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Integrity



Triple Bottom Line Reporting

A Review of Recent Practice

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URS New Zealand

The New Realities



This branch
is closing

We are sorry to announce that
branch will be closing with eff
Feb/April 2010

Children in
Visa offers
at least five other
er 10 h

Banks pay price
for offering
children cred



How war could escalate
China feels encircled
The state of Afghanistan

Westpac
offers girl
Visa card

A SIX-YEAR-OLD girl
and at least four other
children under 10 had
been offered credit
cards with a \$3000 limit,
the NSW Fair Trading
department

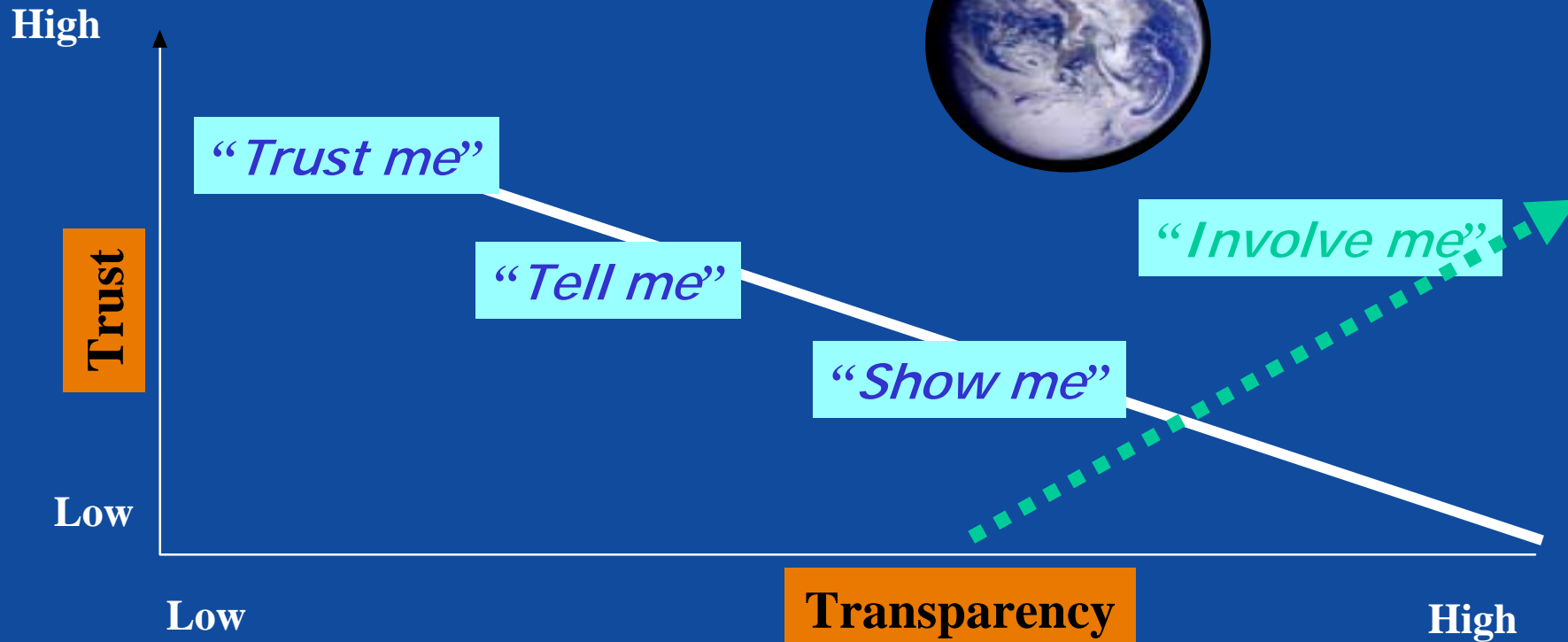
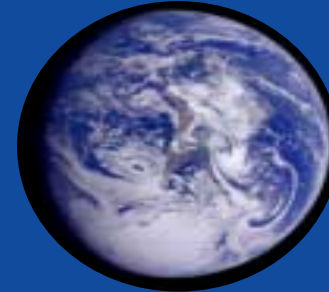


Credit offer
to boy, 10

ONE of Australia's
major banks

THE WICKEDNESS OF
WALL ST

The emerging 'show me' world



Triple Bottom Line or Sustainability Reporting

- Reporting on economic, social, environmental performance



- Increased transparency
- Input from stakeholders



- Focuses on all dimensions of performance
- Balancing Short and Long Term priorities



- Better decision making
- Optimising Performance



The future: rethinking value

Market value

Intangibles

Book Value

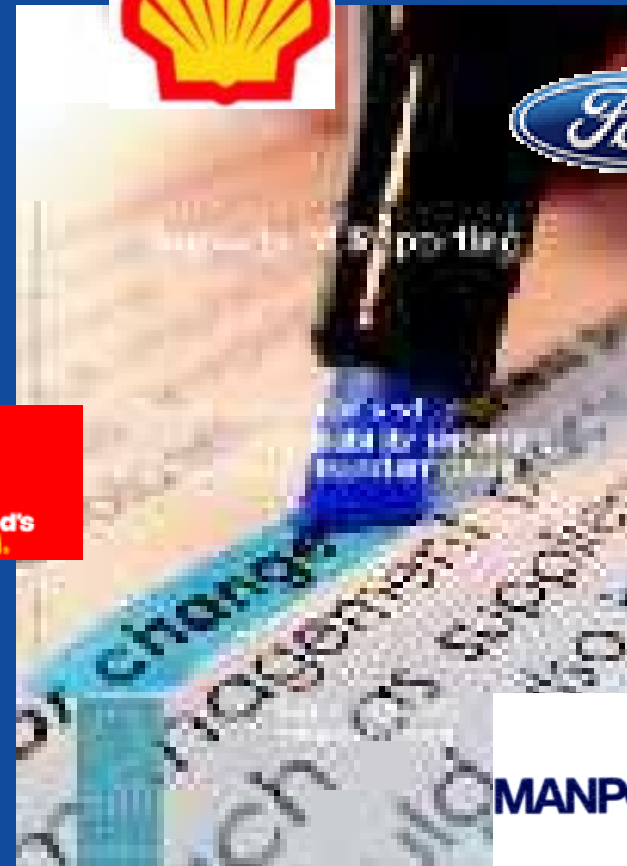
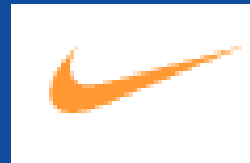
Total value

Dow Jones Sustainability Group Indexes

Performance
December 31, 1993 - June 30, 2001



CSR Europe & AccountAbility Study 2002



General Areas of Benefit:

- Employee and customer loyalty
- Risk and corporate governance in the post-Enron climate
- Increasing expression of interest by investors in SRI
- Profitability and intangible assets like brand and intellectual capital
- Strengthening relationships with communities - providers of employees and customers and guardians of the natural environment

What Gets Reported

- Well-established issues:
 - » Human resources
 - » Environmental protection and enhancement
 - » Community affairs

-low hanging fruit



What Gets Reported...Challenges

- More challenging issues:
 - » Labour issues
 - » SRI
 - » Supply chain management in developing countries
 - » Responsible marketing
 - » Diversity
 - » Ethical risk management
 - » Governance

- Social aspects of reporting – interest to stakeholders

Economic vs Financial

“Typically the economic dimension is blurred with financial data and while gaining an appreciation of a company’s financial position is important, there are far wider economic impacts resulting from a company’s products or operations that need to be addressed.”

Nick Robinson, Sustainability plc, 2002

Fickle Fate of Fashion

- Initial novelty of first report
- Must be driven by other factors
- Maintain external visibility:
 - » New issues
 - » Use a variety of pathways
- But internal visibility opposite effect



Global Reporters 2002

■ Trends:

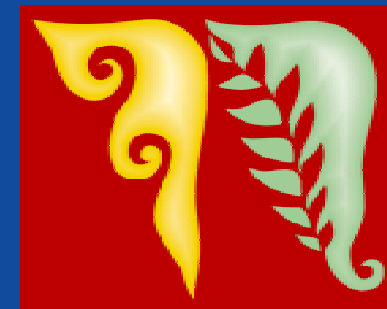
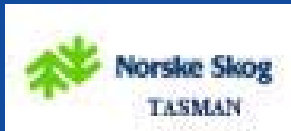
- Growth in number of reporters
- Shift from environmental to wider TBL
- Huge leap in volume of information



■ Challenges:

- Failure to integrate with brand and corporate identity
- Disinterest from financial institutions
- 'Carpet bombing' – lack of relevancy, meaning & materiality

New Zealand Case Studies



Has made us focus on issues that had a major impact on the business.

New Zealand

We now have a broader focus – TBLR has encouraged us to do things differently

- It has started both a learning curve and a commitment curve.

- Living the values of the organisation in a more explicit way

We have used our measures to raise questions of sustainability with our suppliers.

We have had different conversations – both inside and outside the organisation. With clients and suppliers.

- A fundamental redesign of our business focus. TBL / Sustainability has given us a new language.

“ New Zealand and Australian reports that I have read in the past year do not seem to be addressing some of the core material issues.

While a retailer may address the environmental aspects of packaging, what about the issue of sustainable consumption?

Should an oil company divorce itself from the impacts of its products?”

Emerging Best Practice

- Considering issues that matter most in your company and in your sector.
- Raising the most important rather than the easiest issues. Starting a dialogue on your dilemmas.
- Including external voices. Putting increased focus on relationships beyond company boundaries.
- Commitment to future targets and monitoring.
- Evidence of management systems – a sustained approach.
- Sustainability shows up beyond the TBL report.
- Redesigning the way you do business.





Thank You – Kia Ora

 the things we value



URS Report on Environment, Environment and Social Performance