



A few years ago we asked senior Australian business journalists about their expectations of corporate Australia regarding environmental sustainability and climate change – at the time companies being proactive were seen to be forward thinkers, having a solid focus on corporate responsibility and as a result rewarded with an enhanced reputation. In July this year we investigated whether things had changed...

This bulletin covers:

- ✓ Journalists' key environmental concerns
- ✓ Which businesses are doing better
- ✓ Behaviours disappointing journalists
- ✓ What journalists would like to see more of
- ✓ Government expectations
- ✓ Communicating your activity

What do journalists see as key concerns for business?

Business journalists have an increased focus on environmental sustainability compared to three years ago. Almost universally, environmental sustainability or climate change is named as a key issue facing corporate Australia.

The topic has moved from 'nice to have' to a perception that a company environmental impact policy is essential:

"There's a very large proportion – maybe a majority of Australians – who believe that we have a kind of moral responsibility to do something about carbon emissions."

"There is a growing number of Australians who care more about sustainability – what and how they purchase goods."

Concerns span a number of areas:

- Climate change
- Use of finite resources
- Damage to ecosystems



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There is a real concern about the use of non renewable resources:

"Precious and semi-precious metals used in manufacturing are almost depleted and no one is coming up with viable ways to solve or address the issue."

While it is felt to be important, it is believed to be a challenge for Australia given its reliance on the resources sector exports:

"The way we respond to whatever happens around the globe in relation to climate change is actually quite important. If we want to maintain our standard of living we need to be quite intelligent about what we do and how we do it. so as not to undermine the one comparative advantage that we do have, which is very large resources and very high quality minerals and commodities."

Are any companies doing better than others?

The technology sector is identified as having made a number of leaps forward in environmental sustainability:

"Every vendor I know in the IT space is advertising their green credentials and doing everything they can to reduce the carbon footprint of their products and their operation in general."

Some suggest it is easier for this sector to make a difference as technological advances naturally reduce energy used.

There is limited mention of Linfox, praised for changes to its logistics to ensure maximum efficiency:

"Linfox are very good internally...rerouted their entire logistics mapping to ensure no empty loads are coming back to be more efficient."



Qantas receives some praise for its Carbon Offset Program.

There is limited awareness of Stockland's headquarters in Sydney, praised for its design features and standing ahead of its competition:

"Stockland has its HQ in Sydney and generates its own power and saves its water...they plan to roll similar standards out to its other buildings over time – this, compared to their competitor Westfield who are sticking their head in the sand and they just don't want to know about it."

Despite these achievements, journalists believe more can be done with a perception that most companies are making changes because of a bottom line benefit rather than focusing on the bigger picture.

Where does corporate Australia disappoint most?

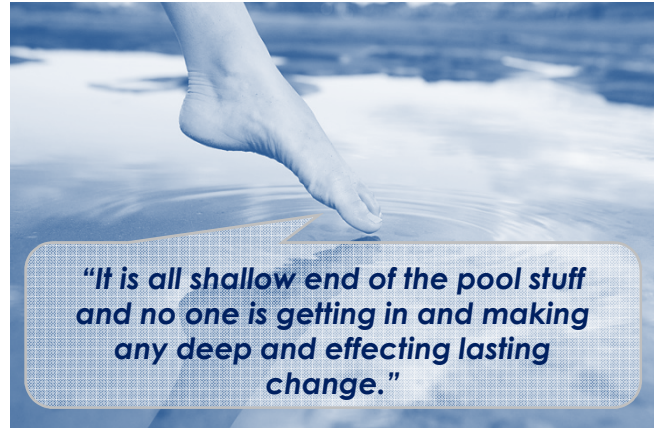
Many journalists believe not enough is being done by big business, suggesting there is more talk than real action by most companies.

One example cited by journalists is News Limited which is thought to have conflicting messages about its focus:

"News Limited has Zero Degrees as a banner on their web page which is a carbon reduction/ environmental message but they are the most vocal in arguing that climate change doesn't exist – there is lack of commitment."

Many look to activities and trends in Europe and compare with what is happening in Australia with disappointment:

"Until I see people riding bikes to board meetings, I don't see any serious change to the way we're going to operate...you do get that and that kind of thing in Europe and have had people doing that for a long time."



What would journalists like to see from companies?

Business journalists believe companies need to take a more holistic view of the impact of everything they do on the environment and resources and ensure all employees are made aware of the true cost of their actions.

There is also a growing wish for companies to take their input a step further and be more selfless in decisions – thinking more about the environment than the impact to their bottom line:

"I would like to see companies engaging in areas that don't have a direct outcome for the company involved – doing things without expecting a financial return."

Expectations are especially high for organisations operating within the energy sector, with some journalists believing there is some reluctance to increase efficiency:

"The energy companies should be working on the challenge given they provide the raw materials for pollution. Organisations that use raw materials like oil should also be investing heavily in alternatives given oil will eventually run out."

"If you are involved in the problem you should be involved in the solution..."

"The energy sector is critical – but they don't see that as a benefit to them so they don't want to reduce energy consumption and increase efficiency."

Journalists anticipate an increased use of renewable energy such as solar power:

"...from an economic viewpoint, Australia is well placed to take advantage of the emerging markets..."



INSIDE REPUTATION BULLETIN

October 2010

Environmental sustainability and corporate Australia

There is some mention of Origin Energy's investigation into renewable energy:

"Origin Energy is investing heavily in gas fired power stations and also looking at renewable energy but at the moment it is hard to generate a business case for renewable energy..."

What are expectations of government?

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So should companies communicate what they're doing?

Generally journalists believe publicity should be limited to only the major, forward thinking ideas, not those areas considered easy wins.

Some believe there should be no PR, just internal communication resulting in word of mouth sharing of the news:

"It should be done less publicly and more internally..."

About this research

These findings are from extended depth interviews among leading Australian business journalists.

About INSIDE STORY

INSIDE STORY pioneered corporate reputation measurement in the late 1990s.

We work with leading businesses to help build and maintain strong brands and reputations.

We have a panel of leading business journalists and specialists across a range of industry areas which gives clients access to what's on influencers' minds.

Our reputation metrics have been validated against share price.

Research can be conducted with as many or few stakeholder groups as you choose - journalists are just one group of influencers we regularly talk to.

Our multi-client programme runs twice a year (May and November) enabling shared costs of set up. Custom designed programmes can be arranged at other times.

Established in Sydney in 1988, INSIDE STORY is an Australian research based consulting firm operating across Australia, New Zealand and South-East Asia.

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For more information about our corporate reputation research see our website:

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