

# ESG Company Rating Report

**Company Name** Coffey International Limited

**ASX Code:** COF

**Compiled:** 01-Mar-09

## RATING

<b>Environment</b>	★★★★
<b>Social</b>	★★★
<b>Governance</b>	★★★

## Ratings Explained

Rating	Environment	Social	Governance
★	Adverse	Adverse	Questionable
★★	Developing	Disengaged	Patchy
★★★	Compliant	Responsive	Compliant
★★★★	Sustainable	Engaged	Proactive
★★★★★	Best Practice	Best Practice	Best Practice

## SDI DECILE RATING

<b>Decile</b>	3
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SDI\_Decile - A ranking of 1 (high) to 10 (low) for a company's overall sustainability rating (45% Environment, 30% Social and 25% Governance) within a universe of approximately 250 companies rated by Corporate Monitor.

## Global Industry Classification Standard :

**Sector** Industrials  
**IndustryGroup** Commercial Services & Supplies  
**Industry** Commercial Services & Supplies  
**SubIndustry** Environmental Services

## COMPANY PROFILE

Official Listing Date: 18 January 1990.

Through acquisition and organic growth Coffey now number more than 4,000 people and operates in more than 80 countries.

### Social Infrastructure:

Coffey International Development, Coffey Natural Systems and Coffey Training design and manage social infrastructure projects in over 60 countries around the world. The international development business has been strengthened by the acquisition of Enterplan, which operates in Europe, Africa, the Middle East, North Africa and Asia. Has businesses work in the private sector and in development assistance, for example, AusAID, Asian Development Bank or World Bank funded projects. Also engaged the private sector in economic development projects.

### Physical Infrastructure:

Uses specialist knowledge to help build safe and cost-effective infrastructure, including roads, dams, building and mine operations through Coffey Geotechnics and Coffey Mining. Coffey Projects is one of the world's largest and most successful providers of specialist project management services. Coffey Environments is now one of the largest environmental service organisations in the southern hemisphere.

### 2008:

Acquired the combined businesses of Asia Pacific Rrail and John Wertheimer Consultants. More than 50 track, signalling, rail infrastructure and project management specialists joined Coffey, providing specialist skills in the rail sector and boosting established project management capability.

The Peron Group, a high-level strategic advisory business operating in the public infrastructure space, has recently joined Coffey. It provides advice on a range of infrastructure asset and service transaction issues including

investment justifications, regulatory reform, project governance, procurement and commercial structuring. In recent times, Peron has worked for multilateral agencies on projects in Africa, Indonesia and Papua New Guinea. The Peron Group will be integrated with Stratcorp Consulting, acquired at the time of writing the annual report. Stratcorp Consulting is a boutique consultancy, providing high-level strategic advice in the area of large sporting and leisure projects.

2007:

- \* Coffey Geotechnics acquired Edge Consultants in the United Kingdom.

- \* Foundation Engineering, a major player in the New Zealand market, also joined Coffey Geotechnics during the year.

- \* The acquisition of ATA Environmental has given Coffey Environments a stronger presence in the West Australian market.

- \* Los Angeles-based CTLI Environmental was purchased near the end of the financial year.

- \* RSG Global joined Coffey Mining during the year, Coffey now have significant operations in Africa – including Ghana, South Africa and Senegal – and substantial projects in South America and Canada.

- \* Acquired Carson Group, New Zealand.

- \* Purchased Canberra-based Hharalambous Dowse and Associates.

- \* Purchased Duncan Rhodes in South Africa which means Coffey now provide project management as well as mining and international development services throughout a variety of African nations.

30 May 2007:

Coffey International has announced the acquisition of Los Angeles-based environmental consultant CTL Environmental Services. This will enable it to tap into the larger US environmental market.

11 Sept 2006

Coffey International has announced the acquisition of Western Australian environmental consulting business ATA Environmental.

**ENVIRONMENT RATING ★★★★★****Environmental Effects**

- |  |  |
|--|--|
| <input type="checkbox"/> Uranium                                       | <input type="checkbox"/> Logging native forests      |
| <input checked="" type="checkbox"/> Oil                                | <input type="checkbox"/> Woodchipping                |
| <input type="checkbox"/> Coal  | <input type="checkbox"/> Plastics manufacture        |
| <input checked="" type="checkbox"/> Greenhouse gas emissions           | <input type="checkbox"/> Consumer packaging          |
| <input checked="" type="checkbox"/> Non-energy minerals mining         | <input type="checkbox"/> GM Organisms                |
| <br>   | <br>   |
| <input checked="" type="checkbox"/> Alternative Energy                 | <input type="checkbox"/> Timber Plantation           |
| <input type="checkbox"/> Renewable Energy Certificate                  | <input checked="" type="checkbox"/> Recycling        |
| <input checked="" type="checkbox"/> Natural Gas                        | <input checked="" type="checkbox"/> Waste Management |
| <input checked="" type="checkbox"/> Greenhouse gas positive activities | <input type="checkbox"/> GM-free Food                |

**Environmental Reporting and Covenants**

Level of detail in reporting Extensive

- Environmental Management System (EMS)
- ISO 14001 Certification of EMS
- United Nations Environment Program Signatory
- Minerals Council of Australia signatory
- Member of the International Council on Mining and Metals
- National Packaging Covenant signatory
- Signatory to government sponsored greenhouse initiative
- Environmental Infringements
- Environmental group concerns
- Environmental Reporting Award winner
- General environmental awards
- On the National Pollutant Inventory
- Australian Building Greenhouse Rating

**Details:****Negative Environmental Effects**

2008:

Is not part of the Carbon Disclosure Project and does not disclose emissions.

Is engaged in infrastructure projects planning such as roads and mining. These projects produce large amounts of emissions in construction and in their end use.

Coffey Geotechnics is a specialist ground engineering consultancy, helping clients manage the earth.

2006:

Is engaged in the Hume Freeway project under contract to Abi Group thereby contributing indirectly to the generation of GHG's. Has specialist knowledge and experience in gas infrastructure development. Coffey Environment (CE) has more than 20 years' experience working with the petroleum industry.

2006:

CE was engaged in the shutdown of BP's oil refinery at Kwinana, WA.

Coffey Environmental is a dominant player in the petroleum industry within the Asia Pacific region.

**Positive Environmental Effects**

2008:

DASCEM manages the Australian National Halon Bank on behalf of the Commonwealth Government - Department of Environment and Heritage. The facility in Melbourne safely stores, reclaims and destroys halons and CFCs. In accordance with the Montreal Protocol, Australia's stock of halon required to meet essential use needs is stored,

secured and managed at the Australian National Halon Bank.

The facility has the expertise to provide a range of Ozone Depleting Substances management services to international customers.

In February 2000 the Minister for the Environment, Senator Robert Hill, announced that the Australian National Halon Bank would be developed into a regional facility to assist other nations with their halon and other ODS phaseout programs.

2006:

Coffey assists communities manage the delicate balance between commerce, development and the environment, work on the environmental approvals for the Prominent Hill copper-gold mine is one such example.

Coffey is helping protect the ecology through projects including an environmental audit program for Stockland and work on cfc's with the National Halon Bank.

During the year Coffey undertook to manage environmental risks for Rio Tinto.

2005:

Coffey (Esenar) set up stations to insure that whales & dolphins were not injured during seismic surveys by major oil companies.

Coffey's activities include groundwater management, soil degradation, ground stabilisation and salinity management, wind farm site appraisal, fresh water dam siting and disturbed site rehabilitation.

Coffey Geosciences is a market leader in contaminated land remediation, consulting to government, business and construction sectors.

Coffey's consulting division provides environmental management and remediation services.

IT Environmental has developed environmental management systems for two Department of Defence facilities in south-east Queensland. Army Aviation Centre in Oakey and the Borneo Barracks in Cabarlah.

Esenar is a leader in the specialist field of social and environmental planning.2008:

Coffey Environments will work with clients to ensure they met their obligations under The National Greenhouse and Energy Reporting (NGER) Act came into effect on 1 July 2008 in Australia.

2005:

Through it's Baslink project (sub. Esenar) securing a reliable re-newable energy project for Tasmania & Victoria. Planting 30,000 trees to replace the 1,000 cleared & rejuvenating 280 hectares of degraded land in Gippsland Vic. & donating same to the Crown with a condition that it never be logged.

GENERAL: Coffey has undertaken a wide range of air quality studies including development of one of Australia's largest air quality models used by NSW government in the prediction of future air quality and the evaluation of air quality impacts of alternative development scenarios.2005:

The Annual Report notes that through the company Esenar and the Basslink project the people of Victoria will be able to access the renewable energy (wind) produced in Tasmania.

GENERAL: Site Remediation

Coffey provides services in containment engineering, soil cover design, soil and groundwater treatment and insitu remediation. The Company designs, specifies and project manages site remediation programs. In some cases, it contracts directly to clients to provide site remediation services.

Projects have included;

- Bateau Bay landfill (NSW) and;

- Minimising Land Degradation and Salinity Risk project (Tas).
  - Remediation of soil contaminants at the Tempe land fill site in Sydney.2004:
- Coffey MPW is assisting the Pacific Island of Tonga establish a waste management program including community awareness campaigns to encourage householders to reduce and re-use waste and assist the community in waste minimisation and recycling projects.  
The Tonga project is AusAid funded.

### **Environmental Management System**

2008:

Achieved NATA accreditation for asbestos surveying, a first in Australia.

2007:

Detailed company policies and procedures cover environmental management. The company is also engaged in the development of EMS for clients.

**SOCIAL RATING**

★★★

**Sin Stock Activities**

- Alcohol  Tobacco  Defence  Gaming

**Corporate - Community Relations Profile**

- Sponsorships and Donations  Employee Volunteering Program  
 Community Relations Initiatives  Matching Employee Donations Scheme  
 Corporate Charitable Trust  
 Products and Services to Community Groups

**Beneficiaries****Company Conduct in the Community**

- Community group concerns  
 Operating in human rights sensitive countries  
 Community relations with indigenous communities  
 Legal incidents with indigenous communities  
 Product integrity concerns  
 ISO 9000 series certification

**Employee Relations**

- Disclosure of Occupational Health and Safety systems (OHS)  
 Attained Australian Standards OHS certification  
 Disclosure of OHS Performance  
 Disclosure of flexible working arrangements and family benefits  
 Disclosure of employee share or options scheme  
 Dismissal or unlawful termination case lost  
 Discrimination case lost  
 Involvement in an industrial relations case

**Details:****Alcohol**

24 September 2008:

Coffey International Limited has acquired Bovell, Freeman and Holley with experience in the hotel and leisure industry.

**Defence**

2008:

Specialist Training Australia (STA), has secured a new US\$92.9 million contract.

Coffey has signed a \$100 million contracts for STA to provide English and technical services in the Middle East. STA is currently delivering training and training products to the UAE, Oman, Bahrain and Iraq. STA courses can be tailored to achieve Australian Qualifications e.g. Diploma and other internationally recognised qualifications, with recognition of prior learning a key benefit.

Specialist Training Australia (STA): is a project manager of integrated training solutions and manpower services for the military, police, security and civil defence sectors and is entirely focused on servicing Middle East Countries. It provides customers with access to some of the best training, education and manpower services that Australia has to

offer. Has had many contracts in the region since the business was acquired by Coffey in 2005.

Coffey is one of the region's largest providers of "institutional strengthening".

Part of STA income would be from police or military type training.

STA income is recorded in the International Development Business Segment (IDB) (with Coffey International Development and Management Services International).

To 30 June 2008

Consolidated revenue - \$558,571,000; IDB revenue - \$156,952,000.

IDB brings in 28% of revenue.

In the absence of disclosure it is assumed that one half of this income is from STA and that one half of that is from military or para military training. This would mean that around 7% of Coffey income would come from such training.

Revenue from Middle East countries is included in the Other countries' segment which accounts for around 10.25% of total revenue.

Other current Coffey International development's contracts in Iraq include: £3.5 million Iraq technical Support Initiative, UK department for International development's (DFID's) largest governance reform programs; US\$339 million National capacity development project, part of the United States government's program to build capacity of key Iraqi ministries. £4 million British government-funded Institutional Support to the Iraqi Ministry of Interior and Iraqi Police Service; £1.9 million DFID-funded Infrastructure Support project.; A\$20 million Australian government Iraq rehabilitation assistance.

October 2007:

Specialist Training Australia (STA), a Coffey subsidiary, has opened Dubai's first dedicated training centre for security personnel in partnership with First Security Group (FSG).

The Training Centre now offers a full profile of law-enforcement, basic security modules and military programmes, in addition to a number of computer courses directed to the security guards. Its comprehensive list of law-enforcement offerings includes detailed courses in all police activities including bomb disposal, canine, crowd management, emergency services, forensic science, train the trainer, criminal investigation, management, operational police, prison department, special forces, traffic police and visible policing. All security guard training programmes and modules are certified by West Coast TAFE (Australia) and are presented by experienced and certified trainers. First Security Group, together with its joint venture partner Specialist Training Australia (STA), is a provider of entry level security training approved by Dubai Police. They have extended the partnership to 2012.

December 2007, EMPLOYING PRIVATE MILITARY COMPANIES, A QUESTION OF RESPONSIBILITY, ADVISORY COUNCIL ON INTERNATIONAL AFFAIRS:

On 23 May 2007, the Dutch government asked the Advisory Council on International Affairs (AIV) to prepare an advisory report on the employment of civilian service providers in operational areas. Although it is not new, this practice has recently become newsworthy, due to a sharp increase in its scale and scope, and experiences involving its use in Iraq and Afghanistan. Outsourcing and privatising military tasks are becoming increasingly common. During the preparation of this advisory report, the topical nature of the request for advice was further highlighted by the shooting incident involving the US private security company Blackwater in Baghdad on 16 September 2007, which left 17 Iraqi civilians dead, and its aftermath. Iraq is currently home to the highest ever number of service providers, estimated at 180,000 people. At the beginning of the 1990s, during the liberation of Kuwait, the ratio of soldiers to private contractors was still 50:1. In Iraq it now stands at roughly 1:1. There and elsewhere, these service providers carry out activities ranging from infrastructural projects and logistical support to tasks in which the use of force is an explicit possibility, such as personal and transport protection and guarding bases and prisons.

30 June 2007:

The 2007 Annual Report provides no details on the company's involvement in the defence industry.

The company website gives the following information:

Coffey Training is focused on delivering high-quality specialist training solutions and services in the Middle East, with particular emphasis on the Gulf Cooperation Council member countries.

In conjunction with subsidiary company, STA, Coffey are providing specialist training knowledge for a wide range of organisations in the Middle East, including:

\* the UAE (Armed Forces and Ministry of Interior)

\* Bahrain (Ministry of the Interior)

\* Oman (Ministry of Manpower)

\* Iraq (Ministry of Interior).

Coffey have also recently been selected to deliver instructor training in Saudi Arabia (Ministry of Defence).

2007:

Specialist Training Australia (STA), a Coffey subsidiary, has opened Dubai's first dedicated training centre for security personnel in partnership with First Security Group (FSG). FSG chief executive officer Major General Abdul Aziz officially opened the new building at a press conference in July. The partnership of FSG and STA is the first to provide accredited, internationally recognised security guard and police training in the United Arab Emirates and is one of only two training organisations registered by the Dubai Police. The facility is equipped to train personnel in a comprehensive range of law-enforcement activities, including (but not limited to) guarding, ordnance disposal, forensic science, train the trainer, security management, traffic police and crowd management. STA also offers computer courses specific to security guards. The centre will also run courses specifically for women as there is an increasing demand within the United Arab for female security personnel.

2006:

Coffey Training: provides specialist training in defence, police and security services training.

Has assembled a worldclass team to develop and deliver tailored training courses for the Middle East market. Dubai-based subsidiary STA has led the development and delivery of training courses in defence technology and management for armed forces officers in the United Arab Emirates.

Coffey's defence technology and management courses incorporate a range of practical exercises, demonstrations and case studies to complement and reinforce theoretical study. Graduates are highly skilled in contemporary military technology and associated management techniques.

Training is in great demand in the Gulf Cooperation Council. Clients currently span the UAE, Iraq and Saudi Arabia. Operational hubs are currently located in the United Arab Emirates and Australia.

One AusAID contract secured by SAGRIC is the Pacific Regional Policing Initiative (PRPI) the first stage of which was established in 2004. The second stage will now continue until the end of 2008. The goal of the program is the promotion of a safer region by improving the effectiveness of policing. The program office is in Suva, Fiji but the PRPI will offer services to all 14 Pacific Island communities. As well as training police in technical skills with community based policing strategies and transnational crime management, the program will develop executive competence.

23 February 2005:

Coffey International plans to proceed with the acquisition of security training group Specialist Training Australia. Coffey said it expected to exercise the option it held to buy STA, which was secured 11 months ago, before the end of March. STA has a focus on the Middle East and holds a bundle of contracts with values ranging from \$200,000 to \$2 million to train armed forces and para-military personnel, including contracts with the United Arab Emirates. STA has been operating for just under two years from a base in Adelaide. Coffey International Limited acquired Specialist Training Australia in March 2005.

Specialist Training Australia provides integrated training solutions and manpower services and is entirely focussed on delivering specialist training and human resource services in the Gulf countries. The senior officers of the company have many years of experience in the defence, aerospace and training fields. STA brings to the group expertise in defence, police and security training. Its activities involve technical, management and operational training in non-combatant specialties.

STA have won jobs in Oman, UAE, Bahrain and Jordan in the areas of training needs analysis, defence technology and management, police training and security training."

STA recently exhibited at IDEX 2005, a major biennial international defence exhibition in the UAE and has clearly consolidated its position as a leading Australian provider into this industry.2008:

100% owned Coffey subsidiary Carson Group has around 17 Australian government contracts for work in Australia

to the value of \$24,705,180. None of the contracts is classed as confidential and do not appear to be related to weapons or military training.

The Australian Department of Defence notes that STA is the "partner of choice for the delivery of value-for-money training, education and management solutions to the Gulf region. Aerospace Concepts, as part of a team led by Adelaide and UAE-based Specialist Training Australia (STA), delivers elements of the Defence Technology & Management Course (DTMC) for the Armed Forces of the United Arab Emirates (UAE).

2007:

Coffey International Limited (COF): has restructured and has changed the name of its training arm from Specialist Training Australia (STA) to Coffey Training in the Australian market, while still operating as Specialist Training Australia in the Middle East.

Coffey Training is a leader in the provision of specialist training for the defence, police and security services. Its specialist training services are also in demand in the health and public sectors.

Coffey Training's registered office is in South Australia, and it has operational headquarters in the United Arab Emirates. Currently, all senior executives live and work in the Gulf. To demonstrate its commitment to customers in the Gulf States, Coffey established its subsidiary, STA FZ-LLC, in 1995.

According to the Company 2006 Annual Report in 2007 Coffey has:

- \* Increased penetration of government and defence sectors
- \* Project Management business, Coffey Projects, has expanded rapidly during the year, with significant growth into the government and defence sector and solidifying its position in the booming United Arab Emirates market.
- \* Coffey also now have a significant foothold in the New Zealand and rapidly growing sub-Saharan African markets.
- \* Extended major contracts with .... Department of Defence, ...

NB: Australian Department of Defence contracts to 30 June 2007 = \$16,964,509. Involves construction/ decommissioning of sheds & buildings.

Proportion of income derived from defence training:

Coffey international does not provide a separate segment for defence or for training. The training arm is included in the 'International Development Business' for 2007.

Total Revenue for Coffey International for 2007 = \$368,655,000  
International Development Business Segment = \$ 93,047,000  
This represents 25% of Total revenue.

It is possible that defence training related activities form a major part of income in this segment.

Specialist Training Australia:

Coffey has contracts with the Australian Department of Defence to supply personnel to maintain law and order in Fiji, Papua New Guinea and the Solomon Islands. Also has para-military engagement in the Middle East.

IT Environmental has developed environmental management systems for two Department of Defence facilities in south-east Queensland. Army Aviation Centre in Oakey and the Borneo Barracks in Cabarlah.

## **Corporate Philanthropy**

2008:

Coffey does not disclose any corporate philanthropy schemes.

## **Community Relations**

Coffey has a good history of dialog with communities effected by their activities. International Development staff are well respected amongst donor agencies for their ability to listen, relate and collaborate with local communities and for working closely with local government departments and community leaders.

2006:

Coffey Geotechnics, Coffey Environments and Coffey Mining have liaised with Worksafe, the Australian Drilling Industry Association and other key stakeholders to help implement guidelines for drilling rigs.

Has established Community Relations for Mining (CRM): The CRM approach begins and ends with a commitment to deal with the community as a partner in development. CRM seeks to utilize the ideas and aspirations of the community members themselves, and of relevant local government units and other organizations and groups.

Coffey's Water Studies Group provides studies into gender, economic, environmental and social conditions in various developing nations. Active community involvement is essential for the success of the project. The Water Studies Group achieves community involvement by carrying out baseline surveys, consultative forums, training workshops and by providing support for community committees.

Enesar specialises in environmental and social impact assessments for new resource, industrial and infrastructure projects. Their our work promotes an understanding among communities, clients, and governments.

## **Employee Relations**

2007:

Coffey had detailed policies and procedures which cover ..... health and safety, compliance and other risk management issues.

2006:

Coffey state that they treat health and safety with the utmost concern aspiring for staff and our suppliers to be safe and healthy at work and at home, irrespective of where they work across the globe.

Has developed occupational health and safety management systems for itself and on behalf of clients.

Coffey Geotechnics and Coffey Mining have gained preferred supplier status with BHP Billiton after completing an occupational health, safety and environmental management system audit.

Coffey Environments runs a 40-hour training course based on the US department of labour's occupational health

and safety administration course and adapted to Australian conditions.2008:  
Not disclosed.

29 June 2007:

Construction was halted this week after soil excavation uncovered fumes from an unknown chemical believed to have come from a previous industry at the Brougham St site. Workers downed tools and union officials reported complaints of nausea, stinging eyes and respiratory problems. One worker already suffering from gastroenteritis was taken to hospital after falling ill from the fumes but was later released with no lasting effects. Scientists were expected to know this morning the mystery contaminant bedevilling the project. WorkSafe is investigating with the state's Environment Protection Authority, which revealed it had received odour complaints from the community as early as June 15. State civil supervisor Kyle Frazier, from construction firm Delta Group, said employees were working under instruction from geotechnical experts Coffey Partners when one of the workers went down.2007:  
Introduced an Employee Assistance Program for Australian and New Zealand employees and their immediate families.

Implemented a salary-continuance insurance option to all Australian staff.

Launched the Coffey Leaders Program, providing a further 25 staff with support to establish new habits of thinking and behaving. To date 43 staff have received formal transformational leadership training

2006:

An employee assistance program has been introduced to help employees deal with work-related or personal issues. The program incorporates regular inhouse training, covering a wide range of topics including information technology, communication skills, workplace management and quality systems.

Coffey has an employee bonus plan for which there are formal terms for determining the amount of the benefit.

Parental leave policy that includes up to eight weeks paid maternity leave.2008:

The Employee Leveraged Share Plan entitles nominated employees in the group, including executive directors, to purchase shares in Coffey by way of interest free loans from the company. The loans are repayable from dividend entitlements. At the most recent grant 345 employees were eligible to participate in the scheme.

2007:

Launched the Coffey Employee Exempt Share Plan to enable employees to acquire shares on a tax concessional basis.

Coffey International Limited Employee Leveraged Share Plan:

The establishment of the Coffey International Limited Employee Leveraged Share plan was approved by special resolution at the annual General meeting of the company on 21 November 1995. The limited employee leveraged share plan entitles nominated employees in the Coffey International Limited Group (including executive directors) to purchase shares in the Coffey International Limited entity, funded by way of interest free loans for the subscription price. Loans are repayable from dividend entitlements. Allocations of shares are determined by the directors and the issue price of the shares is at a discount to market value as defined by Section 139fa of the Income Tax Assessment Act 1936. At the most recent grant date of the issue of shares under the scheme 463 employees were eligible to participate in the scheme. The shares issued under the scheme are subject to a two year vesting condition during which period the employee must remain employed by the Group (subject to certain exceptions as set out in the scheme's trust deed). Shares issued to the Coffey International limited Employee Leveraged Share plan rank equally with all other fully-paid ordinary shares on issue.2006:

Coffey Geotechnics and Coffey Mining projects have received 16 National Safety Council of Australia achievement awards.

## GOVERNANCE RATING ★★★

- The Australian Shareholders Association - Concerns**
- Governance commentators concerns**
- Annual Reporting Awards**
- Ethical Investor Corporate Sustainability Award**

### Board/Committee Structure and Independence

Board of Directors has:  Non-executive Chair  
 Majority of directors non-executive

Remuneration Committee which is:  Chaired by non-executive Director  
 Majority of non-executive Directors

Audit Committee which is:  Chaired by non-executive Director  
 Majority of non-executive Directors

Nomination Committee which is:  Chaired by non-executive Director  
 Majority of non-executive Directors

- Code of Ethics
- Concentrated shareholding

### The Australian Competition and Consumer Commission

Investigated by ACCC for:

- Any investigation
- Mergers or acquisitions
- Emergency ban or recall of products
- Breach of the Trade Practices Act

### The Australian Securities and Investments Commission

Investigation by ASIC:

- Any investigation
- Has led to an enforceable undertaking

### Remuneration

-Chief Executive Officer	Mr Roger Olds Managing Director
-Total Remuneration of all Directors, Executive and Non-Executive	\$1,574,607
-Total number of Directors	5
-Remuneration of CEO	\$749,447
-Remuneration of Non-Executive Directors	\$360,431
-Total number of Non-Executive Directors	3
- Non Executive Directors Rated Independent	2
-Auditors Fees	\$879,387
-Auditors income for other services	\$87,639

**Details:**

**Directors' Comments**

Mr Williams joined the Coffey board in 1994. He has been a director of the company for in excess of 10 years contrary to best practice guidelines and is therefore not considered to be fully independent by Corporate Monitor.

December 2008, Equity:

The company requested approval of an issue of shares using a 10 year term, interest free loan to executives, even after an internal review in 2008 revealed deficiencies in a previous profit announcement showing the reported profit was overstated by \$3.5 - \$4.5 million.

July 2008, Equity:

Coffey International who reported that its results for FY07 were a "record" however it now appears that as much as a third of that profit was an overstatement of between \$3.5 and \$4.5 million. The error has been attributed to "accounting errors" and computer troubles. The real question is " How could the company's management system be so poor that such a huge discrepancy has been overlooked." Using a commonsense approach a board should have been more aware of the company's real performance.2008:

Score 3.5 stars in the annual Horwath Corporate Governance Report indicating that in general structures were good.

6 June 2008:

Coffey announced "record" earnings of \$A13 million for the 12 months to 30 June 2007 in May 2008, although on 5 June MD Roger Olds said that the amount was overstated by between \$A3.5 million and \$A4.5 million as a result of "accounting errors". Olds said shareholders should not lose faith in the consultancy group, although analysts were scathing in their criticism.

22 February 2005, AFR:

Coffey International plans to proceed with the acquisition of security training group Specialist Training Australia. Coffey said it expected to exercise the option it held to buy STA, which was secured 11 months ago, before the end of March. STA has a focus on the Middle East and holds a bundle of contracts with values ranging from \$200,000 to \$2 million to train armed forces and para-military personnel, including contracts with the United Arab Emirates. STA has been operating for just under two years from a base in Adelaide.

**Awards**

2007:

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Coffey wins good choice award -- Coffey International has won the best consulting engineering firm in the BRW-St George Client Choice Awards. The awards provide insight into top professional firms and what they do to win the loyalty of their clients. Its clients claimed a distinguishing feature was you do not have to chase the company for answers.

## OTHER INFORMATION SOURCES

### Fund Holdings:

Ethical Fund

Latest available date of holding

### Indices

#### Disclaimer:

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