

**2007 CRI Confidential Feedback Report**

**St James Ethics Centre** in partnership with *The Sydney Morning Herald* and *The Age*, proudly supported by Ernst & Young, is pleased to provide you with a copy of your confidential feedback report for the Corporate Responsibility Index 2007. This is a summary of your results, comparing your company's performance in the Index against your peers and other Index participants. This year a total of 40 companies have been using the Index as a management tool, including 10 global participants, 10 private participants and 2 community module participants.

**Key Changes to the CRI for 2007-** in keeping with its commitment to continuous improvement Business in the Community has introduced a number of changes to the Index and results should be interpreted with this in mind. Some questions have been added, strengthened or rephrased and guidance notes have been improved to clarify requirements for supporting evidence. Please refer to the final page of this document for further detail.

Company Name	Australia and New Zealand Banking Group Limited (ANZ)	
Company Score 2007	Score	Band
	96%	Gold
Community Index	100%	
Environment Index	98%	
Workplace Index	100%	
Outstanding performance (ie score >95%)	Community Management, Environment Management, Marketplace Management, Workplace Management	
CRI Leaders Network	Member	
Commitment to disclose (as indicated in submission)	100%	

**Australian Sector**  
Financials

**Participants in your Australian Sector**  
AMP Limited, \*HBOS plc, mecu, and two private participants

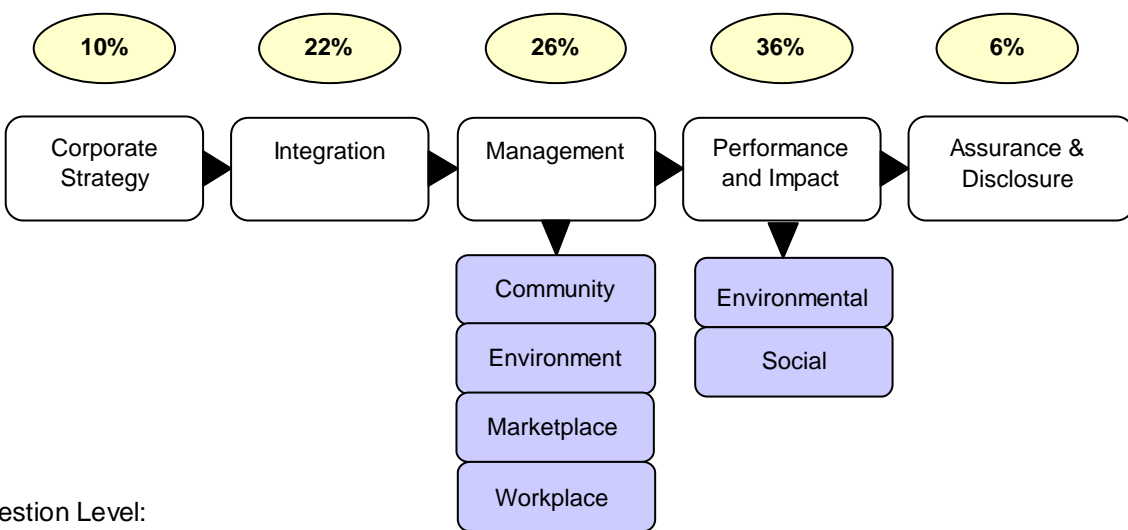
\* indicates global business reporting through the UK

**UK Sector**  
Banks

**Participants in your UK Benchmark**  
Barclays, Bradford & Bingley, Britannia Building Society, HBOS plc, Lloyds TSB, Nationwide Building Society

**The Index Model**

The Index assesses the extent to which **corporate strategy** is **integrated** into responsible business practice throughout an organisation. It provides a benchmark for companies to evaluate their **management** practice in four key areas of corporate responsibility (community, environment, marketplace and workplace) and **performance** in a range of environmental and social **impact areas** material to their business.



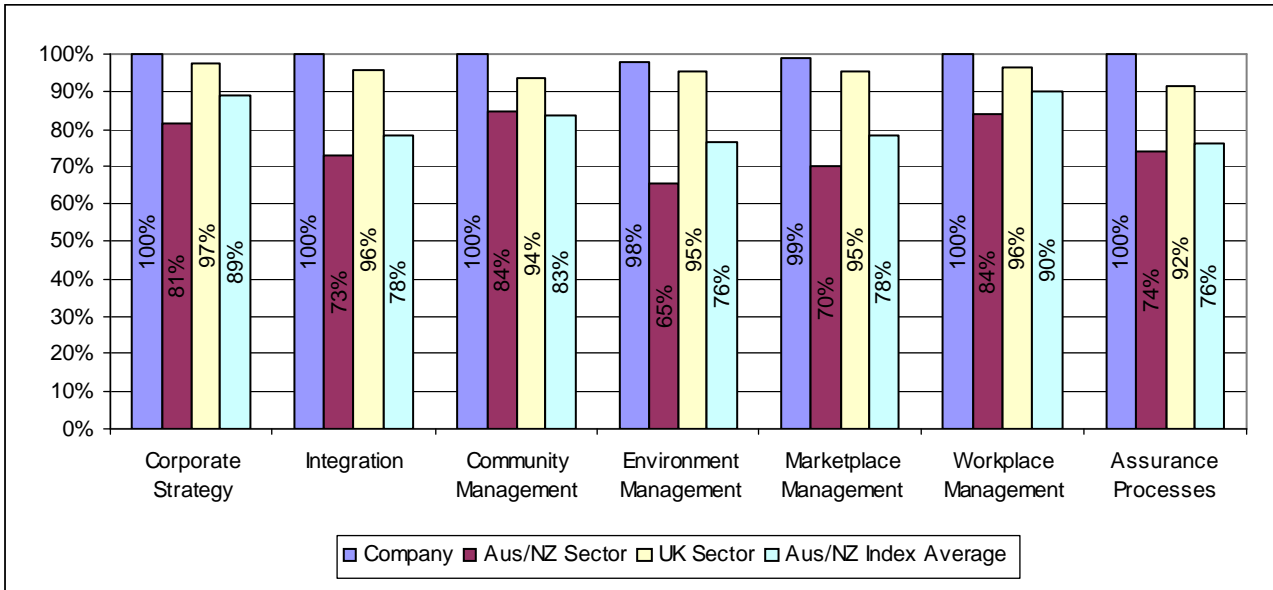
Question Level:

Qs 1-6	Qs 7-15	Qs 16-39	Qs 40-86	Qs 87-88
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## Overall Summary

### Strategy, Integration and Management Practices

The following graph provides a summary of your company's overall performance across the Corporate Responsibility Index. More detailed results are provided in subsequent sections. Please refer to the Index survey for further detail of each element within the chart. For reference, each chart is normalised to 100%.

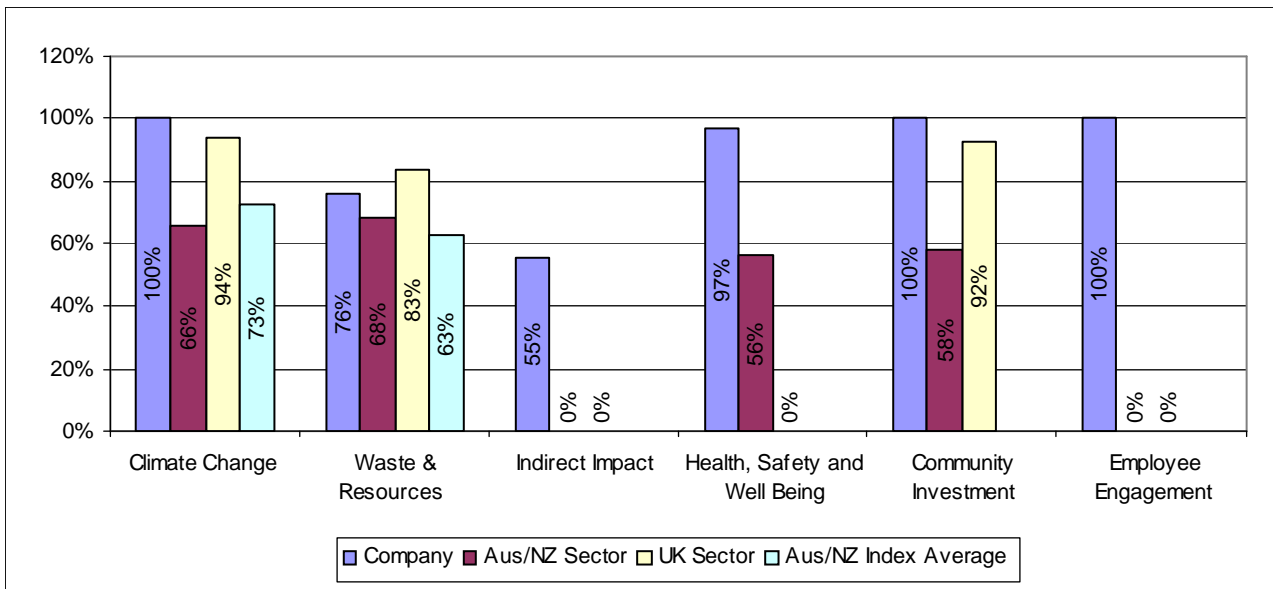


### Environmental and Social Impact Areas

Each company completes six impact areas – three environmental and three social.

The environmental impact areas include two core impacts, Climate Change and Waste & Resource Management, plus one self-selected area relevant to the business. For their social impact areas companies are able to choose between Health, Safety & Wellbeing, Employee Development, Migrant Workers, Diversity in the Workplace, Community Investment or another self-selected impact area. You have chosen to report on the following: Indirect Impact, Health, Safety and Well Being, Community Investment, and Employee Engagement.

See Section 4 of this report for further detail on each impact area.



#### Self Selected Environmental Impact - Index averages for Aus/NZ participants:

Indirect Impact - 52%, Resource Use - 59%, Unplanned Environmental Incidents - 70%, Water Consumption - 76%

**NOTE: A 0% score appearing for sector averages indicates that there is insufficient participants completing the optional section or question for benchmarking purposes.**

### Notable Points

ANZ demonstrated through its response to the Corporate Responsibility Index (CRI) that it has:

- Achieved a high overall score exhibiting its leadership in CR performance and has continued to demonstrate high levels of organisation, management and integration of corporate responsibility (CR) in many aspects of its business from the top down.
- A transparent approach to disclosure of CR issues, with ANZ publicly reporting its policies, key issues and management activities, as well as most of its performance data in its *Corporate Responsibility Report*. The external assurance of this report highlights the robustness of the CR processes in place at ANZ and its commitment to transparency and continuous improvement.
- Made improvements, compared to last year, in the performance and impact section of the index in relation to both climate change and waste and resource management. This year ANZ achieved three consecutive years of improvement in emission reductions, and reduction in its average daily waste produced. ANZ has publicly reported data on the 'average daily waste in kilos from 10 key sites in Australia' and has an independent verification process over this data.

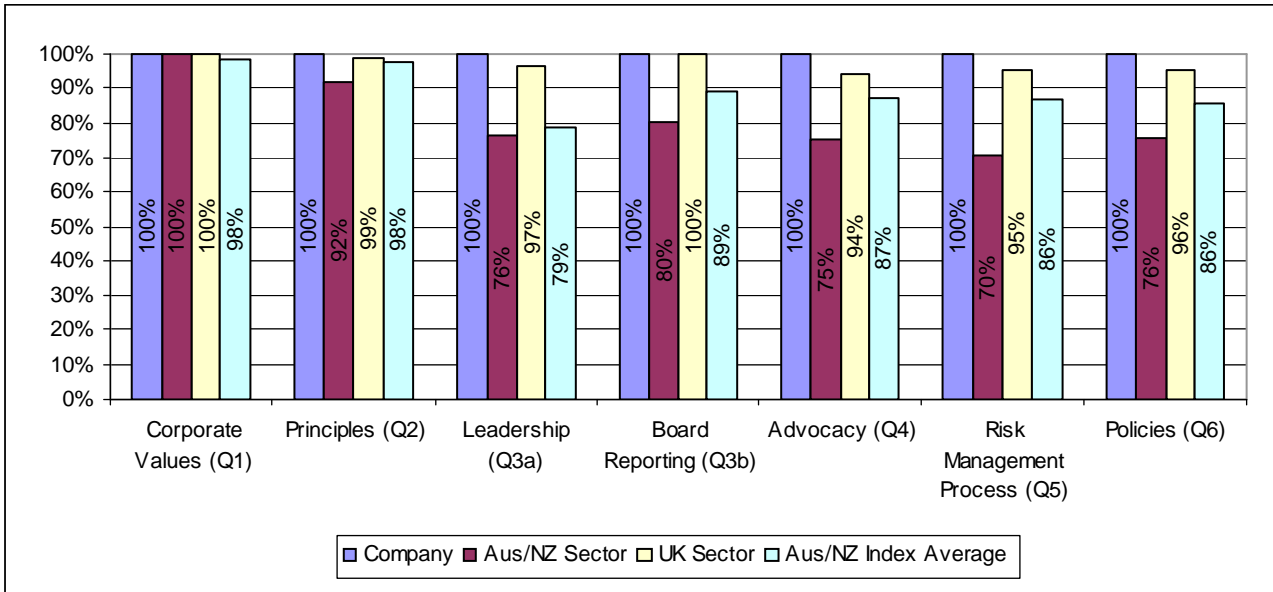
### Opportunities for Improvement

Based on ANZ's CRI response and compared to the requirements of the CRI, ANZ could further improve by:

- Further develop its health and well-being targets to specifically capture its goals and commitments in relation to mental health, well-being and stress targets in this area so measurable performance improvement can be demonstrated. Further, publicly reporting these targets demonstrates ANZ's commitment to transparency and continuous improvement in this area.
- Consideration of selection of a new environmental impact area. Currently ANZ reports on indirect impacts, and specifically the KPI of 'percentage of institutional clients screened using ANZ's social screening tool'. This impact area has matured into a 'business as usual' process and demonstration of performance improvements may be limited. Therefore a new measure for monitoring this impact area would allow ANZ to further demonstrate its CR commitments foster improvements.
- Expanding the focus of the measurement and performance of waste and resource management. Extending the measurement of waste generated and disposed across a larger number of sites would help to identify opportunities for greater waste reduction at ANZ. Further development of a waste reduction program beyond paper recycling could assist ANZ's performance in this area, allowing for consistent performance to be demonstrated over a number of years.

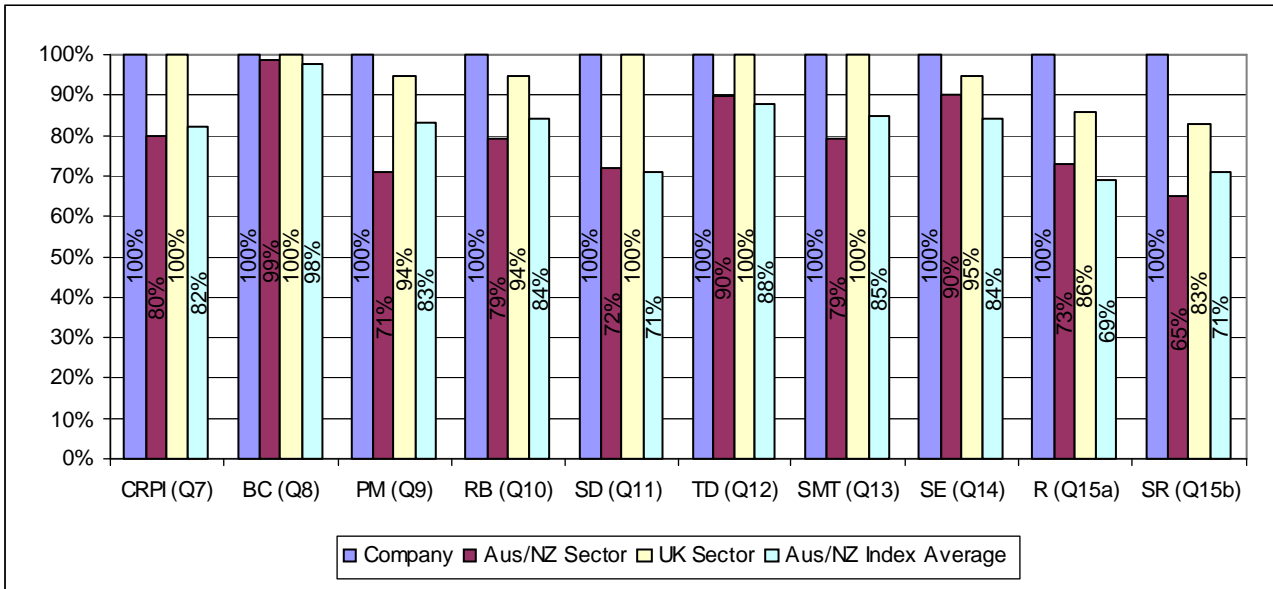
## Section 1 – Corporate Strategy

This section rewards companies for placing CR values at the core of their business strategy. It asks whether there is a system to identify key social and environmental risks and opportunities, and whether these are addressed by principles and policies. Companies must be able to demonstrate leadership and commitment at the highest level, internal reporting to the board, and public advocacy of responsible business practice.



## Section 2 – Integration

It is not enough simply to have a strategy; it needs to be implemented throughout a business. This requires internal communication and training employees so they understand the key CR issues for the company, building CR related performance criteria into appraisal and remuneration systems, undertaking stakeholder engagement and ensuring it contributes to CR strategy, demonstrating social and environmental issues are incorporated into strategic decision making, and transparency through external reporting on CR management practices and impacts.



**CRPI** – Corporate Responsibility Principles Integration, **BC** – Business Conduct, **PM** – Performance Management, **RB** – Remuneration and Bonus, **SD** – Strategic Decision-making, **TD** – Training and Development, **SMT** – Senior Managers and Board members Training/Briefing, **SE** – Stakeholder Engagement, **R** – Reporting, **SR** – Scope of reporting

## Section 3 – Management Practice

**Section 3** assesses whether a company has developed management practices to address CR issues key to the business in the four areas of Community, Environment, Marketplace and Workplace.

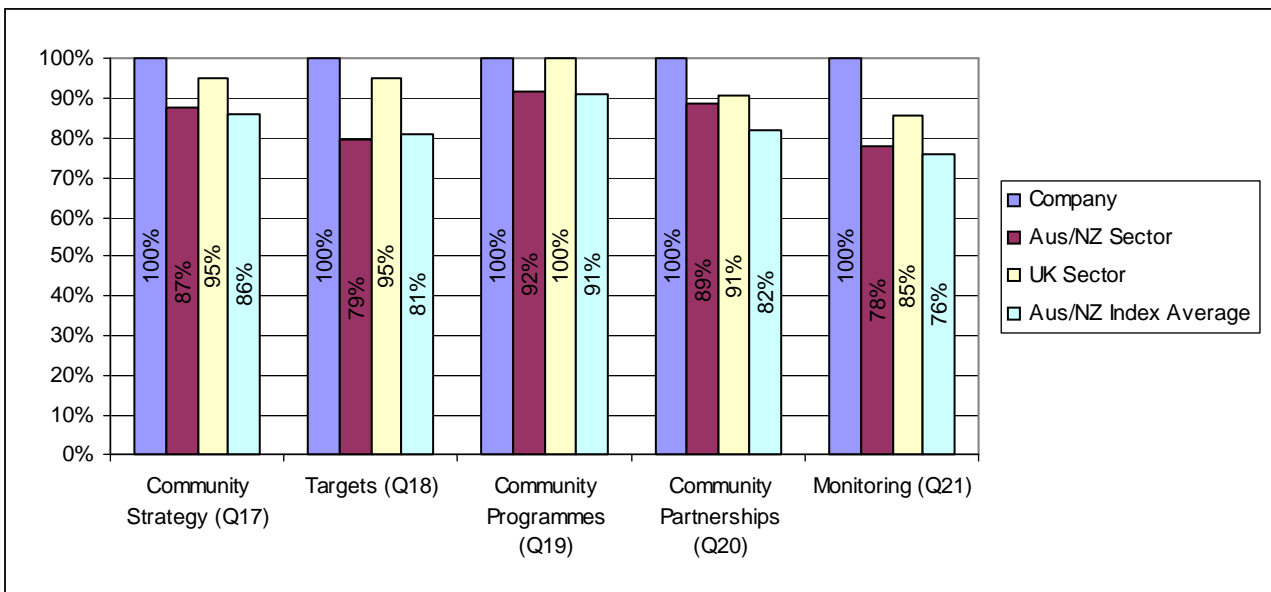
Leading companies are able to demonstrate:

- = policies to ensure responsible behaviours,
- = objectives and targets to drive improvement,
- = responsibilities are defined at all levels,
- = effective communication systems to share knowledge and latest information,
- = training is provided to relevant staff to ensure competency and delivery of objectives,
- = a process for stakeholder consultation and engagement across all key areas,
- = monitoring systems to assess and report progress,
- = key issues, targets and performance are reported publicly.

The overall summary on page 2 of this report gives a score for each management area. The following graphs provide further analysis on your management practice in Community, Environment, Marketplace and Workplace.

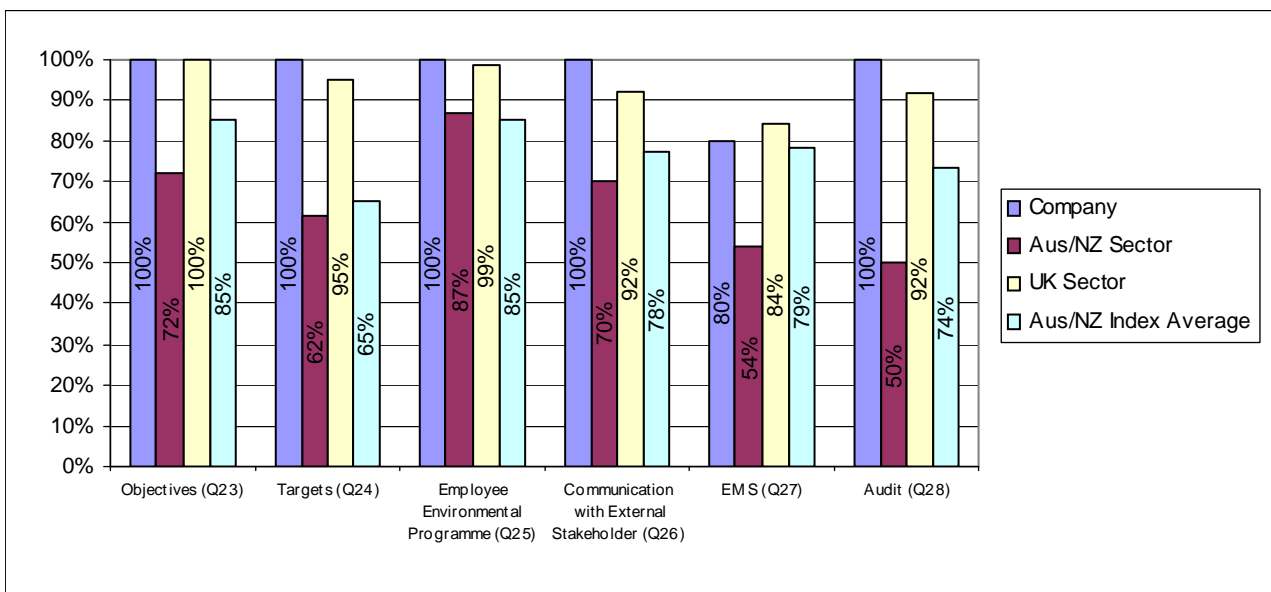
### Community Management Practice

**Community** relates to the interface between business and society, which can be both positively and negatively affected by a project, product or investment on a local or global level.



### Environment Management Practice

**Environment** is the world's ecosystems and natural resources that can be directly and indirectly affected by a company's operation, products and services.

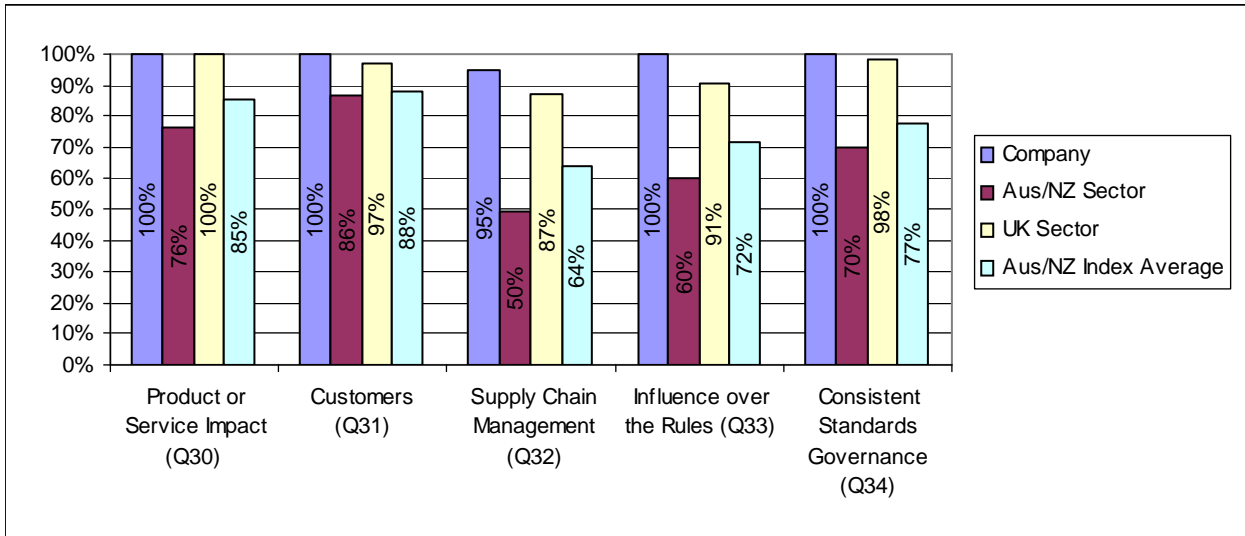


## Marketplace Management Practice

Corporate responsibility in the **marketplace** is about how companies manage business, consumer and supplier relationships, from product development to sourcing, buying, marketing, selling, and promotion of products and services. It also relates to how companies influence the rules of the marketplace in which they operate.

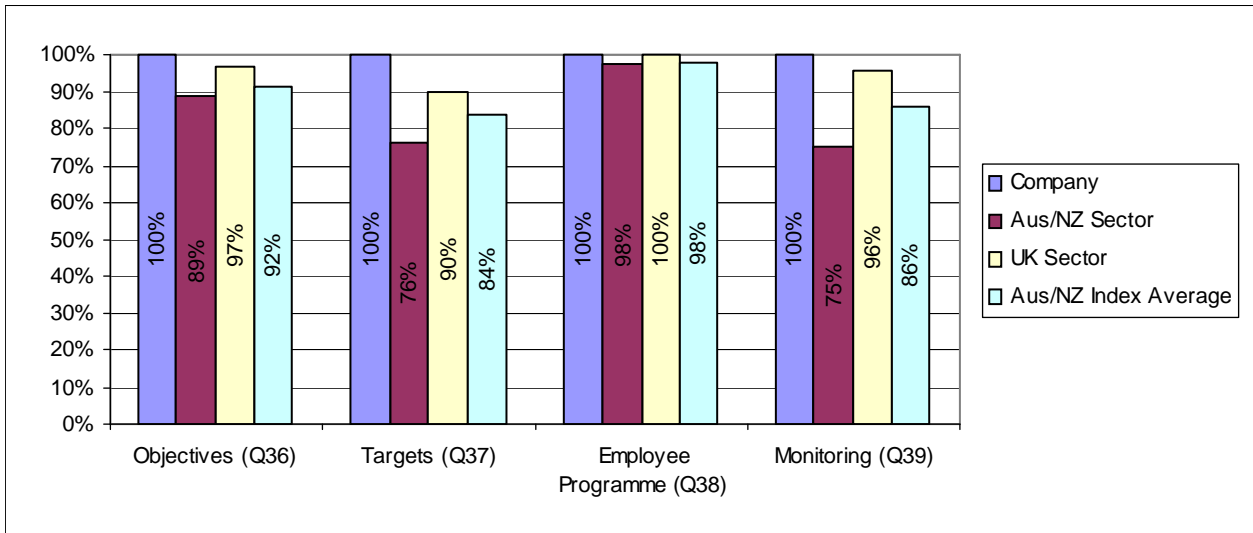
This section was completely reviewed and updated this year to ensure questions were more challenging and relevant. Questions have been aligned with Business in the Community's Marketplace Responsibility Principles and tailored to a company's core activities.

Companies now answer different sets of questions, depending on whether they are business-to-business or business-to-consumers, have suppliers in low or high risk countries, and have operations in countries with strong or weak governance.



## Workplace Management Practice

**Workplace** is the environment into which individuals are recruited and developed both professionally and personally, with full entitlement to employment rights.



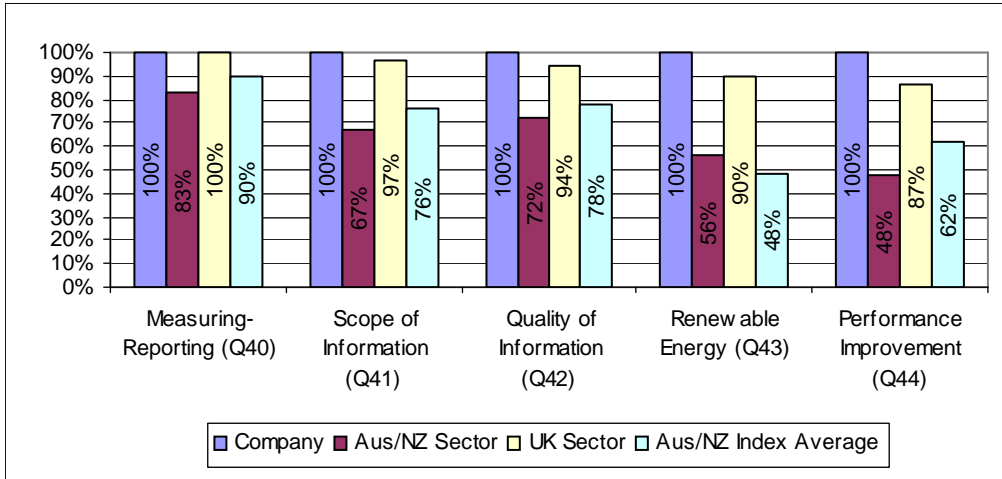
## Section 4 – Environmental & Social Impact Areas

Each company was asked to complete three environmental impact areas including two core impact areas: Climate Change and Waste & Resource Management, plus one self-selected environmental impact area relevant to the business. You have chosen to report on Indirect Impact as your third environmental impact area.

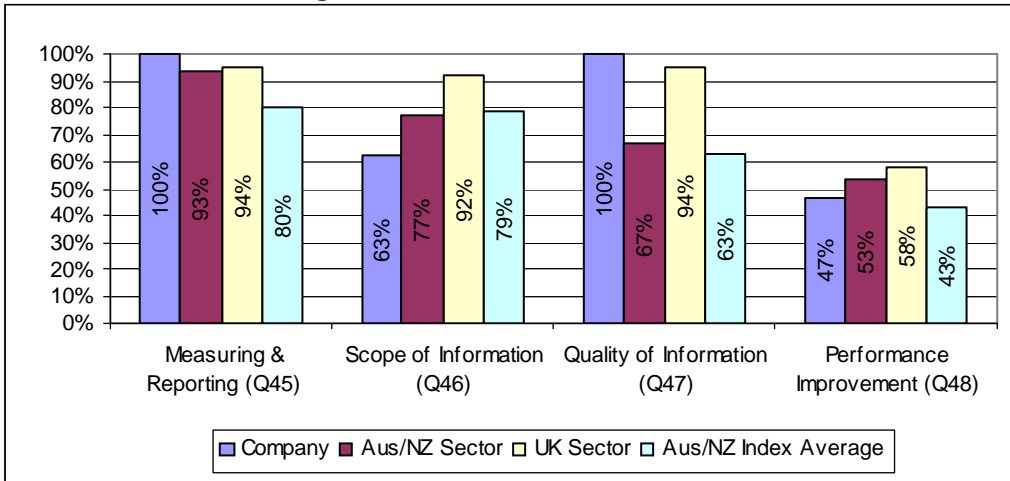
The following graphs break down each environmental impact area. Each area considers the quality and coverage of data measured and rewards companies that set and publicly report on performance against targets, and demonstrate continuous improvement in minimising their environmental impact.

### Environmental Impact Areas

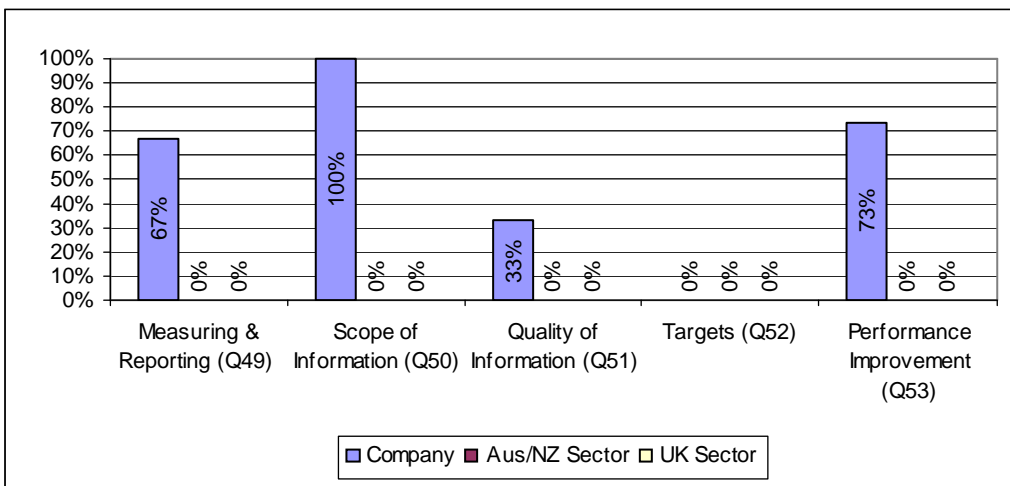
#### Climate Change



#### Waste & Resource Management



#### Indirect Impact

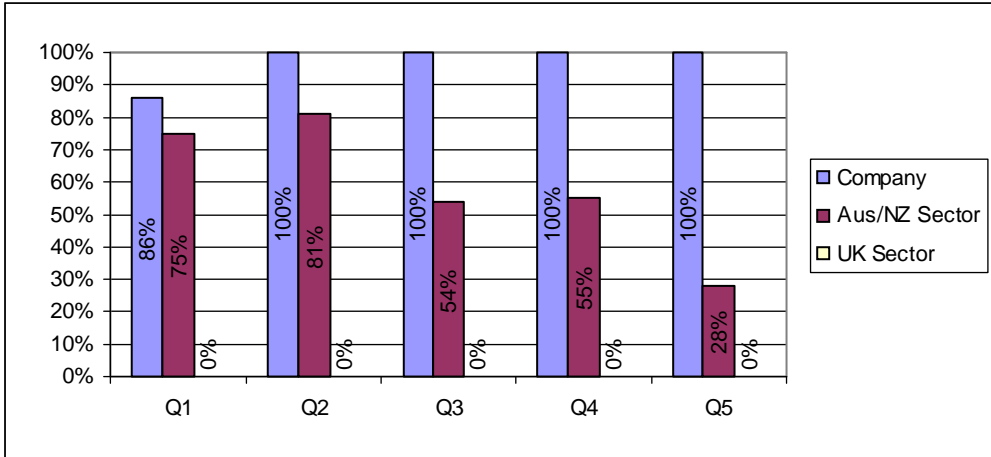


## Social Impact Areas

Each company reported on three social impact areas material to their business, selecting from: Health, Safety & Wellbeing, Employee Development, Employing Migrant Workers, Diversity in the Workplace, Community Investment or another self-selected impact area. You have chosen to report on: Health, Safety and Well Being, Community Investment, Employee Engagement.

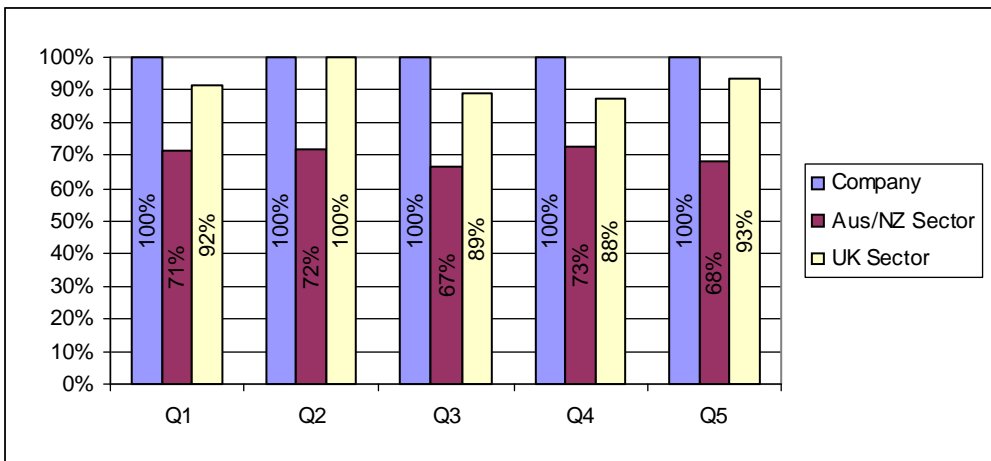
The following graphs provide further analysis on these three social impact areas. Each area combines a mixture of management and performance criteria specific to the social impact in question. Where possible you are benchmarked against other companies choosing the same impact area.

### Health, Safety and Well Being



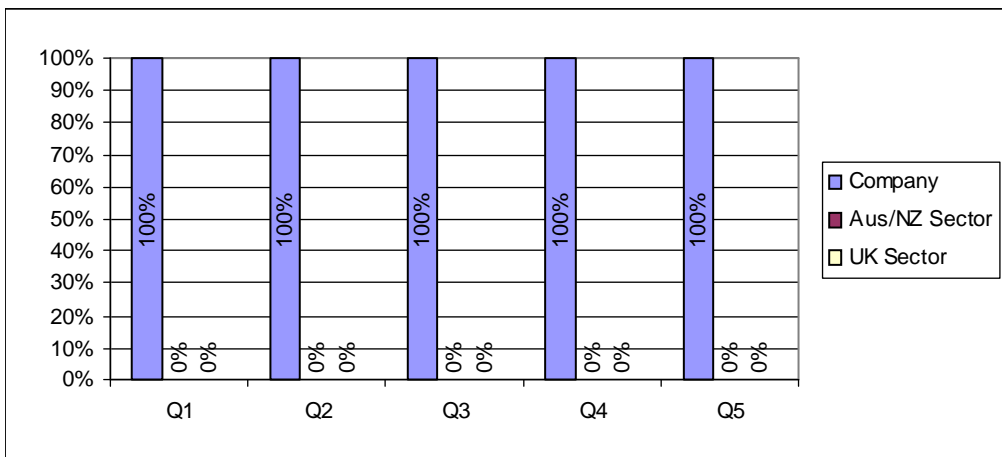
**Health, Safety and Well Being:**  
 Q1. Management Systems  
 Q2. Employee Programs  
 Q3. Measurement & Reporting  
 Q4. Scope & Quality of Information  
 Q5. Targets & Performance

### Community Investment



**Community Investment:**  
 Q1. Measurement of Inputs  
 Q2. Measurement of Outputs  
 Q3. Business Benefits  
 Q4. Community Benefits  
 Q5. Reporting

### Employee Engagement



**Self Selected - . Social Impact Areas:**  
 Q1. Corporate Commitment  
 Q2. Measurement and Reporting  
 Q3. Quality of Information  
 Q4. Coverage  
 Q5. Performance Improvement



## Corporate Responsibility Index 2007- Key Changes

Business in the Community has introduced a number of changes to the Index in keeping with its commitment to continuous improvement, ensuring that participating companies continue to aspire to best practice and that the Index maintains effectiveness, relevance and continues adding value as a management tool. Some questions have been added, strengthened or rephrased and guidance notes have been improved to clarify requirements for supporting evidence. The main changes that have been introduced are as follows:

### 1) Management Section:

#### Community:

- The question on 'Community Investment Strategy', which used to sit under the 'Community Investment' impact area, has been incorporated in this section;
- The old 'Integration' question has been incorporated into the 'Strategic Decision Making' question no. 11 in the Integration section;
- For each Community Investment Programme, there is a requirement to identify the key stakeholders.

#### Environment:

- The question on 'Targets' now includes the target setting elements previously covered within each environmental impact area;
- The question on 'Employee Training' asks for more detail about training on specific environmental issues (e.g. Climate Change and Waste);
- The questions on 'EMS' and 'Environmental Audit' have been merged into one.

#### Marketplace:

- Questions have been aligned with BITC's Marketplace Responsibility Principles;
- Separate questions have been introduced for business-to-business or consumer-facing companies, on product /service impact;
- The questions on 'Environmental and Social Supplier Programme' have been replaced with questions that combine social, environmental and economic criteria based on where suppliers operate.
- The questions on 'Influencing the Rules of the Marketplace' and 'Consistent Standards' are no longer optional.

#### Workplace:

- Most of the changes have occurred in the impact areas (see below).

### 2) Performance & Impact:

Climate Change has been revised and aligned with the GHG protocol and now includes a new question on renewable energy.

Product Health & Safety and Labour Rights in the Supply Chain have been removed as impact areas and are now integrated within the Marketplace management section.

Occupational Health & Safety has been renamed as Safety, Health & Wellbeing and includes new questions on Health and Wellbeing issues.

In the Social Impact areas, to increase choice, two new Workplace impacts have been introduced to cover Employee Development and Migrant Workers.

Community Investment has been renamed Community Investment – Benefits and Impacts and includes questions on business and community benefits and impact.

### 3) Assurance:

In the past, as part of the Assurance Section, question 97b on Disclosure was given a score of 5%. Full disclosure is now the norm and disclosure now carries a lower score of 1%.

The CR Index is developed and maintained by **Business in the Community in the UK**. It has been generously donated under a licence agreement to St James Ethics Centre for use in Australia and New Zealand. For further information please contact:

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