

2007 CRI Foster's 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	Foster's Group Limited	
Company Score 2007	Score	Band
	90%	Gold
Community Management	95%	
Environment Management	91%	
Workplace Management	94%	
Marketplace Management	96%	
Outstanding performance (ie score >95%)	Community Management, Marketplace Management,	
Commitment to disclose (as indicated in submission)	100%	

Australian Sector
Food & Beverage

Participants in your Australian Sector
*Cadbury Schweppes, Diageo Australia Limited, and one private participant

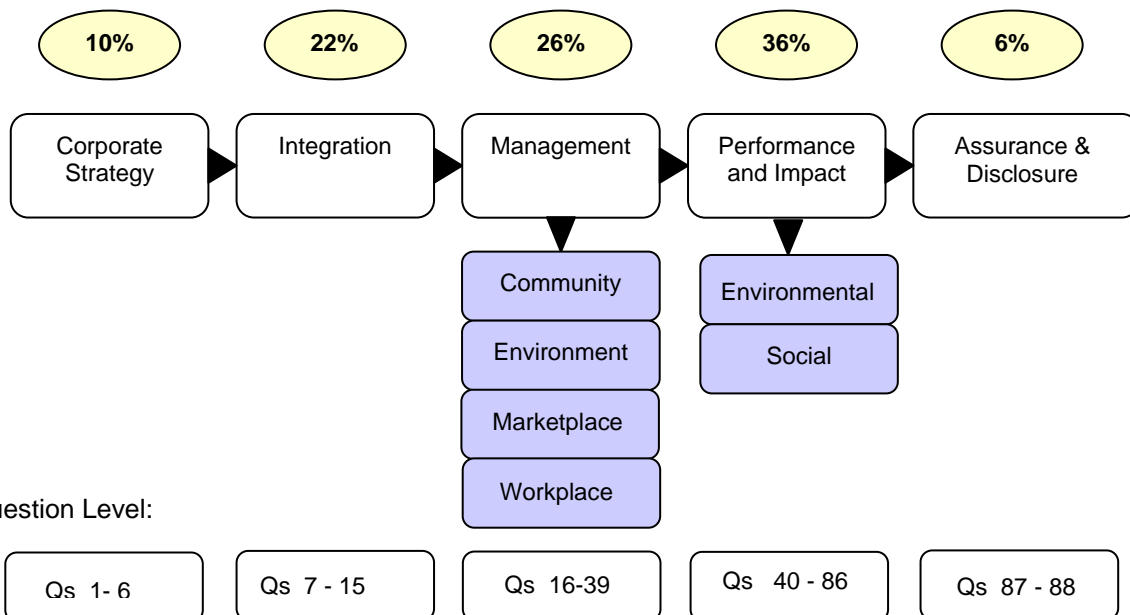
* indicates global business reporting through the UK

UK Sector
Food, Drugs & Beverages

Participants in your UK Benchmark
Cadbury Schweppes, Diageo, J Sainsbury, Northern Foods, Scottish & Newcastle, Tesco, Unilever

The Index Model

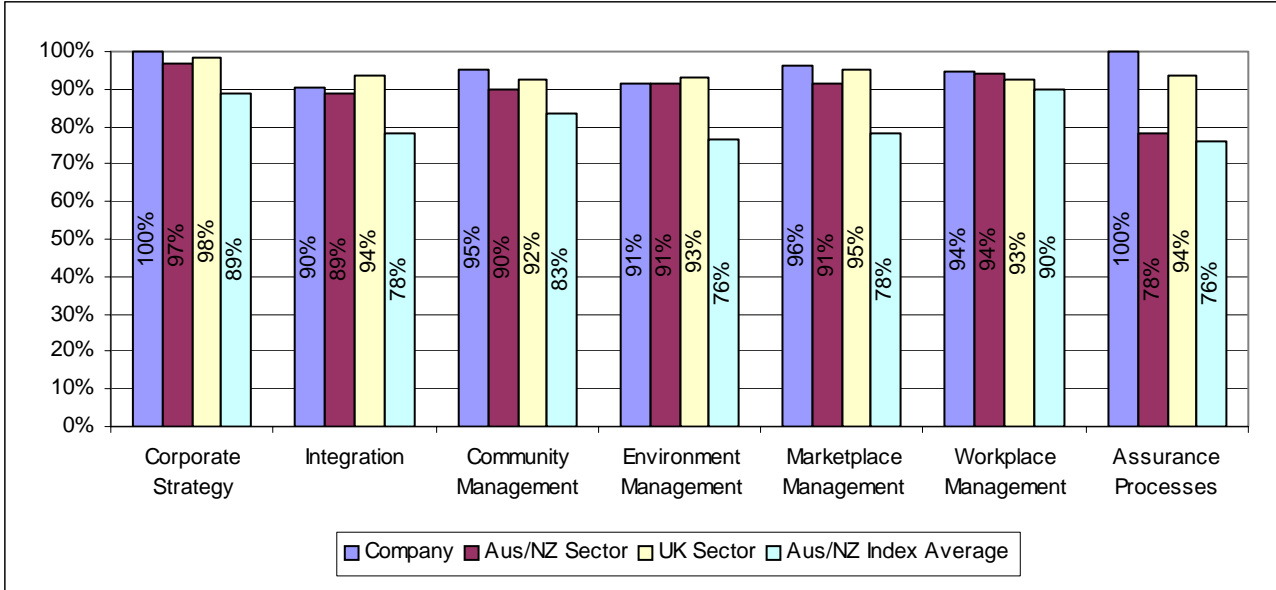
The Index assesses the extent to which **corporate strategy** is **integrated** into responsible business practice throughout an organisation. It provides a benchmark for companies to evaluate their **management** practice in four key areas of corporate responsibility (community, environment, marketplace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



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%.

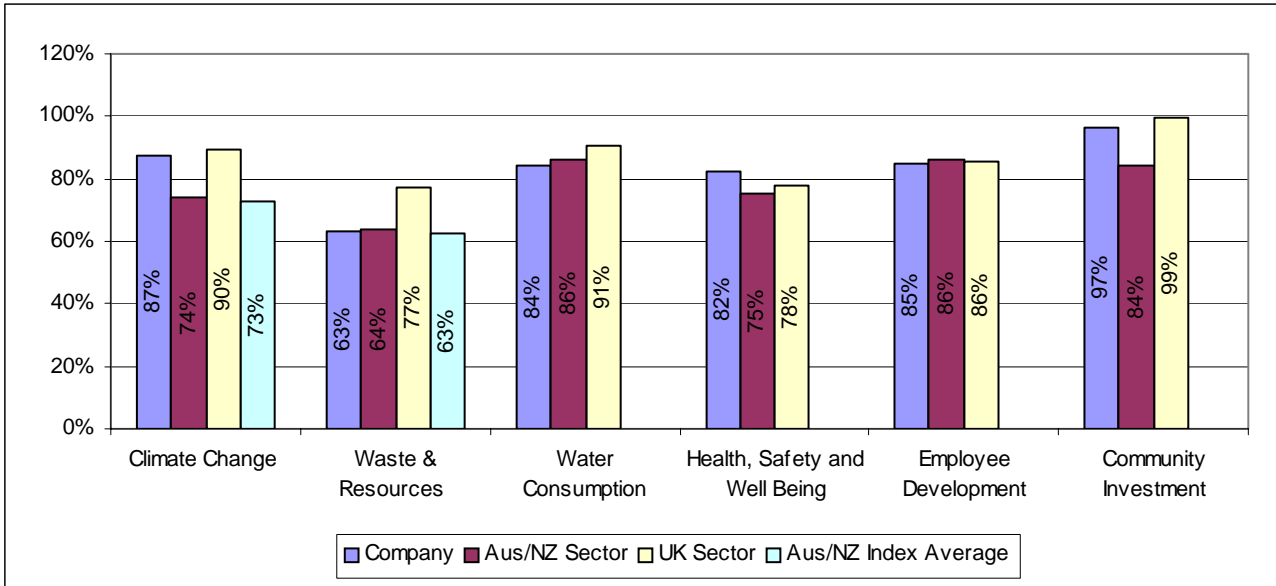


Environmental and Social Impact Areas

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: Water Consumption, Health, Safety and Well Being, Employee Development, and Community Investment.

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

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

- Top-level commitment to Corporate Responsibility (CR) evident through high levels of organisation, management and integration of CR in all aspects of the business. Foster's has continued to embed CR throughout its organisation, for example, by encouraging employees to choose a superfund that has ethical investment options.
- Increased public reporting on its CR issues. Foster's has reported its CR information publicly in its sustainability report which is posted on Foster's website. In its sustainability report Foster's has disclosed its position on CR issues, performance data for community, environment and workplace, as well as, its progress against environmental and workplace (health, safety and well-being) targets. In addition, this year Foster's has also publicly reported its waste generated/disposed and wastes re-used/recycled KPIs.
- An employee program in place to promote the health and well-being of its employees. Foster's has an internal Health, Safety and Environment (HS&E) management system and an HS&E portal on the intranet where employees are notified of current health programs such as 'health fares', 'skin checks' and 'audible checks'. As part of Foster's HS&E management system it conducts HS&E audits to measure its performance in key health, safety and well-being areas. HS&E audits are conducted annually at each supply site and audit results, and the annual targets, are posted on the HS&E portal.

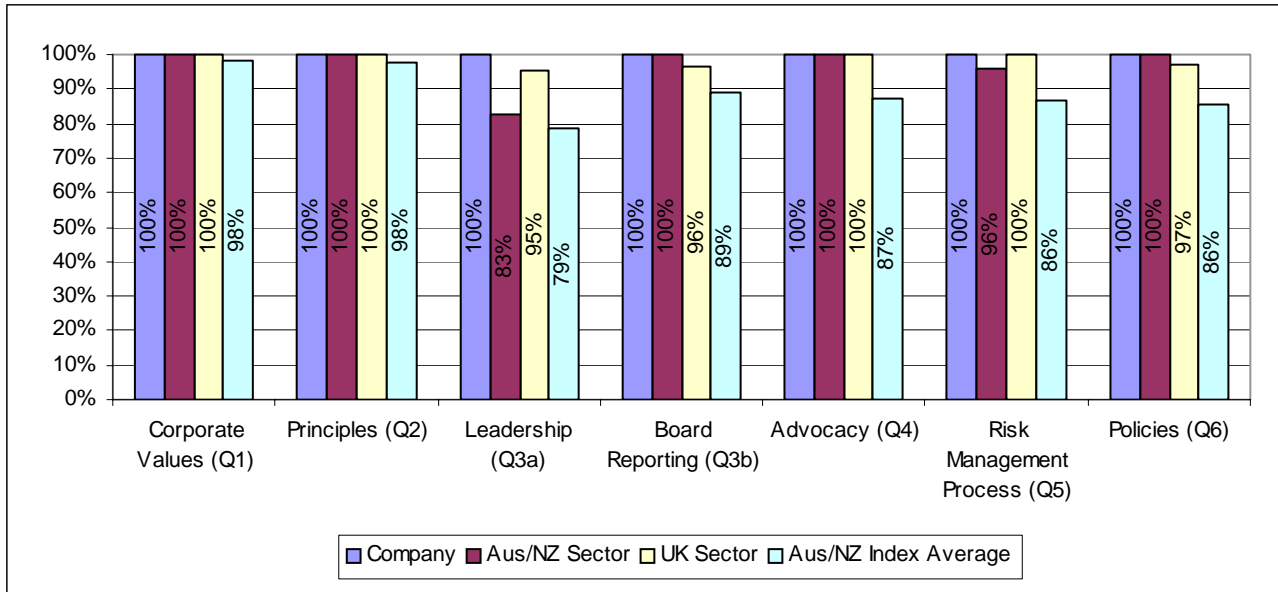
Opportunities for Improvement

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

- Expanding its environmental programs in the area of waste management so that clear management and performance improvements can be demonstrated. Foster's should consider implementing a management system that will foster performance improvement with regard to waste generated/disposed and waste reused/recycled. In addition, Foster's management of its environmental impact could be further improved through increased communication with stakeholders about environmental issues and increasing the coverage of its ISO14001 certification.
- Setting performance improvement targets to encourage employee development and well being. Setting targets will facilitate the measurement of the value of employee development and well being programs and in identifying opportunities for improving employee programs. When developing targets Foster's should consider applying the SMART (Specific, Measurable, Attainable, Realistic and Time-related) target principle. Publicly reporting the targets and progress against these, along with community and market place targets, will enhance transparency and boost stakeholder confidence in the process.
- Introducing an independent assurance process for CR data. We note there is no external assurance over information contained in the Foster's Sustainability report. An assurance process would further increase the robustness and reliability of Foster's CR performance for its stakeholders.

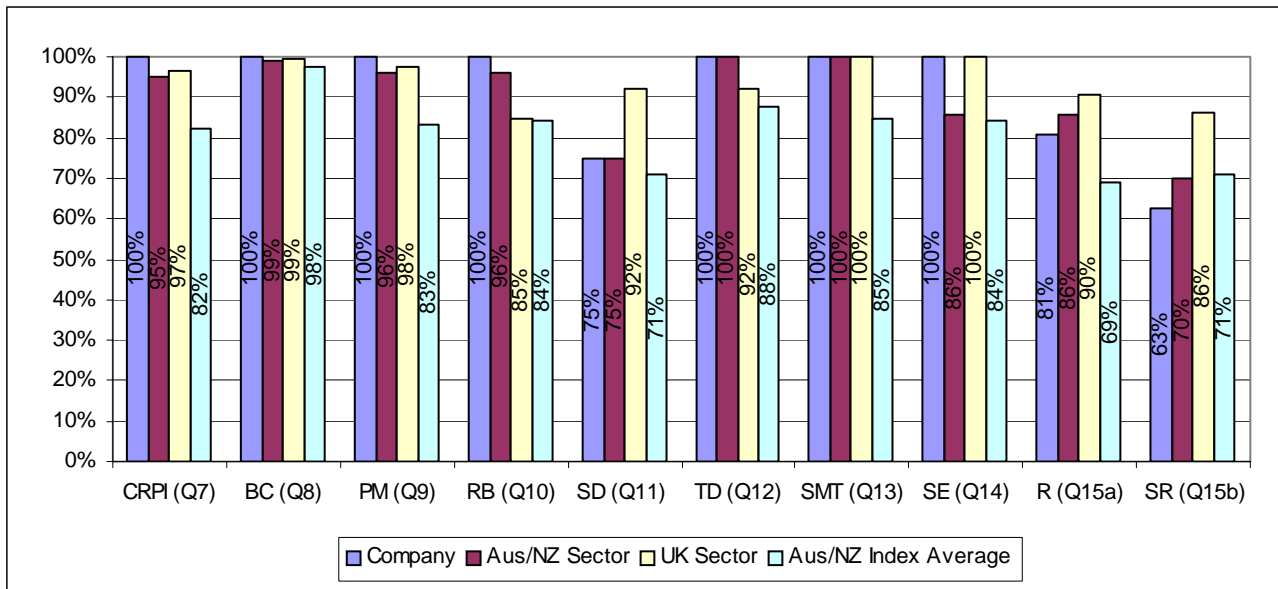
Section 1 – Corporate Strategy

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.

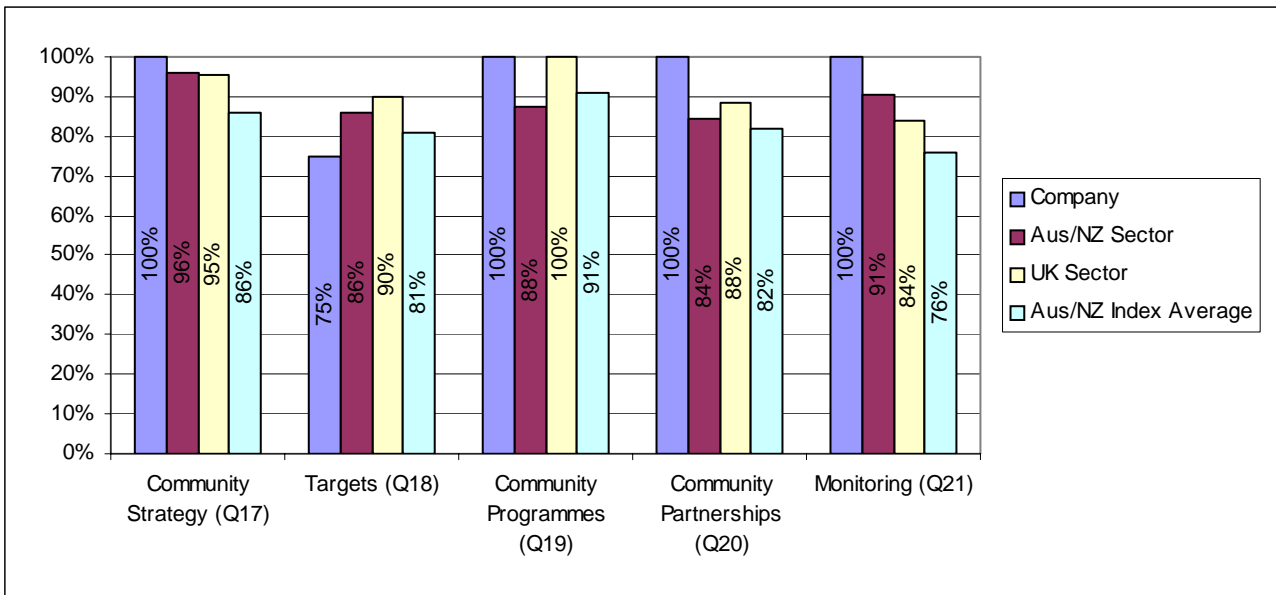
Leading companies are able to demonstrate:

- = 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.

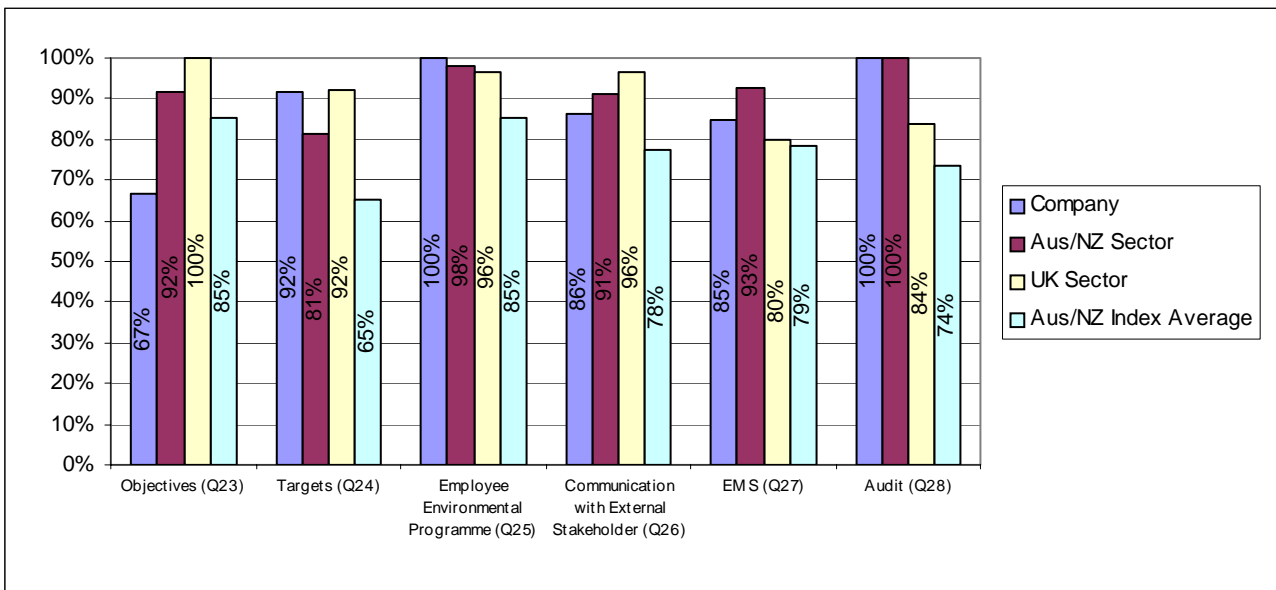
Community Management Practice

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.

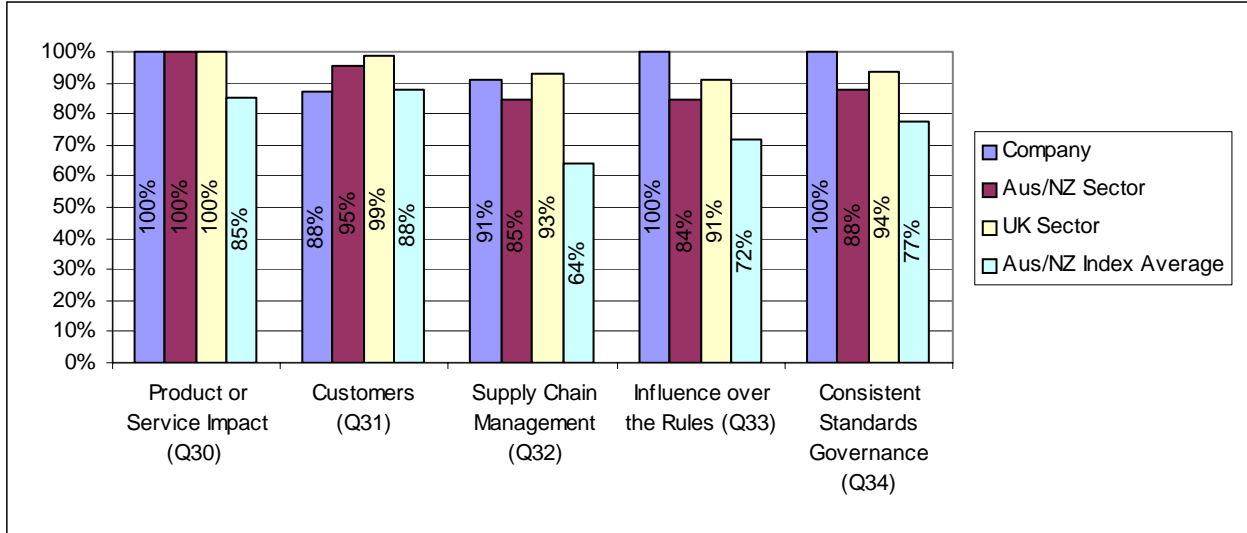


Marketplace Management Practice

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.

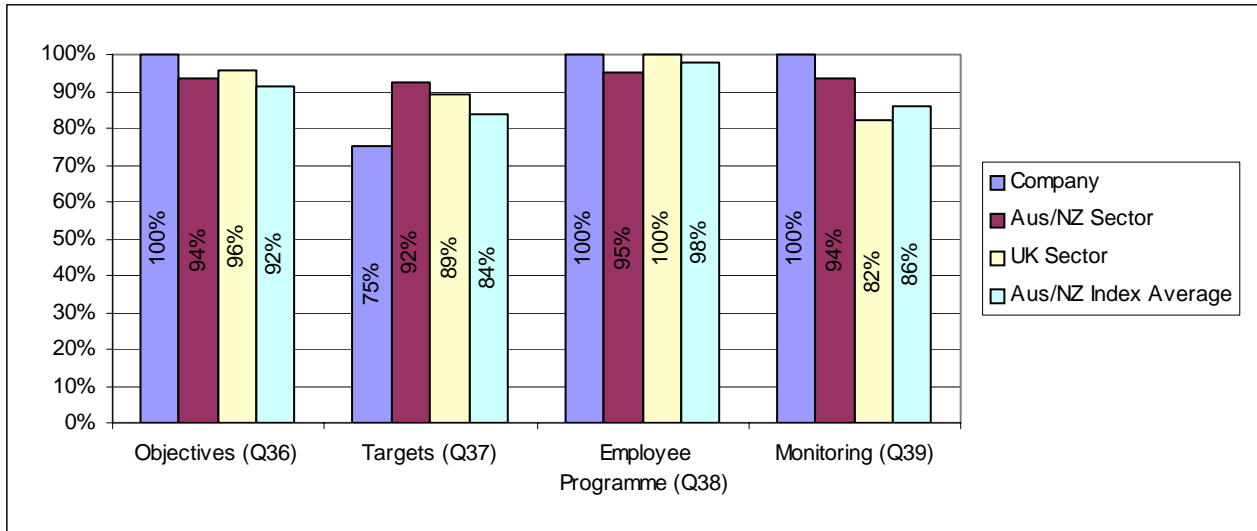
This section was completely reviewed and updated this year to ensure questions were more challenging and relevant. Questions have been aligned with Business in the Community's Marketplace Responsibility Principles and tailored to a company's core activities.

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 counties, 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.



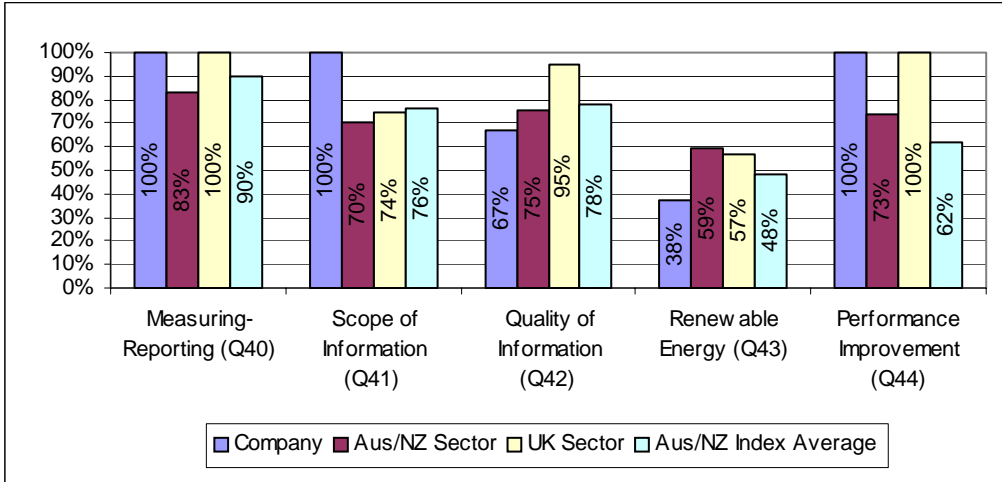
Section 4 – Environmental & Social Impact Areas

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 Water Consumption as your third environmental impact area.

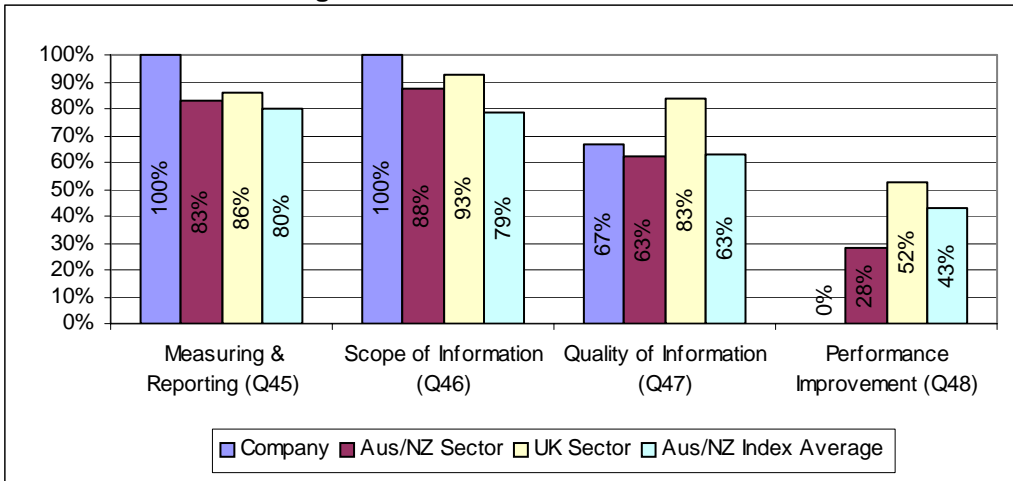
The following graphs break down each environmental impact area. Each area considers the quality and coverage of data measured and rewards companies that set and publicly report on performance against targets, and demonstrate continuous improvement in minimising their environmental impact.

Environmental Impact Areas

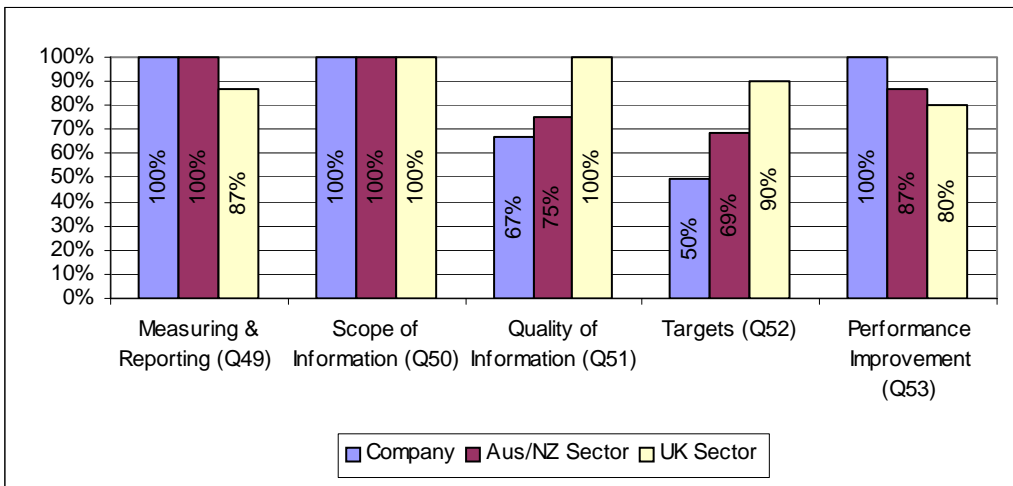
Climate Change



Waste & Resource Management



Water Consumption

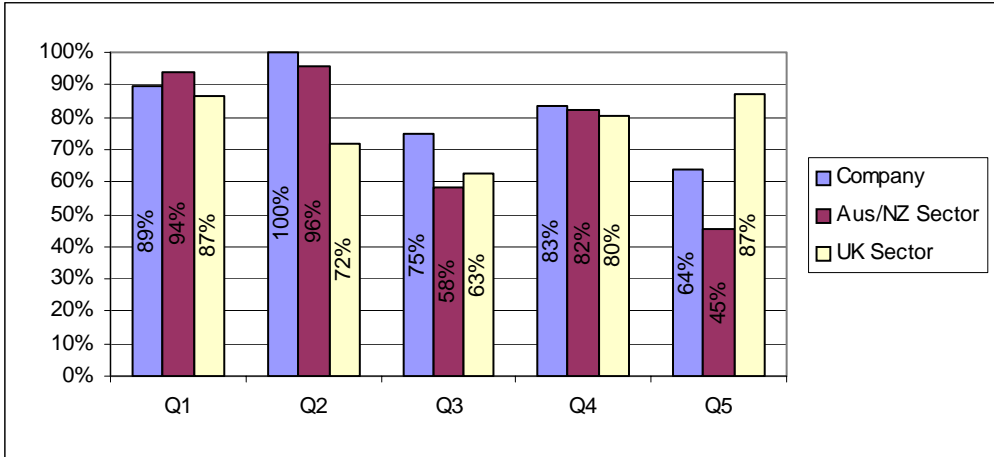


Social Impact Areas

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, Employee Development, Community Investment.

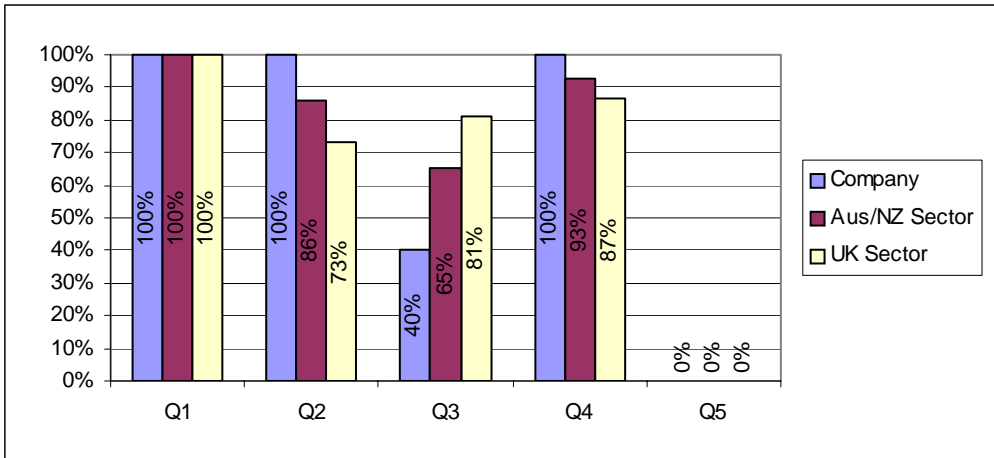
The following graphs provide further analysis on these three social impact areas. Each area combines a mixture of management and performance criteria specific to the social impact in question. Where possible you are benchmarked against other companies choosing the same impact area.

Health, Safety and Well Being



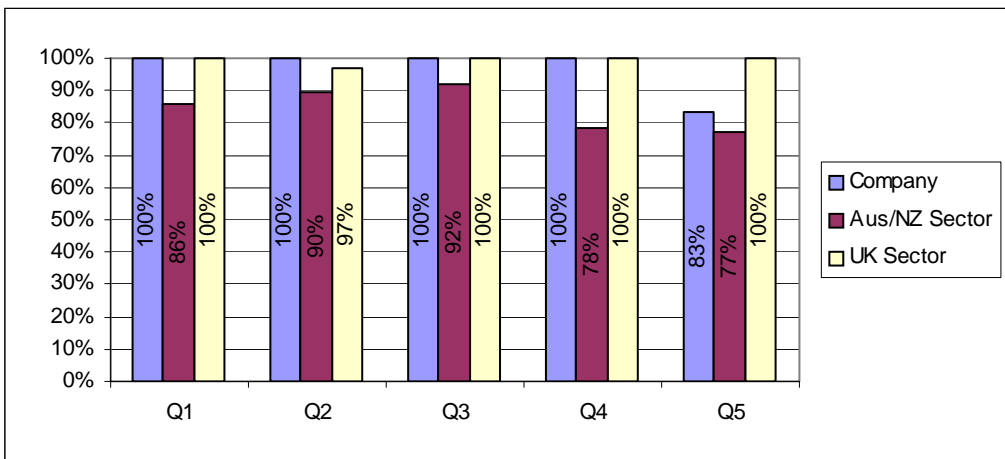
Health, Safety and Well Being:
 Q1. Management Systems
 Q2. Employee Programs
 Q3. Measurement & Reporting
 Q4. Scope & Quality of Information
 Q5. Targets & Performance

Employee Development



Employee Development:
 Q1. Corporate Commitment
 Q2. Measurement and Reporting
 Q3. Performance Improvement
 Q4. Employee Programs
 Note Q5 – Chart reference only

Community Investment



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

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:

Julia Lipton

Manager Corporate Responsibility Index

St James Ethics Centre

Ph: +61 2 9299 9566

Email: julia.lipton@ethics.org.au

Or visit: www.corporate-responsibility.com.au