

CORPORATE RESPONSIBILITY INDEX 2009

Executive Summary

Seventh Corporate Responsibility Index Results

The seventh Corporate Responsibility Index (CRI) Awards were announced on 27 May 2010 at the 11th National Business Leaders Forum on Sustainable Development at Parliament House, Canberra. Eligible entrants in the awards included all Australian and/or New Zealand companies that participated in the 2009 CRI in Australia.

The winners are:

★ Best Overall Performance Platinum Award

EnergyAustralia



★ Platinum Award Certificate

Australian Broadcasting Corporation



★ Platinum Award Certificate

Country Energy



★ Best Progress Gold Award

PricewaterhouseCoopers



★ Best Progress Silver Award

New Zealand Post Group



★ Best Progress Bronze Award

Western Power



The CRI is a leading, independent measure of responsible and sustainable business practice. Developed in consultation with business, the Index provides a benchmark designed to measure, manage, report and improve the impacts that companies have on society and the environment.

Other results from the seventh CRI include:

- > top four companies in order of performance – EnergyAustralia, Australian Broadcasting Corporation, Country Energy and Diageo Australia.
- > average overall 2009 Aus/NZ CRI score – 85.4% (Silver). This is the highest score achieved since the CRI was first launched in Australia and New Zealand in 2003.
- > over 350 companies have participated in the CRI globally to date, including over 70 in Australia/New Zealand.

The Corporate Responsibility Index is developed and maintained by Business in the Community in the UK. St James Ethics Centre has served as trustee for the CRI in Australia and New Zealand since 2003. For further information and to register your interest to participate in the 2010 Aus/NZ CRI, please contact:

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The Corporate Responsibility Index is part of the National Responsible Business Practice Project funded by the Federal Government, through Treasury to enable St James Ethics Centre to engage Australian business in identifying and adopting more responsible business practices. Project catalyst: Pilotlight Australia.



Business in the

Community

2009 Corporate Responsibility Index

In the wake of the global financial crisis, one group of Australian and New Zealand companies has emerged as true leaders and champions of corporate responsibility.

In 2009, 113 companies participated in the Corporate Responsibility Index (CRI) globally. This included 21 submissions from Australia and New Zealand (14 from Australian/New Zealand companies plus 7 from global companies with operations in Australia and/or New Zealand).

Both global and Australian/New Zealand CRI participation numbers have declined since 2008. This was mainly due to company resource shortages in the aftermath of the economic downturn. However, for the companies brave enough to commit to this rigorous examination of their corporate responsibility and sustainability performance, the rewards were great.

Results

Congratulations to all 2009 CRI participants in Australia and New Zealand, for the outstanding results achieved this year. The average overall score of 85.4% (Silver) achieved in the 2009 CRI is the highest score awarded since the Index was first launched in Australia and New Zealand seven years ago.

What is even more impressive about the achievements of this year's companies is that half of this group was awarded an overall score of at least 90% and above (Gold to Platinum).

The most striking results that mark out this year's Australian/New Zealand CRI participants as leading companies, include the average overall scores of 90% achieved for CR leadership (Gold) and 99% achieved for CR advocacy (Platinum).

2009 Aus/NZ CRI at a glance

Notable points

- > Average overall score: 85.4% (Silver)
- > CR Board/ Executive Leadership average score: 90% (Gold)
- > CR Advocacy average score: 99% (Platinum)
- > Achieved above the Global Index average in Social Impact areas

Opportunities for improvement

- > Environmental impact – waste/resource management
- > Levels of external assurance and disclosure
- > Extent and quality of stakeholder engagement

It should come as no surprise that the Index results evidence a strong positive correlation between Board and/or Senior Executive commitment to corporate responsibility and overall performance in the Index – the higher the number of senior company representatives with accountabilities in this area, the higher the Index score.

The 2009 Australian and New Zealand Index participants have now been on the CRI journey for an average of three years each. An impressive seven year record of CRI participation is held by Foster's Group Limited. This includes three years of Gold level achievement from 2006 to 2009.

EnergyAustralia has also participated in the CRI for the past six consecutive years. With this pedigree and commitment to corporate responsibility best practice, it is with great pleasure that we award EnergyAustralia the 2009 Best Overall Performance Platinum Award – for the company that has achieved the highest overall score in the 2009 Aus/NZ CRI. This is a significant achievement in its own right, but is even more importantly an outstanding record of achievement, given that this is the third consecutive year in which EnergyAustralia has won this award.

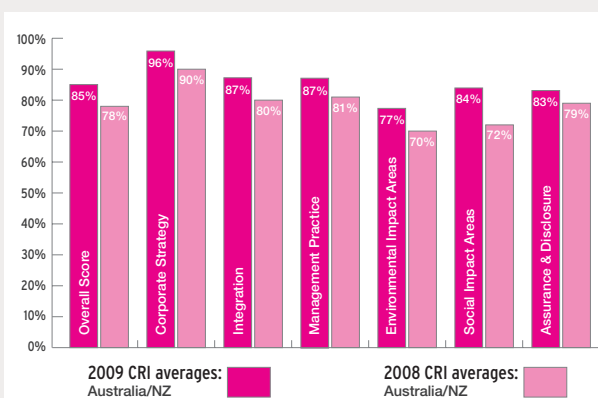
Platinum Award Certificates were presented to Australian Broadcasting Corporation and Country Energy. The new Platinum level was introduced to the Aus/NZ CRI in 2009 to award companies that achieve an overall Index score greater than or equal to 95%.

Best Progress Awards were also presented this year to the companies that achieved the highest overall score improvement in the Aus/NZ CRI between 2008 and 2009. The winners were PricewaterhouseCoopers (Gold), New Zealand Post Group (Silver) and Western Power (Bronze). Special mention should be given to PricewaterhouseCoopers for the company's significant performance improvement, from Participant level in 2008 to Gold level (90% and above) in 2009.

Western Power must also be congratulated for the company's courageous performance in its first year of Public Index participation. This is certainly a sign that the prospect of public disclosure provides a great source of motivation and an incentive to achieve.

Perhaps this is one of the reasons for the record high average overall score of the companies that participated in the 2009 CRI in Australia and New Zealand. All of this year's participating companies agreed to disclose their results publicly, rather than retreat to the relative safety of the Private Index.

2008 to 2009 Aus/NZ CRI average scores



> The Australian/New Zealand companies have significantly improved their average overall scores in all sections of the CRI between 2008 and 2009 – with an average increase of 7% in all areas.

> The most notable area of performance improvement is the 12% average score increase in the Social Impact section of the survey – from 72% in 2008 to 84% in 2009. The major Social Impact question areas in the CRI include health, safety and well-being; equality, diversity and inclusion in the workplace; employee development and community investment.

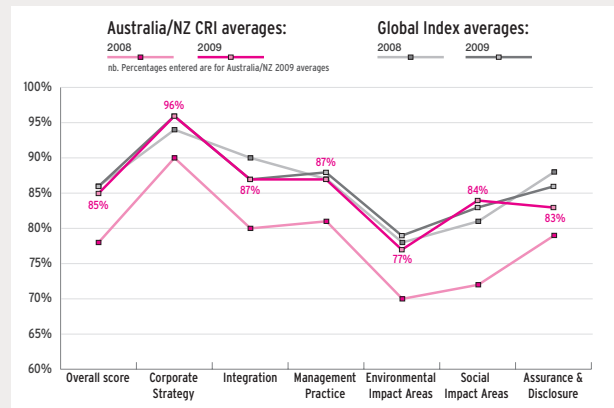
CRI Leaders' Network

St James Ethics Centre welcomes the opportunity to acknowledge the support and contribution of the CRI Leaders' Network to the Centre's National Responsible Business Practice (RBP) Project.

St James Ethics Centre established the CRI Leaders' Network in April 2008 to assist in meeting the goals of the Centre's RBP Project through to 30 June 2010, the end of the current period of funding by the Government, through Treasury. Major areas of contribution by the CRI Leaders have included mapping key CSR tools and frameworks and encouraging greater uptake of responsible business practice in the SME sector.

The CRI Leaders' Network currently comprises: ANZ, BHP Billiton, Boral Limited, EnergyAustralia, Rio Tinto, Toyota Australia and Westpac. The criteria for entry to the network is a CRI score greater than or equal to 95% and continuous, independently assured and rated leadership in corporate responsibility and sustainability. In 2010 Australian Broadcasting Corporation and Country Energy are also now eligible to join the CRI Leaders' Network. We look forward to the continued support of the CRI Leaders' Network over the coming year.

2008 to 2009 Aus/NZ CRI and Global Index average scores



- > In 2008 the Aus/NZ CRI average scores lagged behind the Global Index by an average of 8% in all sections of the survey.
- > In contrast, the 2009 Aus/NZ CRI average scores have increased in each section of the survey. The Australian/New Zealand companies have also now equalled the Global Index average in the areas of Corporate Strategy and Integration, and have achieved higher than the Global Index average in the Social Impact areas assessed.

Index process

Survey: Participation in the CRI is voluntary. Companies complete a web-based survey aided by supplementary guidance notes. As this is a self-assessment process, each submission must be accompanied by supporting documentary evidence and formal sign off by the company Chief Executive Officer or a Board member.

Review: In 2009, the Index developer Business in the Community (BITC) undertook the survey reviews for all Australian companies participating in the 2009 CRI. PricewaterhouseCoopers in New Zealand reviewed the survey submitted by New Zealand Post Group. The review process involves the assessment of all survey submissions to ensure that the responses are supported by appropriate evidence and that the questions are interpreted consistently by the participating companies.

Scoring: Following the survey reviews, final company scores are generated automatically by BITC's online benchmarking system according to the weightings in the CRI model illustrated below.

Feedback: All participating companies receive confidential feedback reports containing their sector and global benchmark scores. Participants may also elect to receive a formal gap analysis report to identify strengths and opportunities for improvement.

The journey ahead

The testimonial words and demonstrated achievements of this year's CRI participants, provide an insight into the kind of leadership it takes to go the distance. Participation in the Index takes courage, commitment and integrity - the hallmark traits of true leaders.

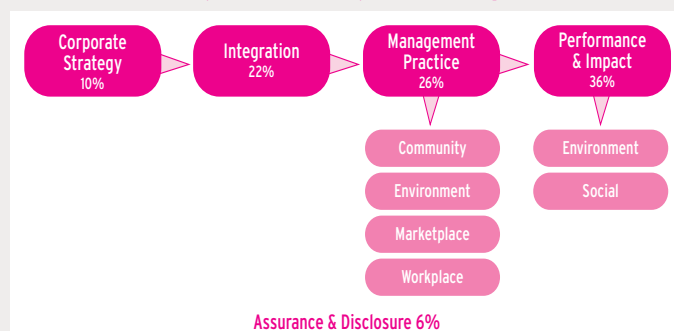
Keep an eye on the Corporate Responsibility Index website as we profile the journeys and case studies of the companies that continue to champion responsible and sustainable business practice through participation in the CRI.

Who knows ... perhaps their stories and achievements will inspire you to join them? We take this opportunity to encourage your company to participate in the Corporate Responsibility Index.

For further information and to register for the 2010 CRI, please contact:

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About the Corporate Responsibility Index



The CRI is a proven, comprehensive business management tool that assists companies to develop best practice across all areas of corporate responsibility.

Developed in consultation with business, the CRI assesses the extent to which responsible and sustainable business practices are embedded within an organisation's corporate strategy and operations.

As illustrated in the model to the left, the CRI also provides a benchmark for companies to evaluate their management and performance in four key corporate responsibility areas – Community, Environment, Marketplace and Workplace.

Reflection

by Dr Simon Longstaff
Executive Director, St James Ethics Centre

If the great American historian, Barbara Tuchman, were still alive, then I am sure that she would enrol the Global Financial Crisis (GFC) in her catalogue of 'Acts of Folly'.

As the world staggers back to its economic feet, it should be remembered that the GFC was self-induced, self-defeating and entirely preventable. There are bound to be some who will disagree with me about this. For example, there are those who accept Voltaire's dictum that 'history never repeats itself, man always does'. In this light, the GFC is thought to be like one of the deadly earthquakes predicted to devastate California – difficult to predict but inevitable.

*The CRI is a searching instrument – only adopted
by those who really wish to learn and improve*

I am not prepared to accept that major economic collapses are just part of an inexorable cycle of highs and lows within the markets. Nor are the more sophisticated investors emerging from the wreckage of the past couple of years. What such investors are recalling is the basic principle that the rewards ultimately go to those best able to price risk and opportunity with accuracy.

This principle applies equally in physical and financial markets. If you cannot assess and understand what you are buying, then you are bound to make costly mistakes (as proved by those who purchased derivatives of such complexity and opacity that even their creators struggled to understand their attributes).

So, one of the lessons learned from the GFC (and there have been a couple learned, after all) is that it is just plain foolish to make decisions without adequate information. Yet, this is exactly what occurs when boards and managers fail to measure their company's performance in the workplace, marketplace, environment and community.

*... the most common observation of participants
is that the CRI is a great learning tool*

Those corporations that fail to measure and report on the full spectrum of their performance consequently limit the capacity of investors (and others) to make informed decisions. As such, one might reasonably expect the value of such opaque organisations to be discounted.

All of which brings me to the participants in this year's Corporate Responsibility Index. One might admire such companies for the things they do – as revealed in their results on the Index. However, the more significant point may be that such companies are prepared to measure and report at all – and specifically in a context where their relative performance becomes so evident.

The CRI is a searching instrument – only adopted by those who really wish to learn and improve. Indeed, the most common observation of participants is that the CRI is a great learning tool. And those who are prepared to learn are least likely to commit acts of folly.

Thank you

St James Ethics Centre wishes to sincerely thank the following individuals and organisations for their contribution and commitment to the Corporate Responsibility Index during the past year:

- > Business in the Community
- > CRI Advisory Group
- > CRI Leaders' Network
- > EcoFutures and the National Business Leaders Forum on Sustainable Development
- > Federal Government (through Treasury)
- > PricewaterhouseCoopers
- > St James Ethics Centre Board

Finally, we would especially like to acknowledge and applaud the leadership and achievements of all of the companies that participated in the 2009 CRI. We look forward to continuing the journey together in 2010 and beyond.



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Results key:

★ Platinum ≥ 95% ★ Gold 90 – 94% ☆ Silver 80 – 89% ★ Bronze 70 – 79% □ Participant < 70%

Company Name	Scope of Survey	Overall Score	Corporate Strategy	Integration	Management Practice	Environmental Impact Areas	Social Impact Areas	Assurance & Disclosure
Australia & New Zealand submissions:								
Australian Broadcasting Corporation	Global	★	★	★	★	★	★	★
City West Water Ltd	Australia	☆	★	☆	☆	★	☆	★
Colliers International	Australia	□	☆	□	□	□	□	□
Country Energy	Australia	★	★	★	★	☆	★	☆
Diageo Australia	Australia	★	★	★	★	★	★	★
ENERGEX	Australia	★	★	☆	☆	□	★	□
EnergyAustralia	Australia	★	★	★	★	★	★	★
Foster's Group Limited	Global	★	★	★	★	★	★	★
Henry Davis York	Australia	☆	★	☆	☆	★	☆	★
Laing O'Rourke	Australia	★	☆	★	★	★	□	□
New Zealand Post Group	New Zealand	☆	★	★	☆	□	★	★
PricewaterhouseCoopers	Australia	★	★	★	★	☆	★	★
Sensis Pty Ltd	Australia	★	★	★	★	☆	★	★
Western Power	Australia	★	★	★	★	□	□	□

Australian & New Zealand submissions are surveys submitted through St James Ethics Centre in Australia by Australian and/or New Zealand companies.

Global submissions:								
Anglo American	Global	★	★	★	★	☆	★	★
British Airways	Global	☆	★	★	☆	★	★	★
Imperial Tobacco Group	Global	★	★	★	★	★	☆	★
Jaguar Land Rover	Global	☆	★	☆	☆	☆	★	★
Kimberly-Clark Corporation	Global	☆	★	★	☆	★	☆	☆
Serco Group	Global	★	★	★	★	□	★	★
Tata Consultancy Services	Global	★	★	★	★	☆	★	★

Global submissions are surveys submitted through Business in the Community in the UK by global companies with operations in Australia and/or New Zealand.

2009 CRI Award Winners (Australia and New Zealand):

- ★ Best Overall Performance Platinum Award: **EnergyAustralia** – for the company that has achieved the highest overall score in the 2009 Aus/NZ CRI.
- ★ Platinum Award Certificate: **Australian Broadcasting Corporation** and **Country Energy** – for companies that have achieved a Platinum overall score (≥95%) in the 2009 Aus/NZ CRI.
- ★ Best Progress Gold Award: **PricewaterhouseCoopers** – for the company that has achieved a Gold overall score in the 2009 Aus/NZ CRI and the highest score improvement between 2008 and 2009.
- ☆ Best Progress Silver Award: **New Zealand Post Group** – for the company that has achieved a Silver overall score in the 2009 Aus/NZ CRI and the highest score improvement between 2008 and 2009.
- ★ Best Progress Bronze Award: **Western Power** – for the company that has achieved a Bronze overall score in the 2009 Aus/NZ CRI and the highest score improvement between 2008 and 2009.

CRI Leaders' Network (Australia):

ANZ; BHP Billiton; Boral; EnergyAustralia; Rio Tinto; Toyota Australia; and Westpac Banking Corporation.


Australian Broadcasting Corporation and Country Energy are also eligible to join the CRI Leaders' Network in 2010.

CRI Leaders' Network refers to Australian and/or New Zealand companies that have achieved ≥ 95% in previous Aus/NZ CRI surveys.

BITC Platinum Companies (Global):

Anglo American; BHP Billiton; British Telecom; Rio Tinto; Tata Consultancy Services; Unilever; and Xstrata.


BITC Platinum Companies refers to global companies with operations in Australia and/or New Zealand that have achieved ≥ 95% in previous Index surveys submitted in the UK.



“ An independent benchmark like the CRI is the best way for a company to truly gauge its performance in key areas like the community and environment. Using the CRI pushes us to improve year after year and shows our commitment to doing the right thing. ”

Best Overall Performance Platinum Award
2009 Aus/NZ CRI - 1st Place

George Maltabarow
Managing Director
EnergyAustralia




“ The ABC delivers content of the highest quality on multiple platforms to audiences across Australia and internationally. Our approach to Corporate Responsibility is that while delivering this content we ensure every part of our business activity impacts responsibly and positively on the community and environment. To meet the community's high expectations of the ABC we have explicitly incorporated Corporate Social Responsibility goals into our Strategic Plan for 2010-2013. ”

Mark Scott
Managing Director
Australian Broadcasting Corporation




“ At Country Energy corporate responsibility is integral to our corporate strategy. The CRI process provides independent and comprehensive feedback on how well we are doing relative to our internal targets as well as to industry best practice. Our progress in the survey has been a pleasing reflection of the company's commitment to corporate responsibility principles. ”

Craig Murray
Managing Director
Country Energy




“ Corporate Responsibility is an integral part of our business – it is not a sideshow. PwC's corporate responsibility commitment includes our contribution to the community, protecting the environment, creating the right culture for our people and embedding these values in everything we do. The CRI helps us to not only measure our performance but to be transparent in our results. ”

Mark Johnson
Chief Executive Officer
PricewaterhouseCoopers




“ The New Zealand Post Group is taking real and tangible actions to incorporate sustainability into the foundations of our everyday business. An improved focus and some real dedication from our hard working team has achieved a rapid improvement in the Group's performance over the three years we've participated in the Index. ”

Brian Roche
Chief Executive
New Zealand Post Group




“ My ambition is to completely transform this business ... when I say that I mean change what it feels like to work in and change what it feels like to do business with ... and to me that is all tied up intimately with our notion of sustainability. We use the CRI as our overall sustainability measure in this transformation. ”

Doug Aberle
Managing Director
Western Power

