

*Reporting Trilogy – Research on Sustainability
Reporting in Australia
Part III: Human Capital Disclosures*

Research Results

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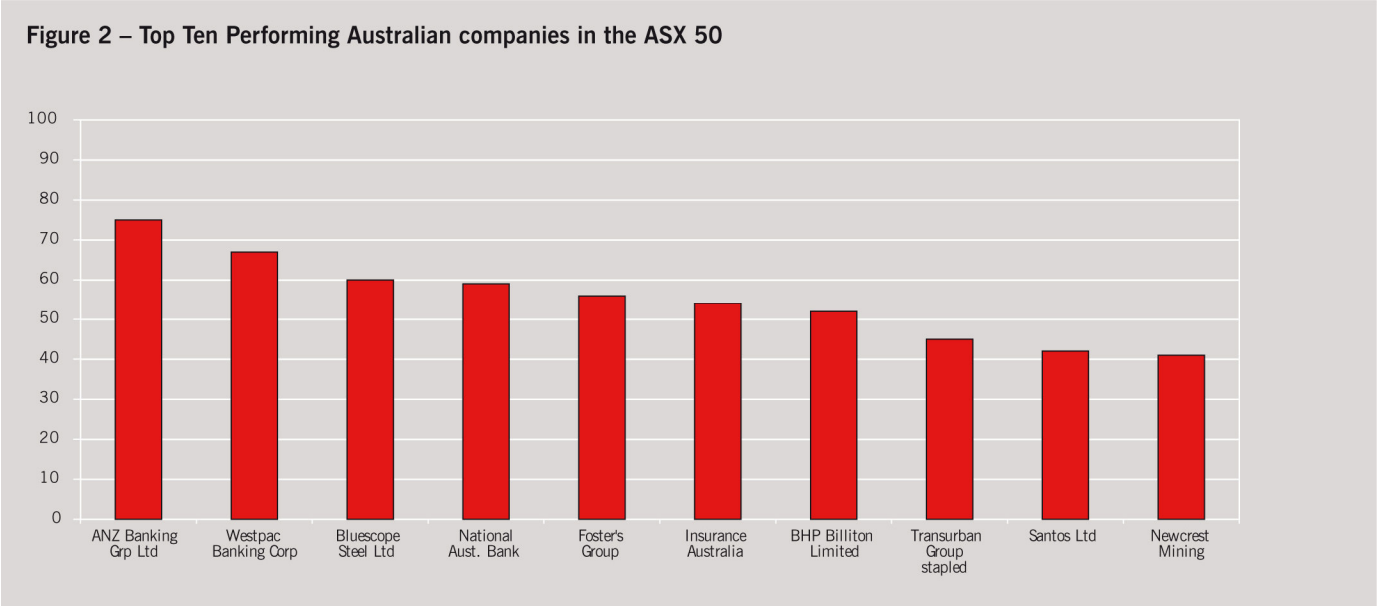
Research Results

- Research revealed comparable numbers of ASX top 50 reporting on Human Capital Management (HCM) issues as on Climate Change & Stakeholder Engagement.
- **What** and **How** top 50 ASX are disclosing on their Human Capital Management (HCM) practices. Do the top-50 ASX have lower confidence levels on HCM reporting?
- **Key recommendations** for improving standards in HCM reporting for those that hope to become and remain sustainability leaders.

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Research Results

Introducing the Top Ten

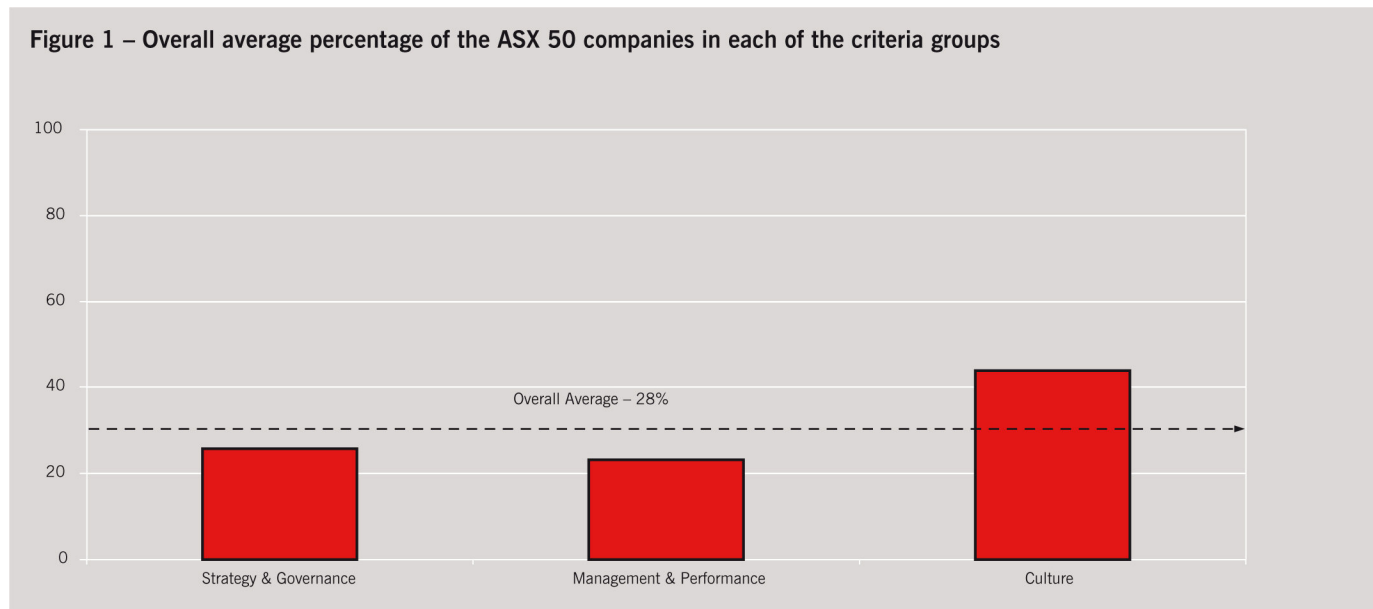


Industries represented include Banking and Finance, Mining and Resources, Insurance, Building and Construction, Energy.

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Research Results

Overall Average Percentage Score for the ASX Top 50



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Research Results

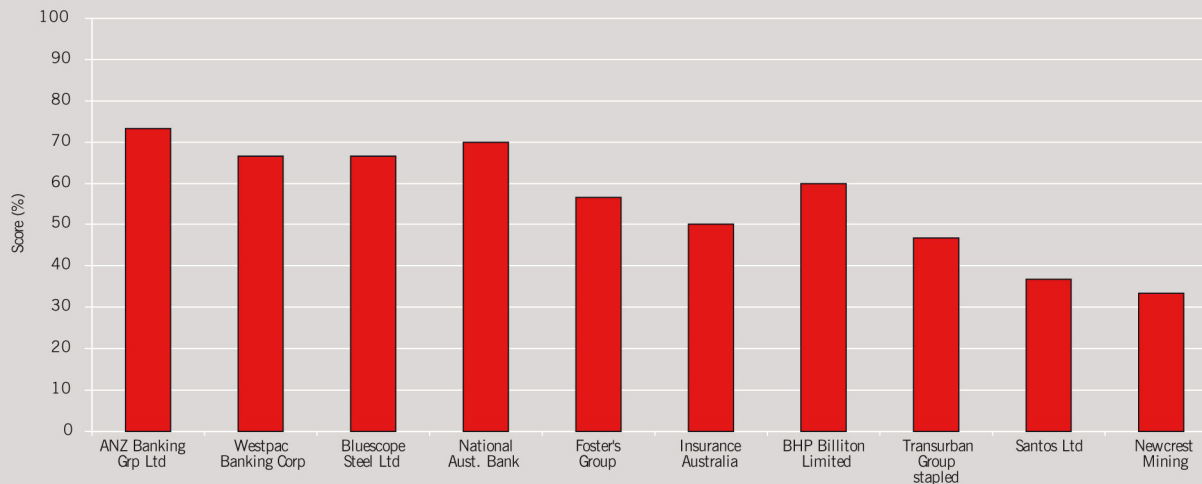
Strategy & Governance – 30%

STRATEGY AND
GOVERNANCE
30%



Strategic Intent
Materiality
Governance
Engagement
Assurance

Figure 4 – Performance of top ten ASX companies in Strategy and Governance criteria group



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Research Results

Top 50 average 26%

Top 10 average 56%

Widespread:

- Employee Codes of Ethics or Conduct
- Board accountabilities
- Integrating transparency frameworks into business strategy

Emerging:

- Linking behaviours into performance reviews and employee recognition schemes
- Global Reporting guidelines and standards
- Employee climate surveys



BEST PRACTICE CASE STUDY

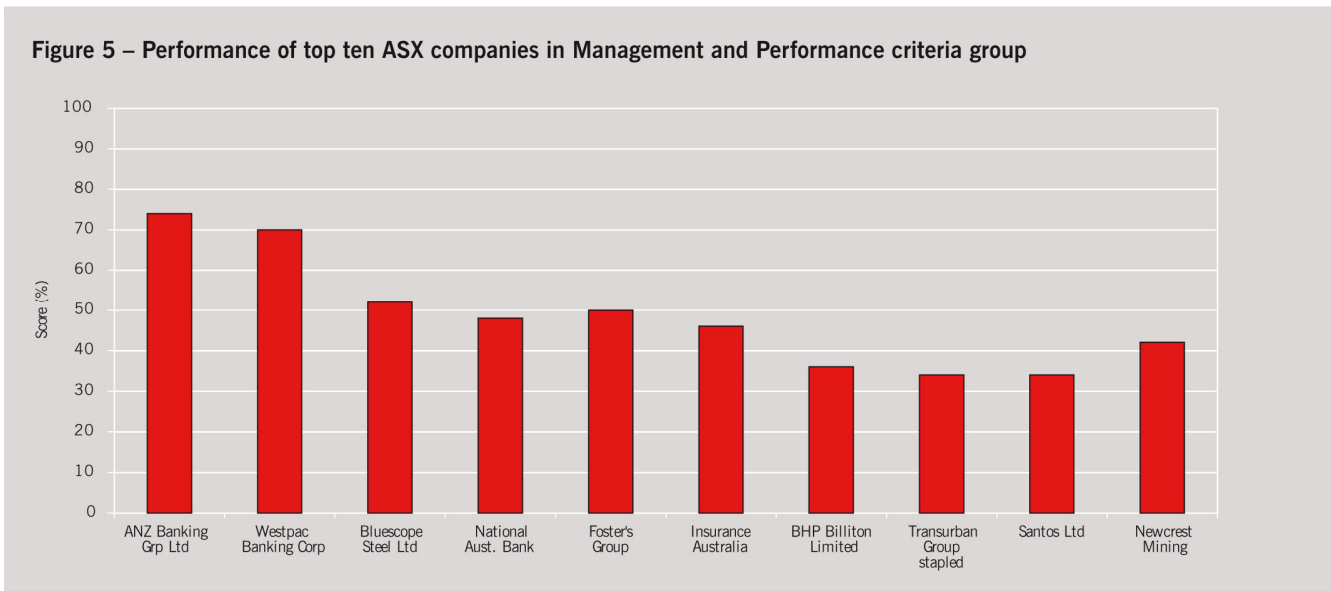
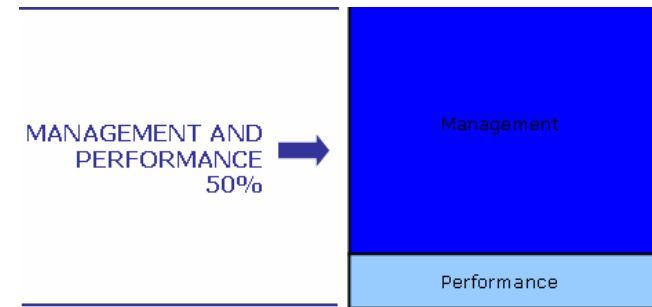
ANZ Bank Limited– Score 73%

- ANZ's 'Breakout' program has reached over 30,000 employees in the past six years.
- The cultural transformation has led to a leap in employee engagement levels to 64% in 2007

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Research Results

Management & Performance – 50%



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Research Results

Top 50 average 23%

Top 10 average 49%

Widespread:

- Training and development, Employee Health, Safety & Wellbeing
- Whistleblowing policy

Emerging:

- Establishing KPIs and reporting on performance against indicators
- Measures to achieve HCM performance
- Reporting on number of women in management, flexible working practices, employee benefits program

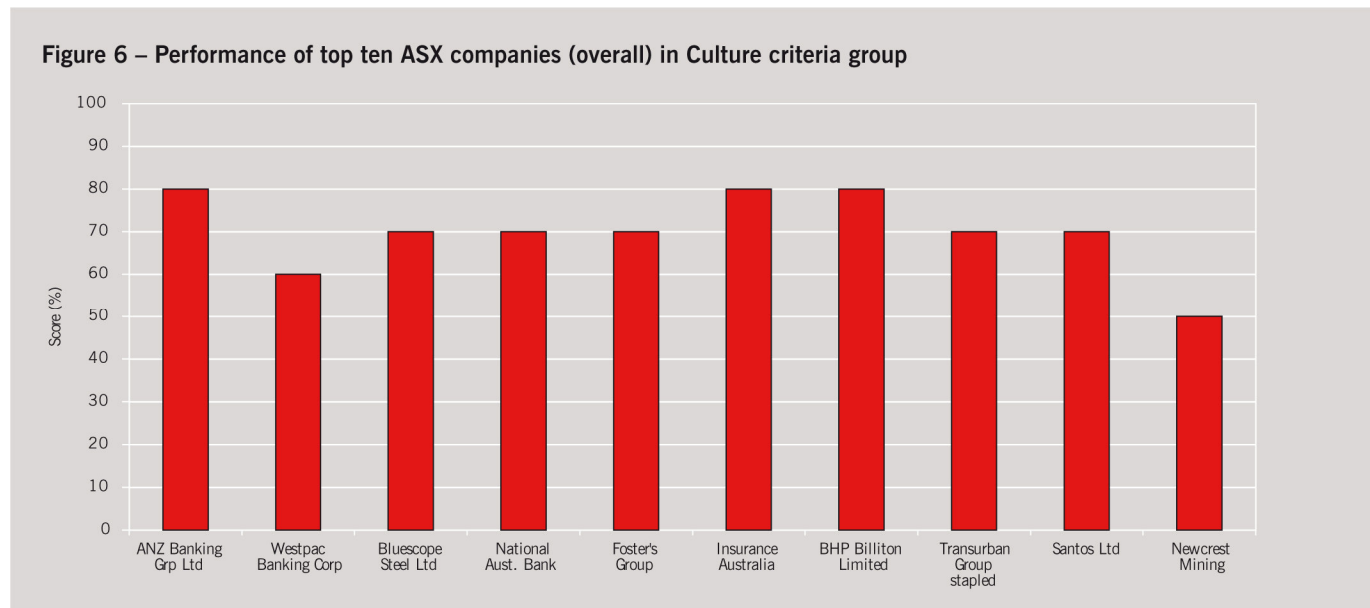
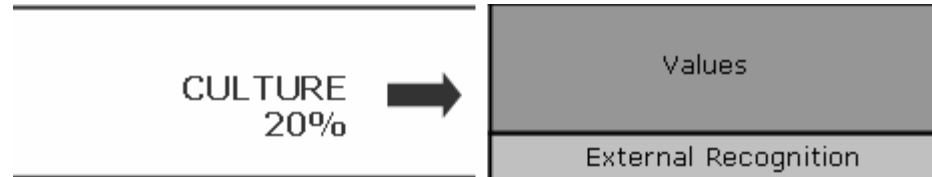
Westpac Banking Corporation – score 69%

- Refers to a range of policies relating to Human Capital Management in its report and makes these available on the website.
- Including potentially sensitive areas
- Outlines targets for performance
- Discloses on systems to manage performance and related KPIs

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Research Results

Culture - 20%



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Research Results

Top 50 average 44%

Top 10 average 70%

Widespread:

- Values or mission statements

Emerging:

- Communication to employees or specific value-associated activities.

•Recommendation:

- Training, especially for management, in the significance of the company culture and values and how they can integrate behaviours into organisational policies and processes.



BEST PRACTICE CASE STUDY

Coles Group Limited – score 100%

- The only company out of the 50 to score the maximum in terms of their disclosures on organisational culture and values.
- Website includes information on values and mission but also on implementation throughout the organisation

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Research Results

Conclusions

Opportunities to improve reporting include:

- **Better frameworks for disclosures**
- **Disclosing on governance structures to manage HCM performance**
- **Improving measures and metrics**
- **Developing and reporting on targets**
- **Showcase examples of best practice and create opportunities for knowledge sharing and learning**