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## ***Corporate Australia: Stuck In-Reverse***

# **THE ENVIRONMENTAL PERFORMANCE OF AUSTRALIA'S TOP 100 COMPANIES 2002**

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**This report is based on data provided to the Age and Sydney Morning Herald and forms part of the Reputation Index published by these newspapers on 28 October 2002.**

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# 1. Introduction

In 1992 the international community came together at the Earth Summit in Rio de Janeiro to state its commitment to the concept of ecologically sustainable development. In the year 2002, ten years on from this important summit, it is clearly evident that corporate Australia has not gone far enough in implementing this concept into the way it produces its goods and services. In fact, comparisons between analysis undertaken by ACF in past years reveal that corporate Australia is stuck in reverse and performing (environmentally speaking) worse now in 2002 than it was in 2001.

For the third year running, the Australian Conservation Foundation (“ACF”) has analysed the environmental performance of Australia’s top 100<sup>1</sup> companies. This analysis was conducted as part of the *Reputation Index* (“the RI”) published by the Age and Sydney Morning Herald newspapers on 28 October 2002.

This report does three things:

Firstly, it provides an in-depth report into the findings of this analysis along with the methodology and criteria used to undertake it.

Secondly, this report provides a comparison between the findings of this year’s analysis with the findings of a similar analysis undertaken by ACF in the years 2001 and 2000.<sup>2</sup>

Thirdly, it highlights a number of ways in which the community, corporations and governments can act to improve the environmental performance of the Australian corporate sector.

## 2. The Methodology

### 2.1 The Three Ingredients to Determine Corporate Environmental Performance

Although ACF made every effort to ensure that its analysis was conducted with the highest degree of thoroughness, we do not maintain that the data contained in this report represents anything akin to a full environmental audit of the top 100 companies. Such an undertaking, a much-needed exercise in itself, was beyond the resources of ACF and the time limitations imposed for conducting the analysis. Instead, the enclosed data represents ACF’s **perception** of environmental performance.

However, perceptions do not arise from thin air. To have any credibility or substance a perception must have a solid foundation on which it is based.

To that end, a set of three criteria was developed for the purpose of this project (see Attachment 1). The criteria are the “yard stick” against which ACF chose to provide its perception of the environmental performance of Australia’s top 100 companies.

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<sup>1</sup> The top 100 companies are taken from BRW’s annual list of the top 1,000 enterprises in Australia and New Zealand.

<sup>2</sup> The reports into the 2000 and 2001 analysis is available at [www.acfonline.org.au](http://www.acfonline.org.au) in the corporate environmental responsibility section (reports). The 2000 and 2001 analysis was conducted using criteria identical to those used in the 2002 analysis.

They were specifically chosen for their ability to be applied across a number of corporate sectors to reflect the diverse range of corporations that make up Australia's top 100 companies and to provide an assessment of real positive and negative impacts on the environment.

In summary, the criteria were developed to gauge corporate performance having regard to a company's environmental strategies, environmental footprint and its focus on sustainability. Particular attention was given to new initiatives introduced in the past 12 months.

Each criterion was underpinned by a number of sub-criteria to provide additional meaning and guidance for those who undertook the analysis for ACF.

It is important to emphasise the fact that ACF is committed to promoting a "triple bottom line" approach to corporate activity. ACF does not profess to have the expertise to provide a perception of a particular company's financial or social performance. As a result, the criteria are designed only as a "yard stick" to measure corporate environmental performance.

## 2.2 The Process for Conducting the Analysis

- Step 1.** *Project team.* A project team of ten analysts was assembled to conduct the analysis.
- Step 2.** *Questionnaire.* A questionnaire was developed and forwarded to each of the 100 companies. All companies, irrespective of their response to the questionnaire, were subsequently rated using the sources listed in step 4 below.
- Step 3.** *Company Groupings.* Each analyst was allocated a mixed group of approximately 10 companies for analysis. Every effort was made to ensure that companies were separated from sector groupings to remove the likelihood of sectorial bias and to enable the ACF to easily cross check for consistency.
- Step 4.** *Research and scoring.* Team analysts then researched and scored each of their allocated companies using ACF's three criteria. The information sources used as a part of the research process included:
- Responses to questionnaires (if provided);
  - Environmental and annual reports;
  - Corporate websites;
  - Direct communication with company environmental managers; and
  - Reports from media sources, other environmental NGO's and community groups.
- Step 6.** *Verification and Standardisation.* The raw scores awarded to each company were collected in a project team meeting during which the scores were compared and standardised and key research results were communicated to ensure overall consistency. ACF staff and campaigners were also invited to take part in the verification process.
- Step 7.** *Submission.* The final scores were then presented to the consultants at Reputation Measurement.

The entire process took four months to complete.

### 2.3 Understanding the Scoring System

Each company was awarded a score between 1 and 10 against each criterion. The following sliding scale provides an indication of what each score represents.

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>
<b>Very Poor</b>		<b>Poor</b>		<b>Average</b>		<b>Good</b>		<b>Very Good</b>	

The scores for each of the three criteria were then combined to give a final score out of 30. We consider that a final score between:

- 1 and 7.5 to be Very Poor performance;
- 8 and 14.5 to be Poor performance;
- 15 to 20 to be Average performance;
- 21 to 26 to be Good performance; and
- 27 to 30 to be Very Good performance.

## 3. The 2002 Results

For the purpose of this report three sets of data have been provided:

- Australia's "top 100 companies" scored and ranked in order of their environmental performance (See attachment 2). The 2000 and 2001 results are also included in this attachment where relevant. Not all companies in the 2002 analysis were part of the 2000 and 2001 analysis due to the changing nature of the top 100 list;
- The environmental performance of Australia's "top 100 companies" within their particular sectors (See attachment 3).
- The average score for each sector (see attachment 4).

## 4. Commentary

The major themes to arise from this year's analysis are as follows:

- In the main, corporate Australia is stuck in reverse and performing (environmentally speaking) worse this year than it was last year.
- A small number of companies are showing leadership within their sectors and are improving in their overall environmental performance.
- Many companies have failed to recognise their environmental responsibilities, even at the most basic level.
- Many companies state a clear commitment to the concept of ecologically sustainable development but have failed to translate this to their "on the ground" environmental performance.
- Many Australian companies suffer from a "branch office" mentality and have failed to bring in the same standard of environmental strategies and initiatives as those used by their overseas parent companies.

#### **4.1 In the main, corporate Australia is stuck in reverse and performing (environmentally speaking) worse this year than it was last year.**

Of Australia's top 100 companies analysed in 2002, only 6 companies managed to receive the respectable score of 15 or above out of a possible 30. The remainder of the companies obtained scores that constituted poor or very poor performance. If Australia's top 100 companies are reflective of corporate Australia as a whole, this means that only 6% of Australian companies would manage to receive a pass mark or better against ACF's environmental criteria.

The 2002 analysis shows a clear downward trend in environmental performance compared to last year, when 14 companies managed to receive a score of 15 or better.

This is a worrying trend, particularly when one considers that this year marks the tenth anniversary of the *Rio de Janeiro Earth Summit* when the international community came together to state its commitment to the concept of ecologically sustainable development. In 2002, ten years on from this important summit, it is clearly evident that corporate Australia has not gone far enough, and in some cases is showing signs of slipping backwards, when it comes to implementing this concept into the way it produces its goods and services.

Companies that were down by a score of 1.5 or more on last year's analysis included:

- **Woolworths**- 5 points down
- **Caltex Australia Ltd**- 4.5 points down
- **Foodland Association**- 4.5 points down
- **Flight Centre**- 3 points down
- **Amcor**- 2.5 points down
- **AGL**- 2.5 points down
- **Coles Myer** -2.5 points down
- **Australian Postal Corporation**-2.5 points down
- **Nestle Australia**- 2 points down
- **CGU Australia**-1.5 points down
- **Zurich Australia**-1.5 points down
- **Optus**-1.5 points down

Of the above mentioned companies, Woolworths is the company that has slipped the furthest in this year's analysis. Despite its strong financial performance, Woolworths and other leading Australian retailers are under performing in their environmental performance, especially relative to their European counterparts.

In recent years, Woolworths has moved into petrol and now holds 10% of the local market. The company successfully lobbied the federal government for permission to import and sell petrol which contains the toxic water contaminant, MTBE. Local refineries do not use this additive and it is outlawed in Queensland and Western Australia where Woolworths do not sell petrol. It is being phased out in the United States for environmental reasons.

The Australian Retailers Association, of which Woolworths along with Coles Myer are members, has recently opposed the proposed plastic bag levy. This levy is clearly popular with consumers (a recent poll showed 79% support) and similar levies have proven to be successful when implemented overseas. In contrast to the opposition

from the association representing Woolworths and Coles Myer, UK retailers have responded positively to their government's proposal to introduce a plastic bag levy.

Sainsbury's, a leading UK supermarket chain, is an overseas retailer that has taken its environmental responsibilities seriously, providing Australian retailers with a working example of the type of conduct they should be looking to emulate. The company is attempting to minimise the impact that it has on the environment by eliminating GM ingredients from its own brand foods, which make up 40% of its produce, and greening its supply chain. Sainsbury's also support organic produce by guaranteeing purchase prices and by running a 'regionality' program to source local organic produce. Sainsbury's environment report can be viewed at [www.j-sainsbury.co.uk/crs/environment](http://www.j-sainsbury.co.uk/crs/environment).

#### ***4.2 A small number of companies are showing leadership within their sectors and are improving in their overall environmental performance.***

Fortunately, it is not all bad news. A small number of companies are showing leadership within their sectors and are improving in their environmental performance.

Strong leadership was shown by **Visy Industries**, which, for the third year running, came in number one on the ACF ranking with a score of 22 out of 30. This was an improvement on last year's score of 21.5.

What particularly stood out about Visy, was the fact that it has made the concept of sustainable development an integral part of its entire business operation. Late last year, Visy opened its new Tumut paper mill in the Australian Alps. The self-sustaining mill was built to meet the highest environmental standards. It has low levels of effluent leaving the site and waste water is recycled within the mill or onto irrigated farmland. A large proportion of the mill's energy is generated on site using renewable energy sources. All of the virgin fibre used at the mill comes from sustainably managed plantations in the region.

Visy's score would have been slightly higher if it were not for a fine issued by the EPA for higher than anticipated levels of dioxins and furans at the Tumut Mill.

The leadership shown by Visy Industries was not isolated. Leadership was also shown by:

- **IBM Australia Ltd** -*Media/Telecommunications/Info Tech*- with a score of 16.5
- **Queensland Rail**-*Transport/Logistics*- with a score of 16.5
- **Southcorp**- *Manufacturing Food and Consumer Products* -with a score of 16
- **Westpac**-*Financial Services*- with a score of 15
- **Origin Energy**- *Energy*- with a score of 14.5
- **Toyota**-*Automotive*- with a score of 14

It is from the leadership shown by companies such as these, that ACF hopes that corporate Australia can turn its environmental performance around.

#### ***4.3 Many companies have failed to recognise their environmental responsibilities, even at the most basic level.***

Given the high level of environmental awareness that now pervades Australian society, it is surprising that some companies that make up the top 100 list have failed

to recognise their environmental responsibilities at even the most basic levels. For example, the following companies received a score of 1 out of 10 for criterion 1. This means ACF was unable to locate a publicly available environmental strategy or environmental policy produced by the company.

Companies that scored 1 for criterion 1.

**Royal and Sun Alliance, Medibank Private, Tabcorp Holdings Ltd, Telecom Corporation of NZ, Flight Centre, Concorde International Travel, API, Australian Wheat Board and Mayne Nickless**

***4.4 Many companies state a clear commitment to the concept of ecologically sustainable development but have failed to translate this to their “on the ground” environmental performance.***

Again this year, it was evident that many of Australia's top 100 companies have stated a clear commitment to the concept of ecologically sustainable development (reflected in Average to Good scores for criterion 1) but have yet to translate this to their actual performance on the ground (reflected in Poor scores for criteria 2 and 3). As was the case in 2001 and 2000, the low scoring resource sector was particularly guilty of this disturbing trend.

Sustainability cannot be achieved merely on the back of a glossy environmental report or technical environmental management system. Yes, reporting and strategies are important. However, if the fundamental basis of a business is unsustainable or has an unacceptable environmental impact, the appropriate action to remedy this is to seek an alternative means of providing the goods and services or cease providing them altogether. See part 6.2 for more details on what companies must do to improve their environmental performance.

***4.5 Many Australian companies suffer from a “branch office” mentality and have failed to bring in the same standard of environmental strategies and initiatives as those used by their overseas parent companies.***

Why is it that large international corporations sometimes act as if their environmental responsibilities end the moment they reach Australian shores? Is it a sign of weaker regulatory environmental standards in Australia than those of the home country of the parent company? Whatever the reason, this branch office mentality is a worrying trend that has again crept onto this year's findings.

This trend was particularly noticeable among the big international insurance companies, **CGU** and **Zurich**. As we reported last year, a visit to the websites of the Australian subsidiary reveals no information in relation to the company's environmental performance. Only the parent company's website yields any meaningful discussion of environmental strategies or issues.

Although the content of a company's website is not the sole gauge of environmental performance, the absence of any material relating to environmental issues on a company website provides some indication that environmental issues are not high on the company's agenda.

It is also worth noting that ACF's analysts did consider the activities of parent companies when analysing the environmental performance of Australia's top 100 companies. Accordingly, some Australian corporations benefited in our analysis from

the environmental performance of their parent company while others were penalised as a result of the poor performance of their parent company.

## 5. The Way Forward

This report has highlighted both the failures and positive signs emerging from ACF's perception of the environmental performance of Australia's top 100 companies. We acknowledge the fact that it is all too easy to analyse a situation without providing a pathway forward. This section deals with the ways and means the community, business and government can take positive action to improve the environmental performance of corporate Australia.

### 5.1 Community

Often individuals feel powerless to change the way in which large corporations behave. However, the reality is there are a number of things individual members of our community can do to improve the environmental performance of corporate Australia. For example:

- Consider the environment when purchasing corporate goods and services. If all of us refused to buy goods and services that were harmful to the environment whilst at the same time favoured goods and services that were produced in an environmentally sustainable way, corporations would have little alternative but to cater for this environmentally focused consumer demand. A good place to start is with your electricity retailer. Contact your electricity retailer and inquire about their range of green electricity products. If they do not have one that suits your needs, switch providers. For more information, see the report "*You Now Have The Power To Change.*"<sup>3</sup>
- Invest your superannuation savings in an ethical or socially responsible investment product. There are now a wide variety of these types of products in the market place. Generally they all aim, to some varying degree, to avoid investing in companies that are harming the environment and instead invest in companies that are more environmentally sustainable. The end result will be two- fold. Firstly, you will feel more comfortable in the knowledge that your superannuation savings do not come at a cost to the environment. Secondly, the Australian corporate sector will adjust its practices (eg improve their environmental performance) to attract the growing number of Australians that choose to invest in such products. A recent report prepared by ACF titled, "*Where Is Your Superannuation Money Going: An Environmental Perspective,*"<sup>4</sup> provides further information on the benefits of investing in environmentally friendly investment product and helpful tips on how you can go about it.
- If you invest in shares, consider the environment in the selection criteria. Try to avoid companies that are harmful to the environment whilst selecting companies that engage in sustainable business practices. If you already hold shares in a company that you consider to be having a negative impact on the environment, write to the company or attend the annual general meeting to express your disapproval.

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<sup>3</sup> This report is available at <http://www.acfonline.org.au/docs/publications/rpt0019.pdf>

<sup>4</sup> This report is available at [www.acfonline.org.au](http://www.acfonline.org.au) in the corporate environmental responsibility section. Then go to reports.

## 5.2 Business

The Australian corporate sector has a responsibility to improve its environmental performance. It owes this responsibility to its shareholders who may lose or suffer a reduction in their investments as a consequence of poor corporate environmental practices. It also owes this responsibility to the communities in which companies operate, as it is the community that ultimately pays the highest price for a degraded environment.

Within the confines of a small report such as this, it is no easy task to provide sufficient guidance to businesses on how to improve environmental performance. Recognising this limitation, a case study is outlined below which shows companies can and do choose a pathway towards sustainability which can result in enormous savings for the companies that undertake such reforms.

### **Case Study: Interface Inc, headquartered in the United States of America.**

<http://www.interfacesustainability.com>

Interface, the world's largest carpet manufacturer, is part of global group of companies that operates in approximately 110 countries world wide, including Australia. It is aspiring to be the world's first truly sustainable corporation and also hopes to be the world's first restorative company by influencing other corporations to be sustainable. Interface is embarking on its path to sustainability by way of a seven-step plan:

- **Eliminate waste** - to eliminate waste, not just incrementally reduce it.
- **Benign emissions** - to eliminate molecular waste emitted to natural systems that have negative or toxic effects.
- **Renewable energy**- to reduce the energy demands of the company's activities while substituting non-renewable sources with sustainable ones.
- **Closing the loop**- to redesign the company's products, services and processes into cyclical material flows.
- **Resource efficient transportation**- to reduce the transportation of molecules (products and people) in favour of moving information. This includes plant location, logistics, information technology, video conferencing, e-mail and telecommuting.
- **Sensitivity hook up**- to create a community within and around the company that understands the functioning of natural systems and the company's impact on them.
- **Redesign commerce**- to redefine commerce to focus on the delivery of service and value instead of material and to engage external organisations to create policies and market incentives that encourage sustainable practices.

Since it embarked on its journey towards sustainability, Interface has achieved the following:

- Since 1995, cumulative savings from global waste elimination strategies totalling over US\$185 million.
- Since 1994, reduced non-renewable energy use by over 18%.
- Since 1996, cut water consumption by 26%
- Since 1994, reduced petro-based raw materials by more than 33%.

For more case studies go to the ACF website:

<http://www.acfonline.org.au/na/asp/pages/document.asp?IdDoc=899>

### 5.3 Government

Australian state and federal governments have an enormous role to play in improving the environmental performance of Australian companies. Two important ways in which governments can achieve this are through:

- (1) policies designed to achieve the environmental modernisation of the Australian economy; and
- (2) new corporate laws designed to improve corporate environmental performance.

#### Policies

As is evident for the type of companies that make up Australia's top 100 list, Australia has a particularly 'hot, heavy and wet economy,' one that requires large amounts of energy, materials and water to produce a unit of gross domestic product (GDP). Unless we can 'cool, lighten and dry' our economy we will be stuck in the twenty-first century peddling the products of the twentieth. Coal, uranium, woodchips, and possibly iron-ore and aluminium are all products that will face a decline in demand and value in the coming decades.

In order to do this, government policy must be directed at the environmental modernisation of the Australian economy. From environmental modernisation will flow an overall improvement in the environmental performance of Australian companies. A central driving policy initiative that would be required to achieve environmental modernisation is environmental tax reform (ETR).

ETR is about shifting taxation away from environmentally and socially sound practices and placing it on polluting and environmentally damaging practices. It provides enormous potential for improving environmental protection, while simultaneously boosting jobs and the economy. A range of overseas and Australian studies and evidence from a number of European countries supports this conclusion. Given this potential, it is disappointing that ETR was not considered as part of the recent taxation reforms in Australia. Fortunately, the opportunity for ETR is not lost and ACF believes that it should be placed onto the national agenda as a key driver for environmental modernisation and for a sustainable Australia.

This and other policy initiatives that would be required to bring about the environmental modernisation of the Australian economy are contained in the ACF publication, *Natural Advantage: A Blueprint For A Sustainable Australia* (available at [www.acfonline.org.au/blueprint](http://www.acfonline.org.au/blueprint) )

#### Corporate Law Reform

The failure of Australian governments, particularly the federal government, to regulate the environmental performance of Australian companies is a major reason why Australian companies are performing so poorly with respect to the environment. Listed below are a number of corporate law reform proposals designed to improve the environmental performance of Australian companies.

1. Amend the *Corporations Act* to include a new director's duty that would require directors of Australian companies to consider environmental and social impacts in corporate decision making.

2. Include in the *Corporations Act* penalty provisions for directors that breach the new director's duty outlined in 1 above including prison sentences and a ban on holding directorships in Australian companies;
3. Amend the *Corporations Act* to ensure that Australian companies report fully on their environmental and social impacts, on material risks (such as greenhouse liabilities) and on breaches of environmental or social standards (such reports to be independently verified);
4. Extend existing winding up provisions in the *Corporations Act* to permit ASIC (Australia's corporate regulator) to wind up companies that habitually breach federal or state environmental laws.
5. Create "open standing provisions" within the *Corporations Act* that would permit any person to commence enforcement provisions for breach of the Act.
6. Commit to maintaining existing provisions of the *Corporations Act* that promote greater corporate accountability. For example, the existing provision that permits a minimum of 100 shareholders to requisition an extraordinary general meeting of a company.
7. Pass into law the *Corporate Code of Conduct Bill 2000*, which aims to regulate the performance of Australian companies operating overseas with respect to the environment, health and safety, employment, human rights and consumer protection.
8. Include within the *Corporations Act* a requirement that all companies listed on the ASX have in place a Corporate Governance Board. The board should be independent to the board of directors and be democratically elected by the company's shareholders. The purpose of this governance board would be as follows:
  - To ensure that the corporation is governed in an environmentally and socially responsible fashion and that environmental and social impacts are considered in corporate decision making.
  - To determine the remuneration of company directors.
  - To appoint auditors and determine the remuneration of auditors.
  - To control the conduct of general meetings;
  - To determine whether amendments should be made to the company's constitution (eg to incorporate the principles of Ecologically Sustainable Development or shareholder democracy) on the request of the director's or on the board's own initiative.
  - To appoint persons to fill casual vacancies of directors.

### **Disclosure**

Over the last 12 months, ACF has received financial assistance from the Pratt Foundation, Southcorp and NAB.

## Attachment 1

### Criteria for Determining Corporate Environmental Performance

- 1. Environmental strategies- the company has implemented the best available strategies to create environmentally friendly products and services. (ie the company has the best available environmental management system, an environmental policy and reports on its environmental performance)**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>
<b>Very Poor</b>		<b>Poor</b>		<b>Average</b>		<b>Good</b>		<b>Very Good</b>	

- The company has established an Environmental Management System that:
  - is certified to ISO14001 or equivalent and has external independent annual audits;
  - maintains continual improvement towards corporate objectives and targets(e.g. energy conservation, water conservation) that are signed off by senior management; and
  - has a scope that incorporates all the company's processes, products or services that may have a significant impact on the environment.
- The company takes responsibility for its processes, products or services through out their lifecycle by:
  - implementing the international standard from the ISO1400 series for Life Cycle assessment;
  - following a policy of considering the environmental and ethical position of other companies etc with which it invests, forms contracts or forms any other type of partnership;
  - following a policy of using environmentally sustainable resources in production or the provision of services; and
  - introducing strategies aimed at achieving environmental sustainability.
- The company reports publicly on its environmental performance through which it:
  - accurately reports on the environmental impact of all of its varying activities ;
  - provides information to compare its current environmental performance with its environmental performance in previous reporting years;
  - provides information on the company's environmental targets and objectives for the following reporting period;
  - accurately reports on compliance with environmental laws and regulation in compliance with 299(1)(f) of the *Corporations Law*;
  - allows for stakeholder feedback; and
  - has obtained independent verification of the contents of the report.
- The company has an environmental policy that sets measurable objectives and targets

**2. Environmental footprint- The company does not have a harmful impact on land, air, water, plants, animals and human health either through its own activities or the activities of its partners.**

**1      2      3      4      5      6      7      8      9      10**  
**Very Poor      Poor      Average      Good      Very Good**

- The company is not compliance based. For example, the company's environmental performance is beyond the minimal standards set by environmental legislation and other forms of regulation. This criterion applies to the company's overseas operations (if any).
- The company does not have an adverse impact on land, air, water, plants and animals. Such impacts may include direct and indirect adverse impacts.
- The company:
  - does not produce or process uranium, native forest woodchips or GMOs;
  - predominantly avoids using virgin resources; and
  - has a plan to phase out the use of virgin resources
- The company has not been the subject of legal action or substantial community action/criticism as a result of environmentally harmful activities.

**3. Focus on sustainability- The company has proven, particularly in the last twelve months, that it can make the big changes that are necessary to create products and services for future generations that will not harm land, air, water, plants, animals and human health.**

**1      2      3      4      5      6      7      8      9      10**  
**Very Poor      Poor      Average      Good      Very Good**

- The company has demonstrated measurable progress in undertaking its own activities in an environmentally sustainable fashion.
- The company predominantly produces products or services that benefit the environment and will contribute to global sustainability.
- The company is developing technologies, which will enable it or other corporations to produce products or services that will benefit the environment and contribute to global sustainability.
- The company gives its expertise or resources to organisations that contribute in a positive way to global sustainability and promote environmental responsibility.

Final Score out of 30

## Attachment 2

### Australia's "Top 100 companies" Scored and Ranked in Order of Environmental Performance.

Year 2001 and 2000 Scores have been included where available. Not all companies in the 2002 analysis were part of the 2001 and 2002 analysis.

Rank	COMPANY	CRI-1	CRI-2	CRI-3	2002 Total	2001 Total	2000 Total
1	Visy Industries Pty Ltd	7.0	7.5	7.5	22.0	21.5	19
2	IBM Australia Ltd	6.5	4.5	5.5	16.5	17	17.5
3	Queensland Rail	6.0	5.5	5.0	16.5	15.5	15
4	Southcorp Ltd	5.5	4.0	6.5	16.0	16	15
5	Westpac Banking Corporation	5.5	4.5	5.0	15.0	14.5	13
6	State Rail Authority NSW	5.5	5.5	4.0	15.0	15	-
7	Origin Energy	5.0	3.5	6.0	14.5	13.5	-
8	Hewlett-Packard Australia	5.5	3.5	5.5	14.5	-	-
9	Foster's Brewing Group Ltd	5.5	4.5	4.5	14.5	15.5	12
10	Coca-Cola Amatil Ltd (Australia)	5.5	4.5	4.5	14.5	15.5	15
11	Sydney Water	6.0	4.0	4.5	14.5	-	-
12	Telstra Corporation Ltd	6.0	4.0	4.5	14.5	15.5	16.5
13	Toyota Motor Corp Aust Ltd	6.5	1.5	6.0	14.0	14	14.5
14	BP Australia Ltd	6.5	1.5	5.5	13.5	14	15
15	Smorgon Steel	4.5	4.0	5.0	13.5	13	12
19	Energex Ltd	6.0	2.5	5.0	13.5	13.5	-
16	CGU Insurance	4.0	5.0	4.5	13.5	15.5	-
17	Zurich Australia Insurance Group	4.5	5.0	4.0	13.5	15	-
18	Optus	5.5	4.0	4.0	13.5	15	15.5
20	Australian Postal Corporation	4.5	4.5	4.0	13.0	15.5	14.5
21	Lion Nathan	4.5	4.5	4.0	13.0	14	-
22	Holden Ltd	6.0	1.0	5.5	12.5	13	12
23	Ford Motor Company of Australia	6.0	1.0	5.5	12.5	13	13
24	Vodafone Pacific	4.0	4.0	4.5	12.5	-	-
25	Goodman Fielder Ltd	4.0	4.5	4.0	12.5	13.5	12.5
26	Coles Myer	4.5	4.0	4.0	12.5	15	15
27	Nestle Australia Ltd	5.5	3.0	4.0	12.5	14.5	11.5
28	Compaq Computer Australia	4.0	4.0	4.0	12.0	-	-
29	Western Power Corporation	5.0	3.0	4.0	12.0	12.5	-
30	AGL Ltd	4.0	3.0	4.5	11.5	14	-
31	AMP Ltd	4.0	3.5	4.0	11.5	10.5	9
32	Arcor Ltd	4.0	3.5	4.0	11.5	14	11.5
33	ING Australia	3.0	5.0	3.5	11.5	13.5	-
34	Crane Group	4.0	4.0	3.5	11.5	-	-
35	Itochu Australia Ltd	4.0	3.0	4.0	11.0	9.5	9.5
36	Energy Australia	4.0	3.0	4.0	11.0	12	13
37	Shell Australia Ltd	6.0	1.0	4.0	11.0	12	13
38	Insurance Australia Group	2.5	5.0	3.5	11.0	-	-

39	AXA Asia Pacific Holdings Ltd	2.5	5.0	3.5	<b>11.0</b>	-	-
40	ANZ Bank	3.0	4.5	3.5	<b>11.0</b>	11.5	9.5
41	Commonwealth Bank of Australia	3.0	4.5	3.5	<b>11.0</b>	10	11.5
42	Orica Ltd	5.5	2.0	3.5	<b>11.0</b>	13	11.5
43	Futuris Corporation	2.5	4.0	3.0	<b>11.0</b>	10.5	9.5
44	Woodside Petroleum	5.5	2.5	3.0	<b>11.0</b>	-	-
45	CSR Ltd	6.0	2.0	3.0	<b>11.0</b>	11.5	11.5
46	Daimler Chrysler	5.0	1.0	4.5	<b>10.5</b>	-	-
47	St George Bank Ltd	2.5	4.5	3.5	<b>10.5</b>	-	-
48	Sigma Company Ltd	3.0	4.0	3.5	<b>10.5</b>	10	-
49	National Australia Bank	3.0	4.5	3.0	<b>10.5</b>	12	11.5
50	BAT Australia	4.0	2.0	4.0	<b>10.0</b>	9	-
51	Foodland Association Ltd	3.0	4.0	3.0	<b>10.0</b>	14.5	12
52	George Weston Foods	3.0	4.0	3.0	<b>10.0</b>	10.5	
53	Hanson Australia	4.0	3.0	3.0	<b>10.0</b>	12	
54	Boral Ltd	5.0	2.5	2.5	<b>10.0</b>	8.5	8
55	Principle Financial Group	3.0	5.0	2.0	<b>10.0</b>		
56	James Hardie Industries	2.5	3.0	4.0	<b>9.5</b>	7	
57	Tattersalls Holdings Pty Ltd	1.5	4.5	3.5	<b>9.5</b>	10	
58	One Steel	4.0	3.0	2.5	<b>9.5</b>	-	-
59	Alcoa of Australia Limited	6.0	1.0	2.5	<b>9.5</b>	8.5	10
60	ConAgra Holdings	2.5	3.5	3.0	<b>9.0</b>	11	12
61	Woolworths	3.0	3.0	3.0	<b>9.0</b>	14	10.5
62	City Ford	3.0	3.0	3.0	<b>9.0</b>	9	
63	Lend Lease	3.5	2.5	3.0	<b>9.0</b>	11	13
64	Macquarie Bank	2.5	4.5	2.0	<b>9.0</b>	11.5	12.5
65	David Jones	3.0	4.0	2.0	<b>9.0</b>	13	
66	Mitsubishi Motors Australia Ltd	3.5	1.0	4.0	<b>8.5</b>	10	11
67	QBE Insurance Group Ltd	1.5	5.0	2.0	<b>8.5</b>	13.5	13
68	Publishing & Broadcasting	2.0	4.5	2.0	<b>8.5</b>	9	-
69	News Corporation	2.0	4.5	2.0	<b>8.5</b>	-	-
70	PaperlinX Ltd	5.0	1.5	2.0	<b>8.5</b>	7	
71	Rio Tinto Services Ltd	5.5	1.0	2.0	<b>8.5</b>	7.5	8.5
72	Downer EDI	3.0	4.0	1.5	<b>8.5</b>	-	-
73	Qantas Airways Ltd	2.0	3.0	3.0	<b>8.0</b>	8	9
74	Toll Holdings	3.0	3.0	2.0	<b>8.0</b>	-	-
75	BHP Billiton	5.0	1.0	2.0	<b>8.0</b>	8.5	7.5
76	Leighton Holdings Ltd	5.0	1.0	2.0	<b>8.0</b>	11.5	
77	Spotless Group	1.5	5.0	1.5	<b>8.0</b>	12.5	
78	Mitsui & Co. (Australia) Ltd	3.5	3.5	1.0	<b>8.0</b>	9	11.5
79	Metcash Trading	2.0	4.0	1.5	<b>7.5</b>	-	-
80	MIM Holdings Ltd	5.0	1.0	1.5	<b>7.5</b>	9.5	10
81	Newmont Australia	5.5	1.0	1.0	<b>7.5</b>	9	10.5
82	Carter Holt Harvey Ltd	3.0	1.5	2.5	<b>7.0</b>	11.5	10
83	Brambles Industries Ltd	2.0	3.0	2.0	<b>7.0</b>	10.5	12
84	Burns Philp	2.0	3.0	2.0	<b>7.0</b>	-	-

85	Santos	4.0	1.0	2.0	<b>7.0</b>	-	-
86	Pacific Dunlop	1.5	4.0	1.5	<b>7.0</b>	-	-
87	Royal & Sun Alliance Ins Aust Ltd	1.0	5.0	1.0	<b>7.0</b>	-	-
88	Medibank Private	1.0	5.0	1.0	<b>7.0</b>	-	-
89	TABCORP Holdings Ltd	1.0	4.5	1.0	<b>6.5</b>	9	-
90	Suncorp - Metway Ltd	1.0	4.5	1.0	<b>6.5</b>	-	-
91	Bank West	1.0	4.5	1.0	<b>6.5</b>	-	-
92	Wesfarmers Ltd	4.5	1.0	1.0	<b>6.5</b>	8	9
93	Telecom Corporation of NZ Ltd	1.0	4.0	1.0	<b>6.0</b>	8.5	12
94	Flight Centre Ltd	1.0	4.0	1.0	<b>6.0</b>	9	-
95	Concorde International Travel	1.0	4.0	1.0	<b>6.0</b>	-	-
96	API	1.0	4.0	1.0	<b>6.0</b>	-	-
97	Australian Wheat Board	1.0	3.5	1.0	<b>5.5</b>	-	-
98	Mayne Nickless Ltd	1.0	3.0	1.0	<b>5.0</b>	7	-
99	Caltex Australia Ltd	3.0	1.0	1.0	<b>5.0</b>	9.5	9.5
100	Exxon-Mobil	3.0	1.0	1.0	<b>5.0</b>	5.5	9.5

**Attachment 3 -The Environmental Performance of Australia “Top 100 companies” by Sector.**

<b>Telecommunications/Media/ Info tech</b>					
Rank	Company	CRI-1	CRI-2	CRI-3	Total
2	IBM Australia Ltd	6.5	4.5	5.5	<b>16.5</b>
8	Hewlett-Packard Australia	5.5	3.5	5.5	<b>14.5</b>
12	Telstra Corporation Ltd	6.0	4.0	4.5	<b>14.5</b>
18	Optus	5.5	4.0	4.0	<b>13.5</b>
24	Vodafone Pacific	4.0	4.0	4.5	<b>12.5</b>
28	Compaq Computer Australia	4.0	4.0	4.0	<b>12.0</b>
68	Publishing & Broadcasting	2.0	4.5	2.0	<b>8.5</b>
69	News Corporation	2.0	4.5	2.0	<b>8.5</b>
93	Telecom Corporation of NZ Ltd	1.0	4.0	1.0	<b>6.0</b>
<b>Water</b>					
Rank	Company	CRI-1	CRI-2	CRI-3	Total
11	Sydney Water	6.0	4.0	4.5	<b>14.5</b>
<b>Transport/ Logistics</b>					
Rank	Company	CRI-1	CRI-2	CRI-3	Total
3	Queensland Rail	6.0	5.5	5.0	<b>16.5</b>
6	State Rail Authority NSW	5.5	5.5	4.0	<b>15.0</b>
20	Australian Postal Corporation National	4.5	4.5	4.0	<b>13.0</b>
73	Qantas Airways Ltd	2.0	3.0	3.0	<b>8.0</b>
74	Toll Holdings	3.0	3.0	2.0	<b>8.0</b>
<b>Manufacturing food and consumer products</b>					
Rank	Company	CRI-1	CRI-2	CRI-3	Total
4	Southcorp Ltd	5.5	4.0	6.5	<b>16.0</b>
9	Foster's Brewing Group Ltd	5.5	4.5	4.5	<b>14.5</b>
10	Coca-Cola Amatil Ltd (Australia)	5.5	4.5	4.5	<b>14.5</b>
21	Lion Nathan	4.5	4.5	4.0	<b>13.0</b>
25	Goodman Fielder Ltd	4.0	4.5	4.0	<b>12.5</b>
27	Nestle Australia Ltd	5.5	3.0	4.0	<b>12.5</b>
50	BAT Australia	4.0	2.0	4.0	<b>10.0</b>
52	George Weston Foods	3.0	4.0	3.0	<b>10.0</b>
56	James Hardie Industries	2.5	3.0	4.0	<b>9.5</b>
84	Burns Philp	2.0	3.0	2.0	<b>7.0</b>

<b>Automotive</b>					
Rank	Company	CRI-1	CRI-2	CRI-3	Total
13	Toyota Motor Corp Aust Ltd	6.5	1.5	6.0	14.0
22	Holden Ltd	6.0	1.0	5.5	12.5
23	Ford Motor Company of Australia	6.0	1.0	5.5	12.5
46	Daimler Chrysler	5.0	1.0	4.5	10.5
66	Mitsubishi Motors Australia Ltd	3.5	1.0	4.0	8.5
Rank	Company	CRI-1	CRI-2	CRI-3	Total
15	Smorgon Steel	4.5	4.0	5.0	13.5
58	One Steel	4.0	3.0	2.5	9.5
<b>Building/ Forest products</b>					
Rank	Company	CRI-1	CRI-2	CRI-3	Total
1	Visy Industries Pty Ltd	7.0	7.5	7.5	22.0
32	Amcor Ltd	4.0	3.5	4.0	11.5
34	Crane Group	4.0	4.0	3.5	11.5
45	CSR Ltd	6.0	2.0	3.0	11.0
53	Hanson Australia	4.0	3.0	3.0	10.0
54	Boral Ltd	5.0	2.5	2.5	10.0
70	PaperlinX Ltd	5.0	1.5	2.0	8.5
82	Carter Holt Harvey Ltd	3.0	1.5	2.5	7.0
<b>Energy</b>					
Rank	Company	CRI-1	CRI-2	CRI-3	Total
7	Origin Energy	5.0	3.5	6.0	14.5
14	BP Australia Ltd	6.5	1.5	5.5	13.5
19	Energex Ltd	6.0	2.5	5.0	13.5
29	Western Power Corporation	5.0	3.0	4.0	12.0
30	AGL Ltd	4.0	3.0	4.5	11.5
36	Energy Australia	4.0	3.0	4.0	11.0
37	Shell Australia Ltd	6.0	1.0	4.0	11.0
44	Woodside Petroleum	5.5	2.5	3.0	11.0
99	Caltex Australia Ltd	3.0	1.0	1.0	5.0
100	Exxon-Mobil	3.0	1.0	1.0	5.0
<b>Financial Services</b>					
Rank	Company	CRI-1	CRI-2	CRI-3	Total
5	Westpac Banking Corporation	5.5	4.5	5.0	15.0
16	CGU Insurance	4.0	5.0	4.5	13.5
17	Zurich Australia Insurance Group	4.5	5.0	4.0	13.5

31	AMP Ltd	4.0	3.5	4.0	11.5
33	ING Australia	3.0	5.0	3.5	11.5
38	Insurance Australia Group	2.5	5.0	3.5	11.0
39	AXA Asia Pacific Holdings Ltd	2.5	5.0	3.5	11.0
40	ANZ Bank	3.0	4.5	3.5	11.0
41	Commonwealth Bank of Australia	3.0	4.5	3.5	11.0
47	St George Bank Ltd	2.5	4.5	3.5	10.5
49	National Australia Bank	3.0	4.5	3.0	10.5
55	Principle Financial Group (BT Funds Management)	3.0	5.0	2.0	10.0
64	Macquarie Bank	2.5	4.5	2.0	9.0
67	QBE Insurance Group Ltd	1.5	5.0	2.0	8.5
87	Royal & Sun Alliance Ins Aust Ltd	1.0	5.0	1.0	7.0
88	Medibank Private	1.0	5.0	1.0	7.0
90	Suncorp - Metway Ltd	1.0	4.5	1.0	6.5
91	Bank West	1.0	4.5	1.0	6.5

#### Trading/diversified

Rank	Company	CRI-1	CRI-2	CRI-3	Total
35	Itochu Australia Ltd	4.0	3.0	4.0	11.0
42	Orica Ltd	5.5	2.0	3.5	11.0
43	Futuris Corporation	2.5	4.0	3.0	11.0
77	Spotless Group	1.5	5.0	1.5	8.0
78	Mitsui & Co. (Australia) Ltd	3.5	3.5	1.0	8.0
83	Brambles Industries Ltd	2.0	3.0	2.0	7.0
86	Pacific Dunlop	1.5	4.0	1.5	7.0
92	Wesfarmers Ltd	4.5	1.0	1.0	6.5

#### Retail/Wholesale

Rank	Company	CRI-1	CRI-2	CRI-3	Total
26	Coles Myer	4.5	4.0	4.0	12.5
51	Foodland Association Ltd	3.0	4.0	3.0	10.0
61	Woolworths	3.0	3.0	3.0	9.0
62	City Ford	3.0	3.0	3.0	9.0
65	David Jones	3.0	4.0	2.0	9.0
79	Metcash Trading Limited Australasia	2.0	4.0	1.5	7.5
94	Flight Centre Ltd	1.0	4.0	1.0	6.0
95	Concorde International Travel	1.0	4.0	1.0	6.0

<b>Property development/ Engineering development</b>					
Rank	Company	CRI-1	CRI-2	CRI-3	Total
63	Lend Lease	3.5	2.5	3.0	<b>9.0</b>
72	Downer EDI	3.0	4.0	1.5	<b>8.5</b>
76	Leighton Holdings Ltd	5.0	1.0	2.0	<b>8.0</b>
<b>Leisure/Gaming</b>					
Rank	Company	CRI-1	CRI-2	CRI-3	Total
57	Tattersalls Holdings Pty Ltd	1.5	4.5	3.5	<b>9.5</b>
89	TABCORP Holdings Ltd	1.0	4.5	1.0	<b>6.5</b>
<b>Resources</b>					
Rank	Company	CRI-1	CRI-2	CRI-3	Total
59	Alcoa of Australia Limited	6.0	1.0	2.5	<b>9.5</b>
71	Rio Tinto Services Ltd	5.5	1.0	2.0	<b>8.5</b>
75	BHP Billiton	5.0	1.0	2.0	<b>8.0</b>
80	MIM Holdings Ltd	5.0	1.0	1.5	<b>7.5</b>
81	Newmont Australia	5.5	1.0	1.0	<b>7.5</b>
85	Santos	4.0	1.0	2.0	<b>7.0</b>
<b>Agriculture</b>					
Rank	Company	CRI-1	CRI-2	CRI-3	Total
60	ConAgra Holdings (Australia) Pty Ltd	2.5	3.5	3.0	<b>9.0</b>
97	Australian Wheat Board	1.0	3.5	1.0	<b>5.5</b>
<b>Health care</b>					
Rank	Company	CRI-1	CRI-2	CRI-3	Total
48	Sigma Company Ltd	3.0	4.0	3.5	<b>10.5</b>
96	API	1.0	4.0	1.0	<b>6.0</b>
98	Mayne Nickless Ltd	1.0	3.0	1.0	<b>5.0</b>

## Attachment 4

### Average Score for Each Sector

Sector	Average score
Telecommunications/Media/info Tech	16.5
Water	14.5
Transport/Logistics	12.1
Manufacturing food and Consumer products	12.0
Automotive	11.6
metals	11.5
Building/Forest Products	11.4
Energy	10.8
Financial Services	10.3
Trading/diversified	8.7
Retail/Wholesale	8.6
Property development/ Engineering development	8.5
Leisure/Gaming	8.0
Resources	8.0
Agriculture	7.3
Health care	7.2