



Corporate Responsibility Index Feedback Report 2008

City West Water

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

City West Water Confidential Feedback Report 2008

St James Ethics Centre proudly supported by PricewaterhouseCoopers, is pleased to provide you with a copy of your confidential feedback report for the Corporate Responsibility Index (CR Index) 2008. 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 125 participated in the Index through Business in the Community (UK) and St James Ethics Centre (Australia/New Zealand). Of these 38 companies participated in the Australian/New Zealand Index, including six global participants, eight private participants and three module participants.

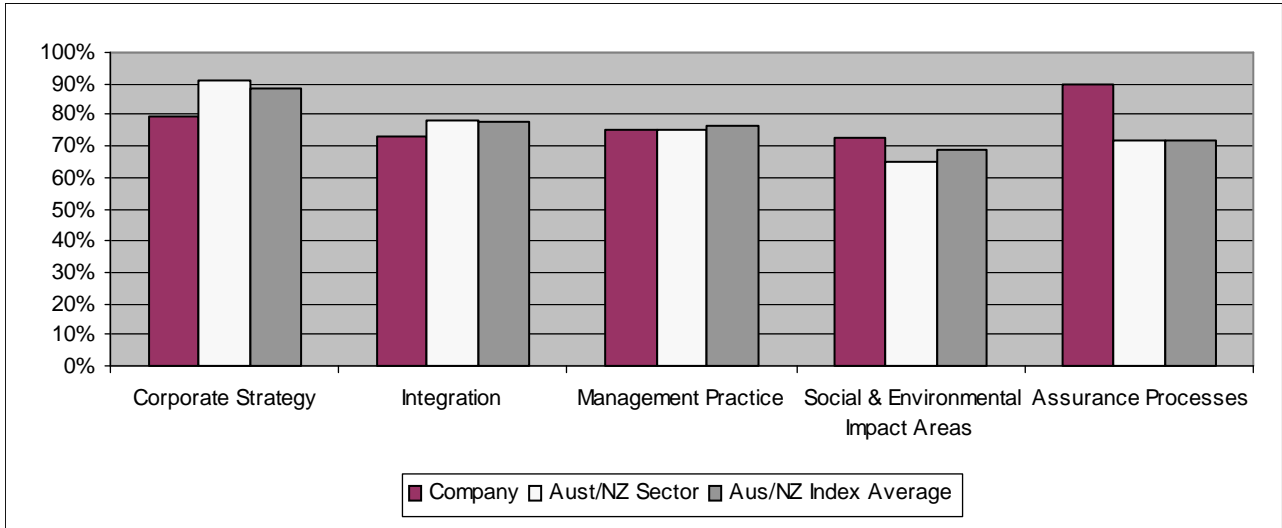
The CR Index Model - The Index assesses the extent to which **corporate strategy** is **integrated** into responsible business practice throughout an organisation. It provides a benchmark for companies to evaluate their **management** practice in four key areas of corporate responsibility (community,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



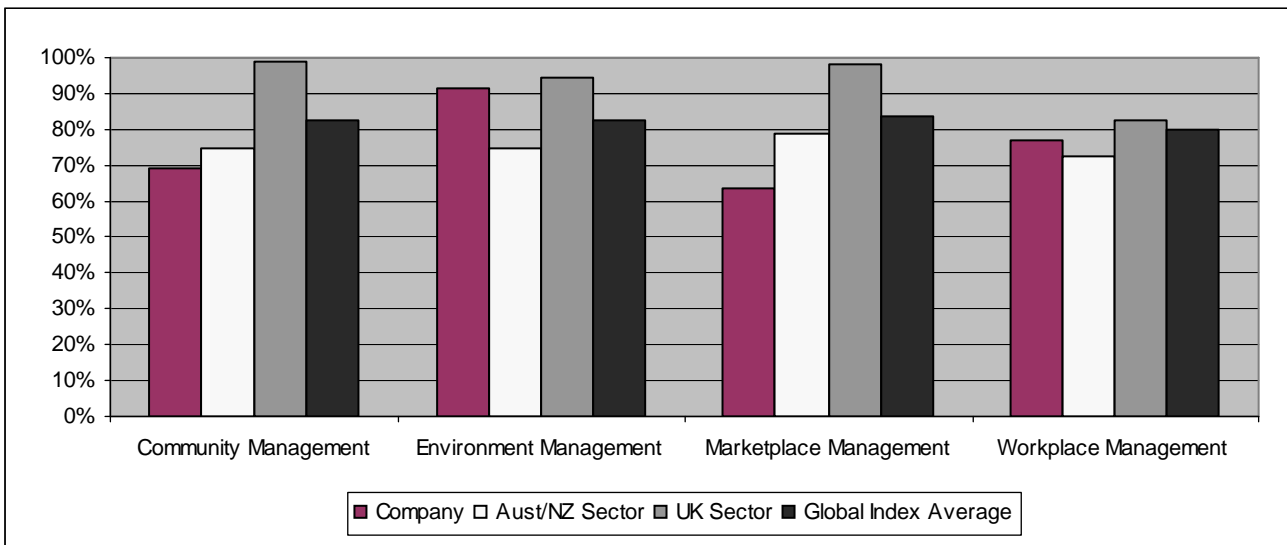
Company Name:	City West Water
Australia / New Zealand Sector:	Utilities & Energy
Companies within this sector:	Caltex Australia Limited Country Energy Energy Australia Ergon Energy Two Private Participants
UK Global Sector:	Gas, Water & Multi-Utilities
Companies within this sector:	Anglian Water Serpen Trent Thames Water
Company Results 2008:	Index Score - 75.28% Index Band - Bronze
Outstanding Performance: (Score >95%)	Employee Development

Overall Summary

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.

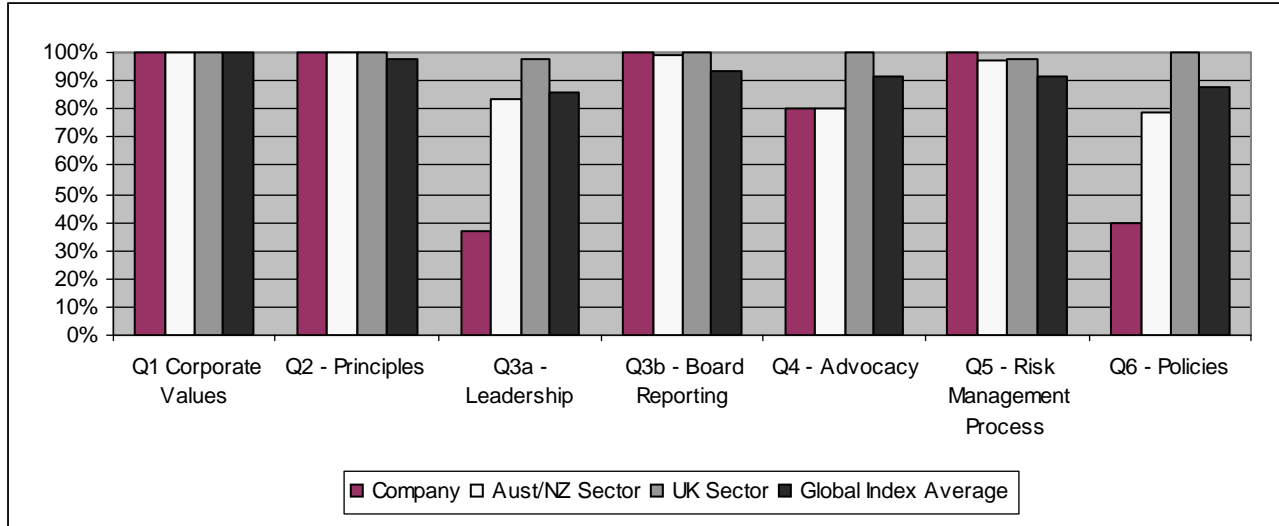


Management Sections - Summary



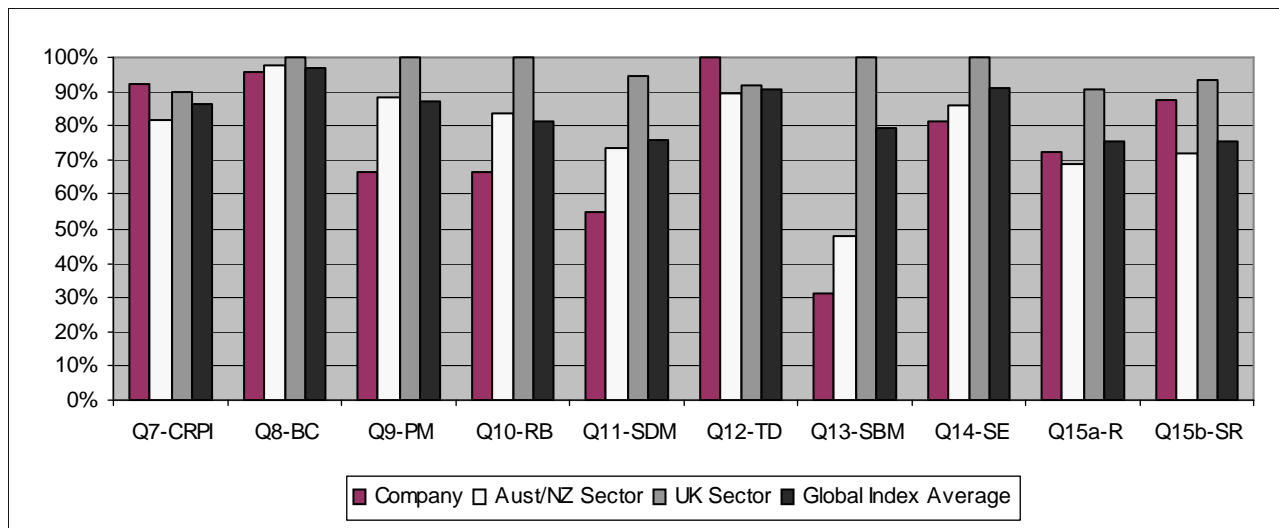
Section 1 – Corporate Strategy

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, **SBM** – 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 corporate responsibility issues key to the business in the four areas of Community, Environment, Marketplace and Workplace.

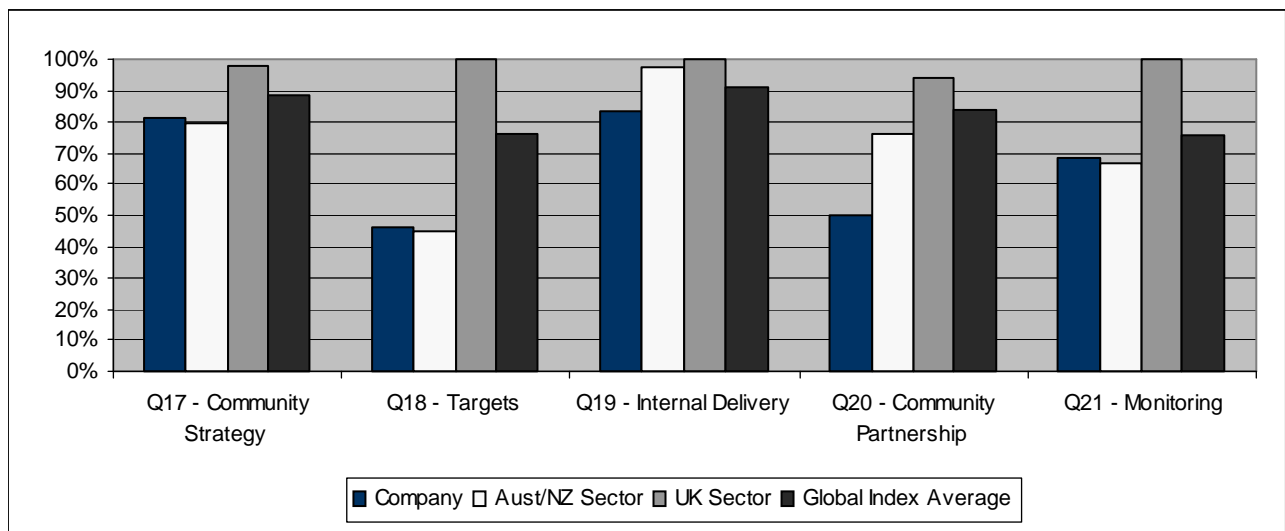
Leading companies are able to demonstrate:

- 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 3 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.

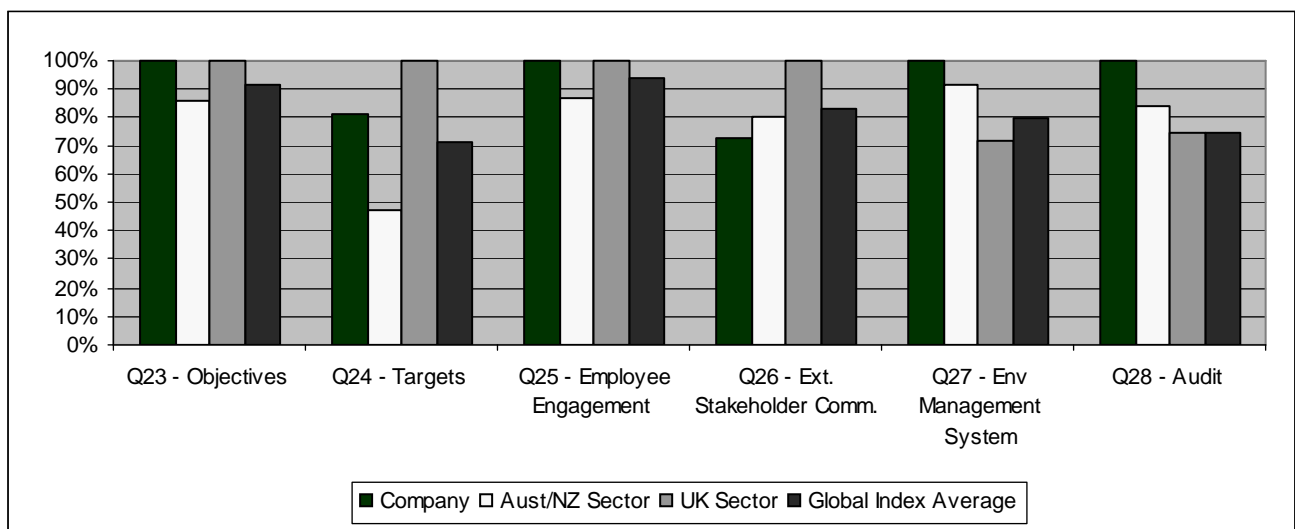
Community Management Practice

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.



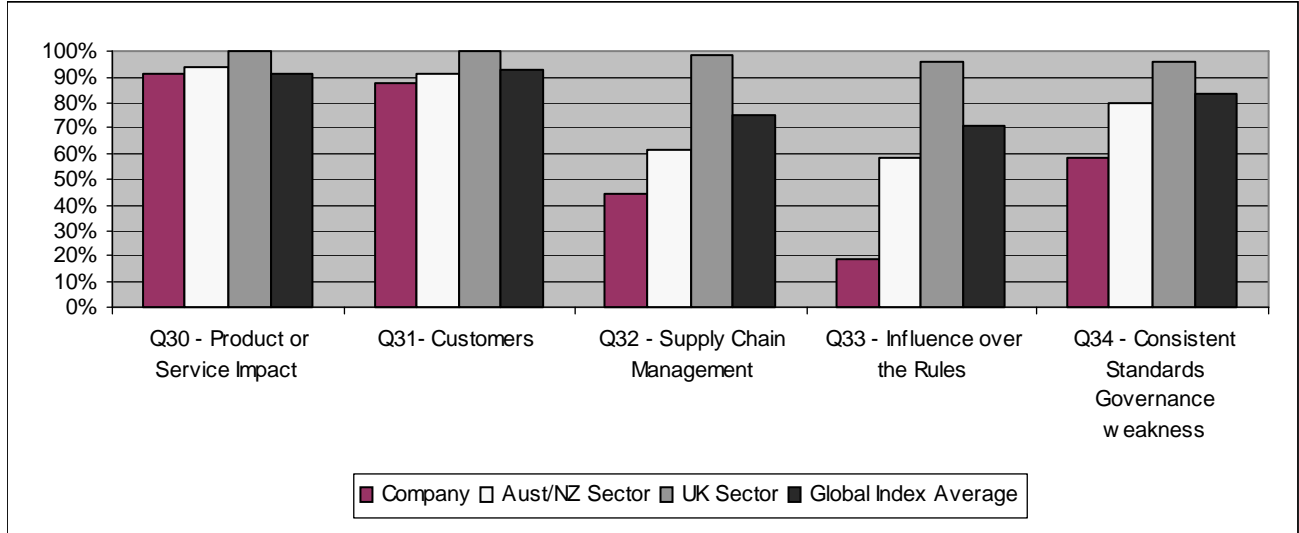
Environment Management Practice

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



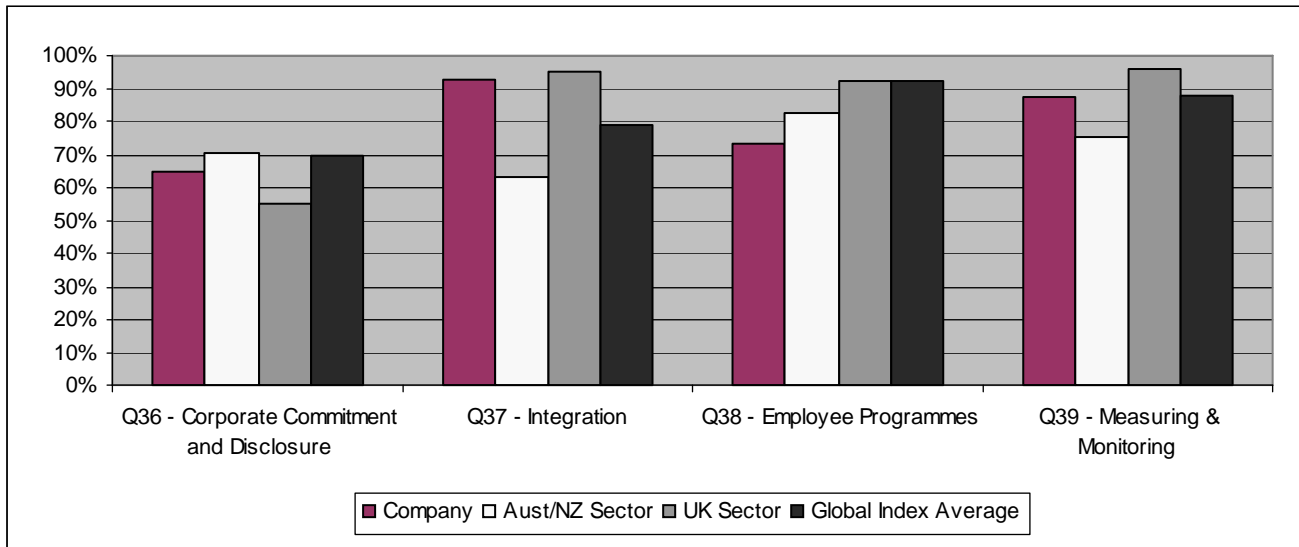
Marketplace Management Practice

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.



Workplace Management Practice

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

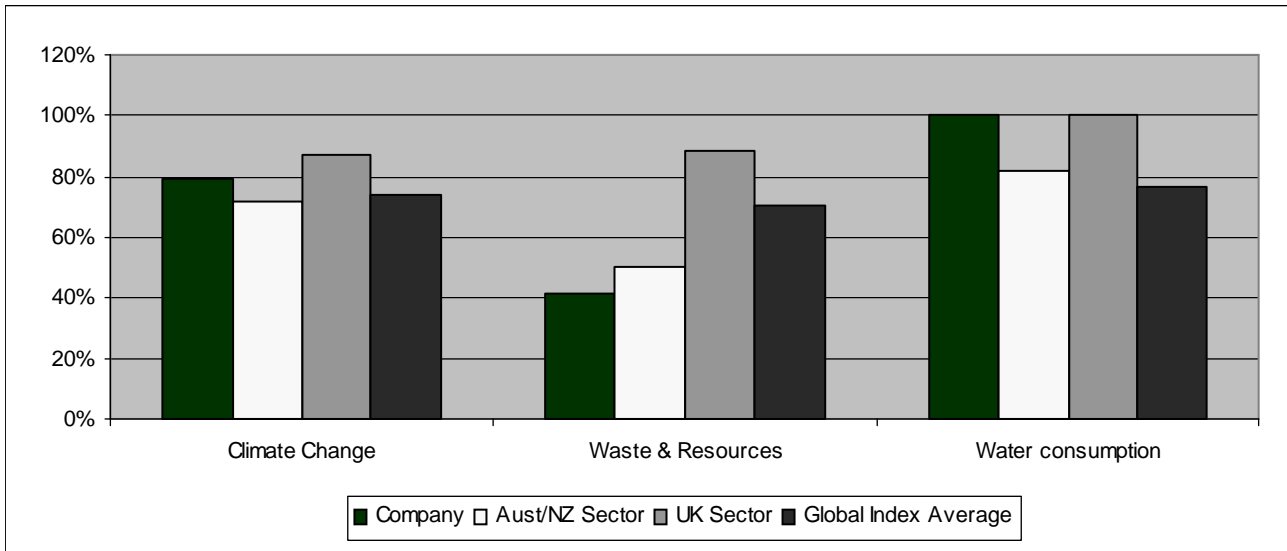


Section 4 – Performance & Impact

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.

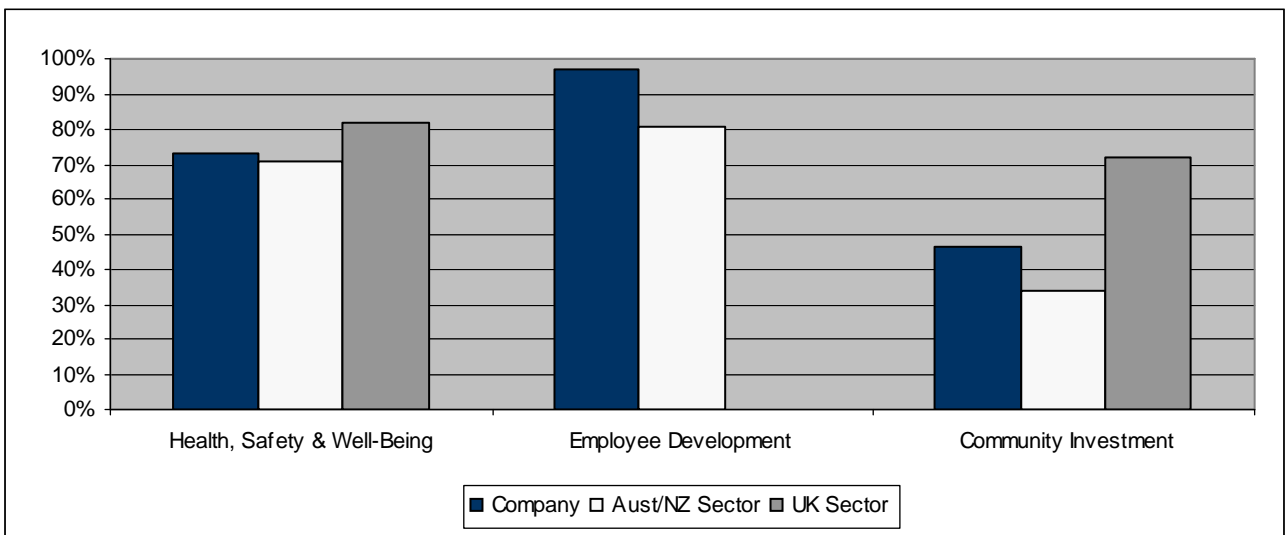
Environmental – Performance & Impact

Together with Climate Change and Waste and Resource Management you have chosen to report on Water consumption as your third environmental impact area.



Social – Performance & Impact

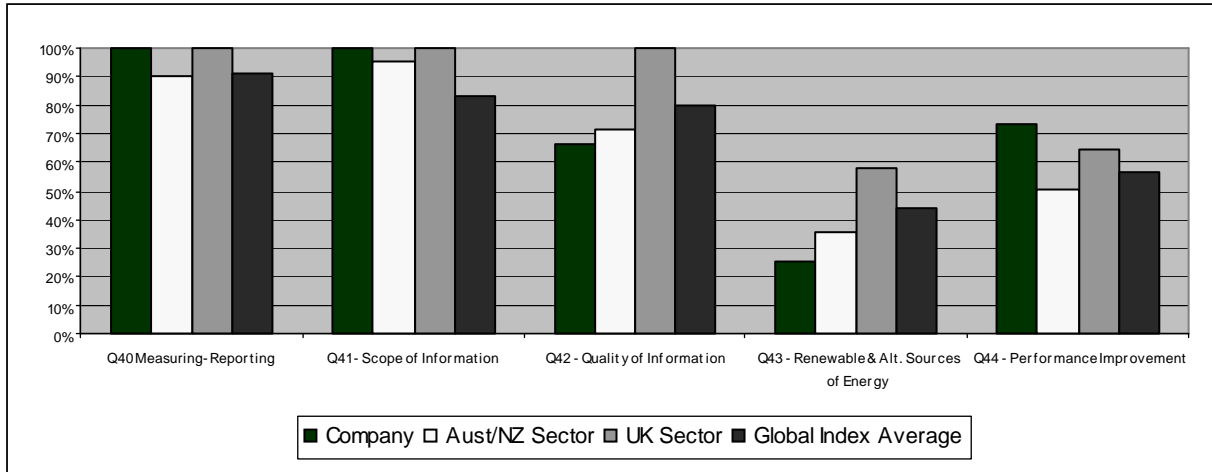
For their social impact areas companies are able to choose between Health, Safety & Wellbeing, Employee Development, Equality Diversity and Inclusion in the Workplace, Community Investment or another self-selected impact area.



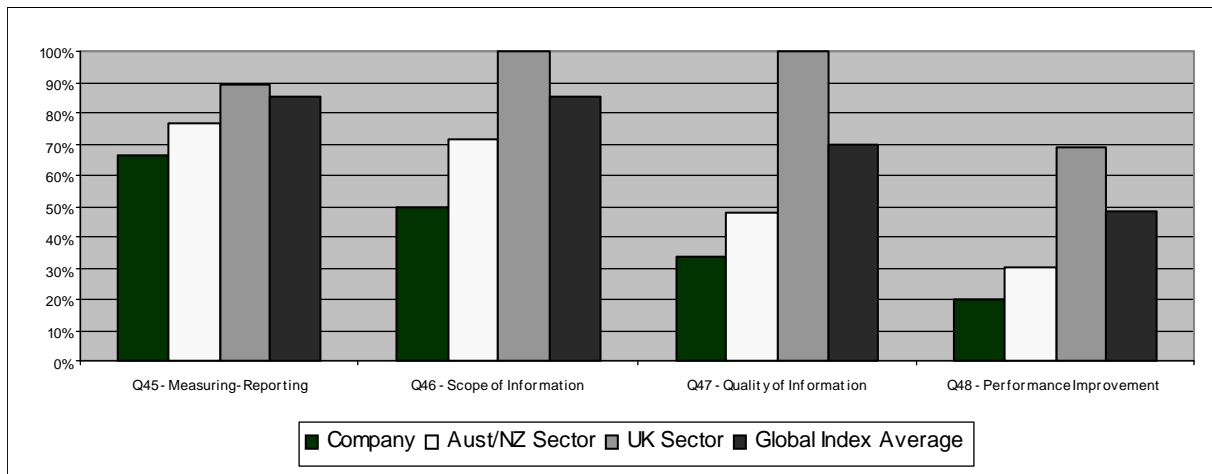
Environmental - Performance & Impact Areas

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

Climate Change



Waste & Resource Management



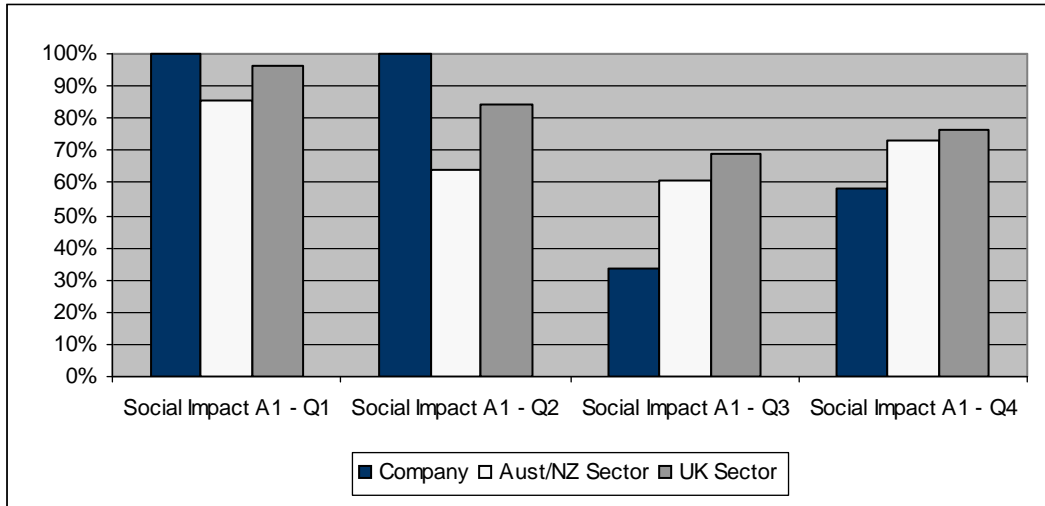
Water consumption



Social - Performance & Impact Areas

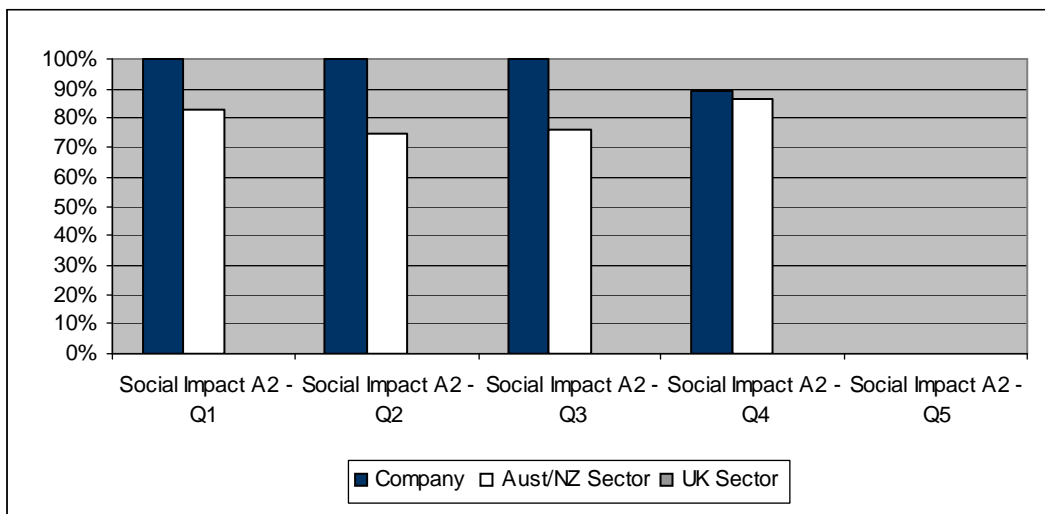
Selected Social Performance and Impact Areas: Health, Safety & Well-Being, Employee Development, Community Investment.

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.



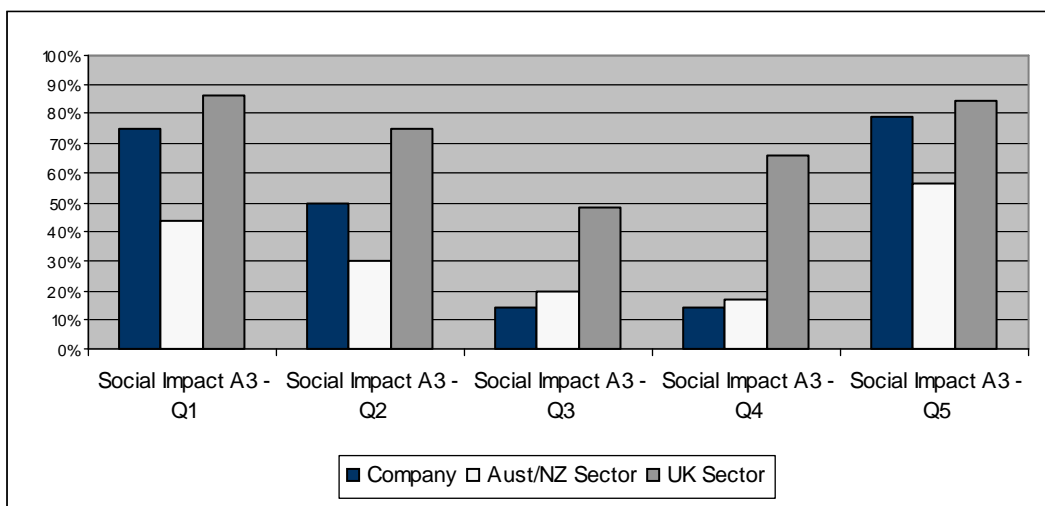
**Health Safety & Well-being
Question References:**

- Q1. Management Systems
- Q2. Absence Management
- Q3. Employee Programs
- Q4. Measurement & Reporting



**Employee Development
Question References:**

- Q1. Corporate Commitment
- Q2. Measurement & Reporting
- Q3. Performance Improvement
- Q4. Employee Programs
- Q5. *Chart reference only*



**Community Investment
Question References:**

- Q1. Measurement of Inputs
- Q2. Measurement of Outputs
- Q3. Business Benefits
- Q4. Community Benefits
- Q5. Reporting

Notable Points and Opportunities for Improvement

The following high-level observations have been made by PricewaterhouseCoopers as a result of completing its validation procedures in relation to City West Water's 2008 Corporate Responsibility Index (CRI) submission:

Notable points

City West Water has demonstrated through its response to the CRI that it has:

- A comprehensive CR risk identification and review process.
- Very thorough filing of agendas, minutes and board papers and a well structured reporting database. Organisation of documentation was very effective and the process for collating and following up decisions was very efficient.
- A platform for training material, procedures, policies, forms etc. which is comprehensive and easy to navigate.

Opportunities for Improvement:

Based on its CRI response and compared to the requirements of the CRI, City West Water could improve both its CRI response and its overall CR performance by:

- Further developing its CR activities in relation to community and marketplace, in particular sustainable supply chain management. (Q3)
- Restructuring appraisal and performance review forms such that each CR issue is clearly addressed, e.g. consider including specific sections within the performance review forms for each of community, environment, marketplace and workplace. (Q9)
- Establishing a review of City West Water's community program to be monitored by the independent audit committee. (Q21)
- Implementing an annual review and update of City West Water's environmental management objectives to ensure they meet the definition of "regular" as per CRI Guidance Notes. (Q23)
- Reporting renewable energy targets in the public domain to increase the transparency of the objectives and performance against the stated targets. (Q43)
- Recording data consistently year on year to enable demonstration of continuous improvement and ensuring that the sustainability report assurance clearly identifies the KPIs and data points that have been assured. (Q48, Q64)
- Assessing the return on investment of health, safety and wellbeing programs, e.g. correlation of absence, sick leave, LTIs etc. with programs undertaken. (Q61)

Corporate Responsibility Index – Key Changes to 2008

Business in the Community has introduced a number of changes to the CR Index in keeping with its commitment to continuous improvement, ensuring that participating companies continue to aspire to best practice and that the CR 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 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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