evidence-based research and advice to policy makers who are striving to improve the quality of New Zealand's freshwater. AgResearch hosts, and is a partner of, the New Zealand Agricultural Greenhouse Gas Research Centre and the Pastoral Greenhouse Gas Research Consortium. Along with hosting the Our Land and Water National Science Challenge, and supporting other National Science Challenges, we remain committed to deepening our relationships and collaboration with research entities both here in New Zealand and overseas so we maintain our position at the forefront of climate change research.



Strategic Science Investment Fund

AgResearch's SSIF investment is an important lever for the delivery of the Science Plan, for strategic, long-term underpinning research for our sectors, and for helping maintain and build critical research capabilities and capacity for New Zealand. As well as SSIF infrastructure support for a Nationally Significant Collection, the Margot Forde Germplasm Centre, it includes SSIF Programme funding for two platforms:

- Agrifood production (\$28.1m) – Integrated platform of farm biome genomics, biosecurity and decision-centric farm systems for sustainable livestock production
- Premium agri-foods services (\$10.3m) – Combining food science, material science and food products and safety science to create high-value meat, milk and bio-based products.

In 2020/21 and beyond, our SSIF funding is focused on:

- delivering outcomes relevant to AgResearch's Statement of Core Purpose
- increasing investment in transformational research, including generating new and riskier, high-potential ideas
- balancing investment across the Science Plan Objectives according to our strategic priorities and those of our stakeholders
- reinforcing the delivery of AgResearch's Science Plan.

We are continuing to shift some of our SSIF investment into new areas of research including those listed overleaf.

Future direction/investment

More research generating ideas, new capabilities and more partnering.

Enabling platforms	Networks of people and infrastructure, cross-cutting capabilities for internal and external collaboration and integration.
eResearch	Interface cyber-technologies with biological systems across supply chains to enable hyper-transparency. Includes big data, distributed sensory networks, sensing, automation, robotics, electronics, Blockchain and emerging technologies.
Systems biology	The simultaneous measurement, analysis and modelling of multiple-biological system components, bringing together genomic, transcriptomic, proteomic, metabolomic, metagenomic data, predictive modelling and structural biology.
Responsible innovation	Consideration of cultural and socio-ethical implications in the design of future food systems. Capabilities such as entrepreneurship, consumer science, sensory science, predictive social modelling, Mātauranga Māori, ethics, anthropology.
Integrative transformational initiatives	Significant integrative programmes of research bringing together multiple disciplines and approaches.
NZ Bioeconomy in the Digital Age	Harnessing digital technologies to enable the transformation of NZ's food systems by integration of traditional biological sciences with emerging digital and computational technologies.
Biome-to-Biome	A whole-systems understanding of how microbiomes across soil, plants, animals, and humans affect each other and how changes in composition can influence and control food production and product attributes.
Towards a Circular Bioeconomy	Halving food-system waste, transition to carbon sink farming, extracting maximum value from resources.

SSIF funding allocation

A breakdown of how SSIF funding will be allocated across our work programme in 2020/21.

FY21 SSIF Investment Categories	FY20 SSIF current investment (% Total)	Future goal (% total)	FY21 SSIF investment (% total)
Supporting/transitioning industries	68	50	62
Foresight	1	2	2
Discovery	4	10	7
Enabling platforms	2	14	4
Integrative/transformational initiatives	18	15	19
Mātauranga Māori	2	5	3
International/National connections	1	1	1
Others (fast track, prizes, science conference)	4	3	2
Total	100	100	100

Our science programme is also focused on responding to the recommendations of last year's MBIE science review. Part of our SSIF funding is set aside for the Science Plan Accelerator Fund, which was established in November 2019. The Fund seeks to make strategic investments in critical projects that can rapidly embed the approaches outlined in our Science Plan into our innovation culture.

One of the recommendations in the MBIE review was that increased foresighting would benefit AgResearch. Funding from the Science Plan Accelerator Fund sets aside money for the development of white papers, horizon scanning work, and international fact-finding missions. The Fund also sets aside investment for proof of concept,

development of enabling platforms, integrative initiatives, and fast-track initiatives, providing rapid responses to new opportunities. Some current projects that have received funding are:

- White Paper on international opportunities for diversifying New Zealand's sheep breeds to ensure the future sustainability and profitability of the New Zealand sheep industry
- detecting systemic risk earlier through artificial intelligence
- AgResearch collaborations with the Chinese Academy of Agricultural Science (CAAS) in areas of mutual benefit
- "Greenprint" for a New Zealand Pastoral Biorefinery to reduce the number of ruminants in pastoral systems.

Enabling technologies

The successful delivery of the revitalised Science Plan will be underpinned by enabling technologies. As part of our transforming through technology strategic initiative, in 2020/21 AgResearch will implement a digital strategy focused on the following outcomes:

- developing computational/data science capability via the eResearch enabling platform
- creating impact for New Zealand landowners via inter-operable decision support tools
- enabling innovation and improved organisational performance through knowledge and information management
- delivering operational efficiency through investment in modern transactional systems
- analysing future operating models to transform efficiency and profitability
- developing cyber security capability to protect assets and intellectual property.

Summaries of two key initiatives central to the digital strategy are set out below. Both of these have received some funding through the Science Plan Accelerator Fund.

eResearch platform

The eResearch platform primarily focuses on developing AgResearch's capability to utilise modern data science technologies. It will enable scientists to overcome research challenges by applying modern data science tools and techniques, including artificial intelligence and machine learning.

The eResearch platform will accelerate the pace of our research through the use of digital technologies and analytics, supporting existing and new forms of research. The platform enables innovation through the

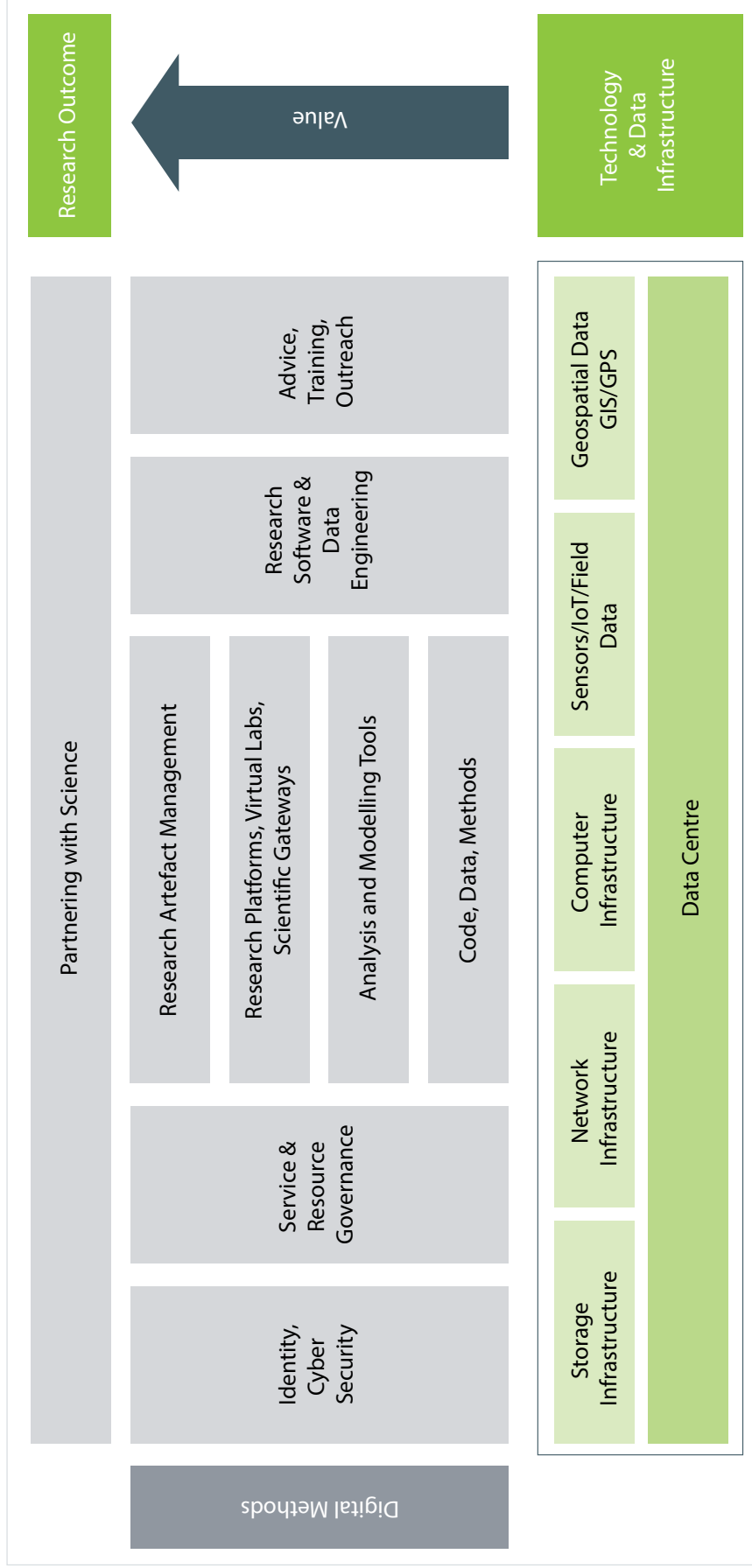
informed use and integration of emerging digital technologies. Additionally, it will equip our people with the knowledge and skills to recognise their eResearch needs and when/how to engage services offered by the platform.

An overview of the platform is illustrated on overleaf. Developing the platform and infrastructure behind it is a key focus for 2020/21.

Decision support tools

A project that has received significant attention through the New Zealand Bioeconomy in the Digital Age programme is the visualisation tool concept HyperFarm, which was co-designed with Animation Research Limited. Hyperfarm is a computer-based tool that lets landowners visualise using their land in different ways, and to understand how those changes would affect things like water quality, finances, carbon sequestration and bio-diversity.

Farmers and consultants will be able to identify the range of activities that are suited to their unique circumstances. An animation interface will allow the user to interact with underpinning models and spatial layers via visual image interface of their farm, and will allow the user to rapidly understand multiple economic and environmental impacts and trade-offs at different spatial and temporal scales. Design approaches will address how to future proof the tool's architecture and allow integration of new data from related projects. We propose to develop a minimum viable product within the next two years for release to targeted users in the form of either a fully commercial product or public good provision.



Overview of eResearch platform



Partnership and collaboration

Ngā anga rangapū

A consistent theme across our strategy and the Science Plan is how critical collaboration and partnerships are in achieving research outcomes.

AgResearch is leveraging its world-leading capacity and reputation to grow and maintain a strong national and international network of research partners and collaborations. This ensures we can tap into best available science and technology and avoid unnecessary duplication of resources. Strong engagement with universities also provides a critical pathway for next-generation researchers for the organisation and the sector.

AgResearch has extensive international connections, with 332 collaborations across 61 countries.

This network of international and national collaborations provides significant opportunities to achieve the Science Plan objectives.

332

Collaborations

61

Countries

55

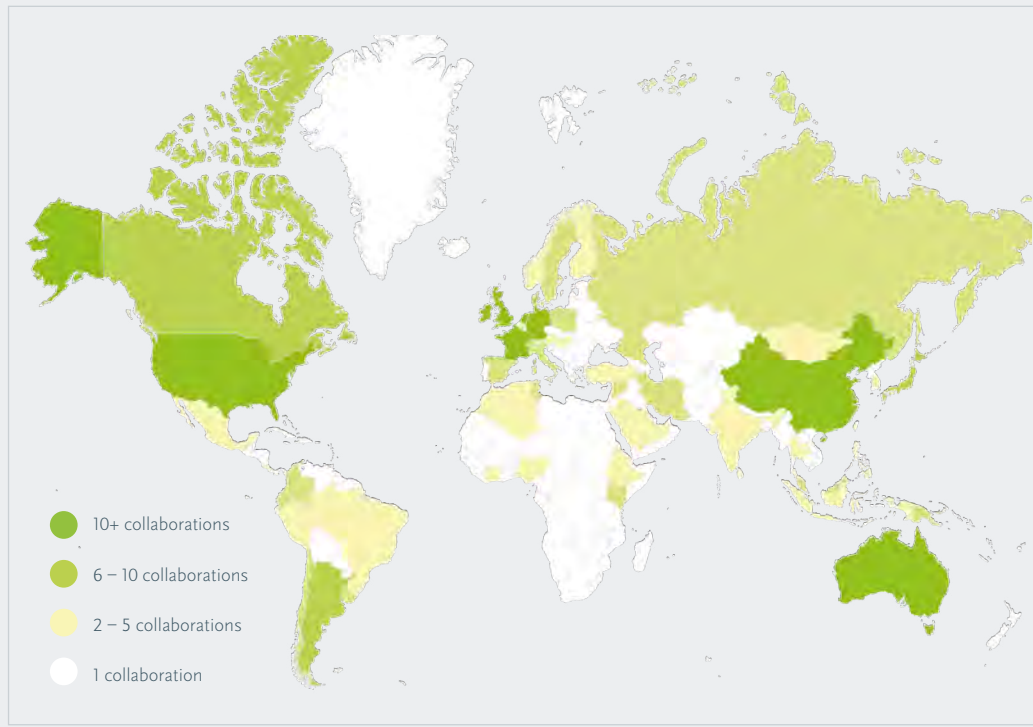
Collaborations with USA

30

Collaborations with China

40

Collaborations with Australia



International collaborations map



Examples of domestic collaborative vehicles AgResearch is involved in or hosting

We are refreshing how we approach collaboration as part of implementing our strategy and Science Plan. In choosing our partners – both collaborators and stakeholders – we will actively consider the need to:

- identify shared values and a common vision that builds engagement, trust, clarity of expectations and understanding of each partner's key strengths
- create shared value through adopting principles of co-design and co-innovation, shared risks and responsibilities, and building interdependence
- move from transactional relationships, to more strategic relationships defining success beyond financial to embrace sustained economic, environmental, social and cultural outcomes.

This framing works alongside the associated principles that will guide development of our research-to-research collaborations:

- access to capability to deliver the Science Plan
- increased science vitality through post-doctorates and post-graduates
- increased generation and recognition of science excellence
- access to data and infrastructure
- global science citizenship
- access to networks and stakeholders
- opportunity for extended learning
- exploit the benefits of open innovation methodologies
- opportunity to source non-traditional investment.

We appreciate the significant volatility and uncertainty that many of our critical stakeholders, partners and collaborators now face as a result of COVID-19, whether it be disruption within supply chains or the longer-term implications of changing consumer habits. We are also conscious that the primary sector we serve will be critical in leading New Zealand's economic recovery, and that in the context of a global changing marketplace, our stakeholders are actively reviewing their business strategies in response. AgResearch will engage closely with our stakeholders and partners in 2020/21 to understand what changes to their short- and medium-term strategies might result, and how we can support their recovery efforts.





Integrated research facilities

Ngā whare pāhekoheko rangahau

AgResearch is committed to seeking innovative approaches to delivering the best possible facilities and environments to underpin our enduring future value for New Zealand.

Our strategic framework and the Science Plan acknowledge the four-campus model is critical to enabling collaboration and partnership and transitioning to systems-based research. The four campus model endorses the Lincoln campus as AgResearch's corporate headquarters and one of our two national centres of excellence, the other being Te Ohu Rangahau Kai in Palmerston North. Both locations were chosen as national centres of excellence because of their close location to Lincoln and Massey universities respectively, CRIs, and other partners and stakeholders. Our national

centres of excellence will provide modern and fit-for-purpose facilities in which to undertake innovative and impactful research, and bring together science capability internally and across the sector, allowing for a more effective and collaborative approach to tackling national science issues. The model also highlights the importance of two vibrant regional centres of excellence, at Ruakura and Invermay. This ensures we will have one or more centres of excellence with proximity to our range of stakeholders and partners for improved collaboration and innovation.

A summary of the focus of our national and regional centres of excellence is outlined below:

	National Centres		Regional Centres	
Facility	Food Science Hub	Land-Based Food Production Hub	Ruakura	Invermay
Location	Palmerston North	Lincoln	Hamilton	Mosgiel
Specialities	<p>National centre for food science</p> <p>New Zealand Food Safety Science and Research Centre</p> <p>Land-use and environmental issues in Central North Island and Manawatu River</p> <p>National centre for agricultural greenhouse gas research and collaboration</p> <p>National centre for animal welfare research (with Massey University)</p>	<p>National centre for land-based food production systems</p> <p>Our Land and Water National Science Challenge</p> <p>Data science, systems biology and precision agriculture</p> <p>Forage seed production</p> <p>Land-use and environmental issues in Canterbury and Upper South Island</p>	<p>Land-use and environmental issues in Upper North Island</p> <p>Water quality on Waikato River, Rotorua Lakes and Lake Taupo</p> <p>Biosecurity</p> <p>Dairy food systems</p>	<p>Land-use and environmental issues in Otago and Southland</p> <p>Water quality from dairy intensification</p> <p>Hill country sheep, beef and deer industries</p> <p>National centre for deer research</p>

Te Ohu Rangahau Kai, the world-class joint food science hub in Palmerston North, has been developed alongside Massey University and other research and commercial partners. The objective of this modern facility is to enhance the impact of our science through increased collaboration in high-quality science facilities. It was due to open on time and within budget in April 2020, but this was necessarily delayed by the pandemic. It instead opened in early June. It is already attracting global talent to work on grand food-based challenges – an ongoing challenge identified by all CRIs.

The building provides a collaborative, modern and open working, teaching and research environment. These new, state-of-the-art workspaces and ways of working are a significant change for the staff and students who will work in them. In preparation for staff relocations to the new facility, we developed a robust change programme to facilitate a successful transition to the new working environment. Change initiatives include familiarisation site visits, change management and resilience workshops and seminars, a capability strategy, and continued relocation and transition support for those employees impacted by the move to the new facility.

AgResearch's Lincoln Campus is the second National Centre of Excellence and our corporate headquarters. The current AgResearch Lincoln Campus is situated within the Lincoln education, science and innovation precinct (Lincoln Precinct) and provides office and laboratory facilities for 300 employees. The Precinct comprises numerous organisations including AgResearch, Lincoln University, Plant & Food Research, Manaaki Whenua, PGC Wrightson Seeds, Irrigation New Zealand and others.

The new facility planned to replace AgResearch's ageing, earthquake-damaged infrastructure received Ministerial consent in June to proceed to the construction contract stage with our preferred supplier. With construction due to commence in the second half of the 2021 calendar year on a site within the Lincoln University campus, this building will be the primary focus of our infrastructure portfolio in the coming two years. This building will contribute to the advancement and transformation of agriculture in New Zealand by ensuring AgResearch will be able to conduct ground-breaking, impactful and world-leading science. The benefits of a new facility are clear – an increase in research revenue, and the quality and quantity of collaborative research projects,

Te Ohu Rangahau Kai in Palmerston North





Concept drawing of the proposed Lincoln Facility

improved ability to attract and retain high-calibre talent, improved organisational productivity, efficient delivery of science, and an improved environmental footprint.

The facility will also allow closer collaboration with Lincoln University particularly, as well as a range of other entities within the Precinct. In an exciting development, AgResearch has recently signed a Memorandum of Understanding (MoU) with the University to formalise how we will work with each other to improve research opportunities and collaborative science. The MoU will be the basis for collaboration now, as we both build co-located facilities, and into the future. One of the key outcomes of this MoU is to establish a joint graduate school in Food Transitions 2050, in conjunction with other CRIs and universities.

Building vibrant innovation hubs at our regional centres of excellence at Ruakura and

Invermay will continue its momentum in the coming 12 months. The reaffirmation of the four campus model last year means that we are committed to maintaining physical and human capital at each of these locations.

Both our Ruakura and Invermay campuses continue to attract interest from tenants, and opportunities for collaboration with other science organisations are actively pursued. At Ruakura, we are key collaborators with Innovation Waikato, Waikato-Tainui, Plant & Food Research, PGG Wrightson Seeds, and BCC Limited. At Invermay, we will continue to explore opportunities for collaboration with the University of Otago and Otago Energy Research Centre. We will also advance collaborations with current partners Analytica, Manuka Med, Massey University, the Ministry for Primary Industries, the Ministry of Education (Tai Wananga), Nufarm, NZ Natural Beef and Lamb, PGG Wrightson Seeds, Plant & Food Research, and Synthase Biotech.

Our people

To tātou iwi

To realise the outcomes of the Science Plan, AgResearch must have the right people doing the right work, in the right place, at the right time.

Our work in this area is key to achieving the New Ways of Working (He Ara Hou) and One AgResearch strategic objectives.

New Ways of Working Framework

Our working environment will:

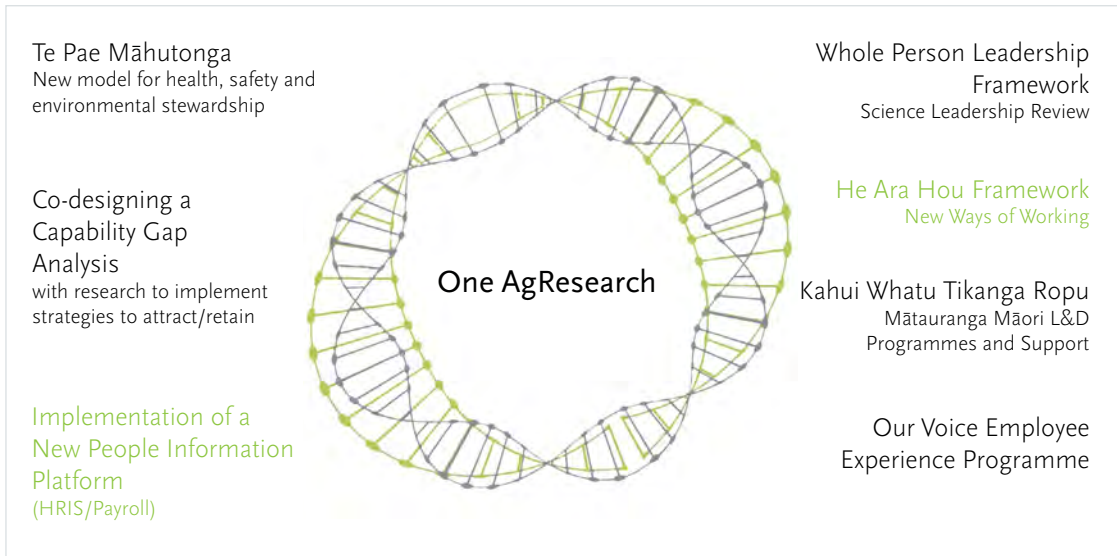
1. **Be safe and secure** – Provide a safe and secure environment as it applies to Health and Safety and to protection of people, property and information.
2. **Provide choice** – Dynamic, supported open plan working environments are flexible and allow work to be done in a range of settings, including collaborative space with partner organisations.
3. **Be open and connected** – A workplace that fosters working together and encourages us to leverage internal and external relationships to meet challenges and maximise impact.
4. **Have the right tools** – Provide the right tools so employees can do their job in a range of settings with consistent technology solutions throughout the organisation.
5. **Be adaptable and efficient** – Designing for the current and future needs of our people, our science and our customers.

Our people will:

1. **Be inspired and engaged** – We support a positive high performance culture, that we are proud of and want to be part of.
2. **Be kind** – We work as One AgResearch. We have each others' backs. We do not tolerate arrogance and challenge actions which are inconsistent with Our Values.
3. **Have a sense of belonging** – We are inclusive, considerate, welcoming and have a strong sense of community.
4. **Share** – We share amenities across 'Groups' (teams within one organisation or multiple organisations in a co-location scenario) with partners.
5. **Be enabled and empowered** – We utilise the right tools and environment in order to do our best work and get on with the job. We are trusted to act in AgResearch's best interest.



One AgResearch initiatives



We have strategies, initiatives and workstreams in place to ensure we have the capability to succeed in 2020/21 and beyond. This includes:

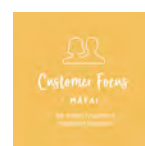
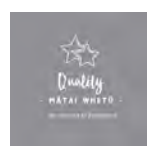
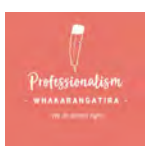
- attraction, recruitment, retention strategies
- leadership development and succession management
- diversity and equity programme development
- change management framework
- workforce planning
- Human Resources Information System (HRIS) tool implementation
- employee experience enhancements
- future-focused research capability mapping;
- mentoring programme
- Mātauranga Māori.

AgResearch has also developed a Mātauranga Māori programme to build capability and support the delivery of the Te Ao Māori strategy. This includes offering Te Tiriti of Waitangi workshops, cultural competency workshops, Vision Mātauranga workshops, Te Reo lessons, and immersive two-day Noho Marae visits. This programme and our wider cultural competency framework are refreshed annually to ensure the needs of our people are met.

AgResearch also continues to have a strong emphasis on our culture and the engagement of our people, including bringing to life Our Values across the organisation. In 2020/21, we will remain focused on embedding a One AgResearch culture. A key part of this will be our change management programme and continuing our people relocation process for roles moving to other campuses.

Our Values

Our values represent the attributes that are innate to those who will drive the success of our organisation.





An aerial photograph of a vineyard with rows of grapevines. The leaves are a mix of green and yellow, indicating autumn. Numerous sheep are scattered throughout the vineyard, grazing between the rows. The perspective is from a high angle, looking down at the rows.

Financials

Pūrongo pūtea

Financial results

The following table shows the financial results from FY2020 through to FY2023 including the impact from COVID-19 for the forecast periods.

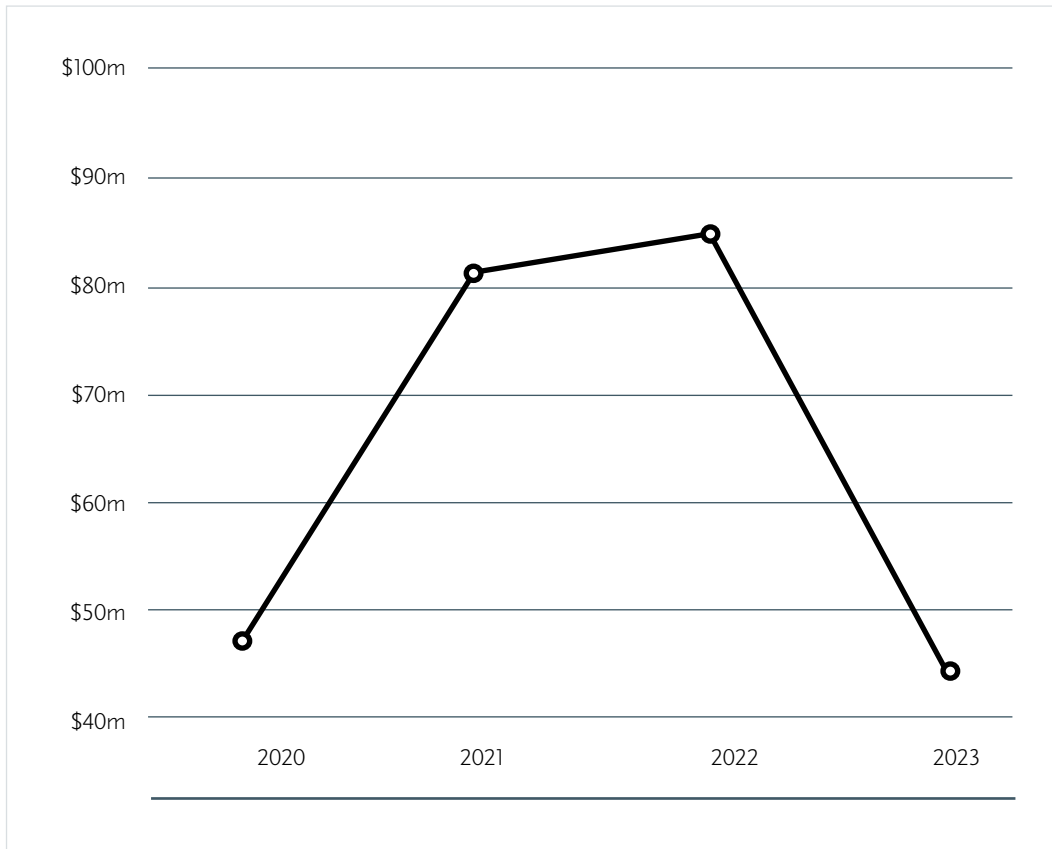
Overview of projected financial performance for the 4 years ended 30 June 2023

Financial year	2020	2021	2022	2023
Type	Forecast \$000's	Budget \$000's	Projected \$000's	Projected \$000's
Operating revenue	158,164	175,185	159,682	169,477
EBITDA	16,775	23,257	15,745	16,757
Surplus (deficit) before tax	2,175	6,087	580	1,462
NPAT	2,342	4,383	418	1,053
Total equity	238,639	243,021	243,439	244,492

Financial performance indicators

Financial year	2020	2021	2022	2023
Type	Forecast	Budget	Projected	Projected
Cashflow				
Net cash flow from operating activities	24,763	24,760	12,553	20,806
Net cash flow from investing activities	(23,267)	11,814	(8,519)	(58,382)
Net cash flow from financing activities	(2,526)	(1,977)	(1,849)	(1,423)
Total net cash flow	(1,030)	34,597	2,185	(38,999)
Cash at the beginning of the year	48,186	47,156	81,753	83,938
Cash at the end of the year	47,156	81,753	83,938	44,939
Ratios				
Operating margin	3.0%	5.7%	(0.1%)	0.5%
Operating margin per FTE	7.2	15.6	(0.2)	1.3
Revenue growth	1.33%	10.8%	(8.8%)	6.13%
Current ratio	1.6	2.2	2.3	1.5
Quick ratio	1.3	1.9	1.9	1.1
Interest coverage	(33.7)	24.9	0.2	(1.5)
Operating margin volatility (FC/TC)	17.6%	20.7%	23.0%	23.6%
Return on total assets	0.7%	1.2%	0.1%	0.3%
Adjusted return on equity	1.6%	2.9%	0.3%	0.7%
Equity ratio	72.7%	67.5%	65.3%	64.0%

Net cash position



Non-financial targets

Core operating indicators

ID	Indicator	Definition	FY21 Target	FY19 Actual
G.1	End user collaboration	Revenue per FTE from commercial sources	\$97.6k	\$85.4k
G.2	Research collaboration	Publications with collaborators (Percentage of collaborations with a) only AgResearch authors, b) with other New Zealand authors, c) with international authors, d) with a combination of New Zealand and international authors	a) 14% b) 39% c) 26% d) 21%	a) 11% b) 34% c) 33% d) 22%
G.3	Technology and knowledge transfer	Commercial reports per scientist FTE	1	1.29
G.4	Science quality	Impact of scientific publications (the average value of 2-year citations per document for scientific journals assessed by SCImago in which AgResearch staff published during the year, weighted by the number of AgResearch publications in each journal. The reference figure is for the 2014 calendar year)	2.7	2.9
G.5	Financial indicator	Revenue per FTE, based on average FTEs over the year	\$273.48k	\$239.54k

AgResearch-specific indicators of end-user engagement and science relevance

ID	Indicator	Definition	FY21 Target	FY19 Result
1.1	External stakeholder engagement	Consistent implementation of agreed Stakeholder Services Plans	Achieved	Achieved
1.2		Publications with collaborators – Percentage of Stakeholder Relationship measure – “Very Good” or “Better” satisfaction rating	>65%	58%
1.3		Satisfaction with our service – “Very Good” or “Better” satisfaction rating	>75%	64%
1.4		Dealing with us – “Preference to Work” rating	>60%	68%
1.5		Familiarity with our capability – “Very Familiar” rating	>45%	32%
1.6		Contribution to Stakeholder Strategy – “Good or “Better” rating	>90%	83%
1.7	Internal stakeholder engagement	Consistent implementation of agreed Science Service/Interaction Plan	Achieved	Achieved
1.8	Revenue from stakeholders	a) total revenue, b) total net science revenue, c) commercial revenue, d) IP revenue, e) international revenue, f) Māori revenue, g) CRRF	a) \$175.19m b) \$112.03m c) \$57.68m d) \$11.02m e) \$5.49m f) \$0.55m g) \$13.57m	a) \$156.09m b) \$116.23m c) \$53.81m d) \$12.0m e) \$5.44m f) \$0.27m g) n/a

AgResearch-specific operating indicator of delivery to Vision Mātauranga

ID	Indicator	Definition	FY21 Target	FY19 Actual
2.1	Collaboration with Māori	Cultivate collaboration to support Māori agribusiness by co-developing funding proposals with stakeholders	6	5

AgResearch-specific workforce indicators

ID	Indicator	Definition	FY21 Target	FY19 Actual
3.1	Staff engagement	Increase Engagement Index (EI) by 5 points	78%	68%
3.2	Health and safety	No notifiable injuries and <2 notifiable events	<2	0

AgResearch-specific financial performance

ID	Indicator	Definition	FY21 Target	FY19 Actual
4.1	Financial target	Operating profit budget achieved	Achieved	Not achieved

Miscellaneous items

AgResearch's accounting policies

AgResearch's financial statements are prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 2013, the Crown Research Institutes Act 1992, the Public Finance Act 1989, and Generally Accepted Accounting Practice in New Zealand (NZ GAAP). The financial statements, including the financial information presented in this Statement of Corporate Intent, comply with the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable financial reporting standards as appropriate. A full Statement of Accounting Policies is provided on AgResearch's website at www.agresearch.co.nz. The only major change to the accounting policies since the 2019 Annual Report is the adoption of NZ IFRS 16 Leases from 1 July 2019.

Principles in determining the annual dividend, if any

The Company's policy is that it will return surplus cash to shareholders in the form of a dividend when no sound investment opportunities (including reinvestment, commercialisation, capital expenditure and the retention of important capabilities) exist.

It is forecast that no dividends will be paid in the year ending 30 June 2019.

Information to be provided to the Shareholding Ministers during the financial year

AgResearch provides Shareholding Ministers with the following documents and information throughout the year:

Quarterly Reports

These include:

- financial statements
- comparisons with budgets and comments on financial activities for the quarter
- comment on research achievements and comparisons of such achievements with business plans.

Half-Year Report

This includes:

- unaudited financial statements and notes (including accounting policies) for the half year, within two months of the half year
- comparative figures for the corresponding period of the previous financial year
- commentary on operations and overall performance for the period
- a statement of responsibility
- a statement that the CRI has operated during the period in accordance with the principles set out in Section 5 of the Crown Research Institutes Act 1992 and the Companies Act 1993
- commentary on progress towards achieving annual performance targets (financial and non-financial).

Annual Report

An Annual Report of the operations of AgResearch is delivered to the Shareholding Ministers within three months of the end of each financial year. In it, the Board sets out:

- audited consolidated financial statements for the financial year, consisting of:
 - a report of the operations of AgResearch and its subsidiaries
 - statements of financial position, comprehensive income and cashflows, including budget (as established at the beginning of the year in the SCI); and
 - statements of commitments, contingent liabilities, accounting policies and such other statements as may be necessary to show the financial results of the operations of AgResearch and its subsidiaries during the financial year and their financial position at the end of the period.
- comparative information for the previous financial period
- the auditors' report on these financial statements
- a statement of responsibility
- a report on AgResearch's performance as a good employer

- a corporate social responsibility report
- a report against financial and non-financial performance indicator targets set in the SCI
- a response to any direction given by the Shareholding Ministers.

The Annual Report will comply with the annual reporting provisions in Part V of the Public Finance Act 1989, Section 17 of the Crown Research Institutes Act 1992 and the Companies Act 1993.

Procedures to be followed before any member of the group subscribes for, purchases, or otherwise acquires shares in any company or other organisation

As required by section 13(1)(d) of the Crown Research Institutes Act 1992, AgResearch will not acquire:

- shares that give it substantial influence in or over a company
- an interest in any partnership, joint venture, or other association of persons
- an interest in a company other than in its shares, except after written notice to the shareholding Ministers.

The Board will obtain prior written consent from Shareholding Ministers for any transaction or series of transactions involving a full or partial acquisition, disposal or modification of property (buildings, land, and capital equipment) and other assets with a value equivalent to or greater than \$10m. The Board will obtain prior written consent for any transaction or series of transactions with a value equivalent to or greater than \$5m involving:

- the acquisition or disposal, in full or in part, of shares or interests in a subsidiary, external company or business unit

- transactions that affect a company's ownership of a subsidiary or a subsidiary's ownership of another entity (provided that transactions which include "drag-along" clauses that compel AgResearch to sell interests at a future date at the direction of the investors shall be valued at the time of the investment transaction)
- other transactions that fall outside the scope of the definition of the company's core business or that may have a material effect on the company's science capabilities.

The Board will advise Shareholding Ministers in writing before entering into any transaction related to property and commercialisation activities below this threshold in accordance with notice requirements agreed between the Ministers and AgResearch from time to time.

Activities for which the Board seeks compensation from the Crown

At the date of this SCI, no compensation has been sought from the Government.

Current commercial value of AgResearch

The Board's estimate of the current commercial value of the Group is approximately \$239m. This value is based solely on the forecasted Group equity position determined under NZ GAAP which the Board considers is a reasonable approximation of the commercial value. The Board notes that the Group revalues its land, land improvements, and buildings every three years, or more frequently where market and other factors indicate their stated book value may not reflect their current fair value. AgResearch does not revalue its intangible property rights.





Directory

Tohutohu

Executive Leadership Team

Tony Hickmott

Acting Chief Executive
(Effective from October 2019)

Sharon Cresswell

Interim Finance and Business Performance
Director
(Effective from November 2019)

Dr Trevor Stuthridge

Research Director

Stuart Hall

Partnerships and Programmes Director

Jo Brady

Communications and Marketing Director

Greg Rossiter

Technology and Digital Services Director

John O’Dea

Infrastructure Director

Fleur Evans

Acting People and Culture Director
(Effective from November 2019)

Natasha Barnett

Health, Safety and Environment Director

Chris Koroheke

Kaiurungi Ahuwhenua Māori

Board of Directors

Dr Paul Reynolds QSO

Chair
(Appointed September 2019)

Kim Wallace

Deputy Chair
(Appointed June 2020)

Chair – Audit and Risk Committee

Jacqueline Lloyd

Chair – People and Culture Committee

Colin Armer

Director

Rukumoana Schaaafhausen

Director

Dr Louise Cullen

Director
(Appointed March 2020)

Lain Jager

Director
(Appointed June 2020)

Dr Peter Stone

Director
(Until September 2019)

Information

Auditors

Deloitte on behalf of the Auditor-General

Bankers

ANZ Bank New Zealand Limited
Westpac Banking Corporation

Science working for New Zealand

The Crown Research Institutes (CRIs) proudly work, individually and collectively, to create a more prosperous, sustainable and innovative New Zealand



Manaaki Whenua
Landcare Research



Plant & Food
Research
Rangahau Ahumāra Kai



SCION™
FORESTS = PRODUCTS = INNOVATION

3,600

SMART AND
PASSIONATE PEOPLE

50

SITES ACROSS
NEW ZEALAND

6,000

SCIENCE PROJECTS
EACH YEAR

40

NATIONALLY SIGNIFICANT
DATABASES & COLLECTIONS

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NZBN: 9429 038 966 224

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Palmerston North

Grasslands Research Centre
Hopkirk Research Institute
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