



RESEARCH REPORT

SDG MEASUREMENT AND DISCLOSURE 3.0

A study of ASX150 companies

JULY 2021

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FOREWORD

The United Nations' (UN) 2030 Agenda for Sustainable Development gave rise to 17 Sustainable Development Goals (SDGs) which collectively represent a vision and a roadmap for a better, more sustainable world. These goals, set in 2015 collectively offer an overarching framework for businesses to plan and enact sustainability strategies with the SDGs in mind. In 2020, the COVID19 pandemic outbreak has led to unprecedented economic and societal impacts; laying bare the interconnectedness of risks across all 17 SDGs which demand more transformative and deeper commitments to innovative, global solutions for human welfare and sustainable development.

For businesses, there is an urgent need to meet the rising challenges in an increasingly volatile, pandemic impacted global economy. Now, more than ever businesses are scrutinised on their actions and impacts on the planet and societal needs. By placing sustainable development at the core of recovery plans, businesses would be able to strengthen their position to better respond to future crises while taking advantage of emergent opportunities. As such, the accountability and transparency of corporate disclosure on the SDGs continue to be highly critical for both the 2030 Agenda as well as meeting stakeholder needs and organisational survival.

THIS REPORT

This report, led by an RMIT University research team and developed in collaboration with CPA Australia, provides an analysis of the SDG disclosure practices in 2020 by the top 150 Australian public-listed companies (ASX150) (by market capitalisation as at 1 July 2019). It is the third report in the 'SDG Measurement and Disclosure' by ASX150 series of reports and includes analyses of SDG disclosure trends over a three year period (2018 to 2020).

The analysis is based on data from corporate annual sustainability reports, and assesses the extent of SDG awareness, commitment and governance support mechanisms and management approaches to sustainability disclosed by the ASX150. The report aims to build on the evidence gathered over the two preceding years with a view to identifying the performance and emergent strategies towards sustainable development of the sample ASX150. It also lists the Top20 performing companies in terms of SDG disclosure in the 2020 reporting period.

FURTHER, THIS REPORT ALSO FOCUSES ON THREE KEY THEMES IN RELATION TO THE SDGS:

- emergent disclosure practices in response to the Australian Modern Slavery Act 2018,
- reporting on corporate commitment to carbon neutrality
- how business associate the SDGs with their responses to the Covid19 pandemic

This report will be of interest to investors, regulators, and other stakeholders to better understand how top public-listed Australian companies are relating to and managing the different SDGs. Readers of this report are also encouraged to refer to the first two reports in this series to gain a fuller understanding of the evolving trend in SDG reporting over the last triennium:

Link to report 1: <https://www.rmit.edu.au/news/sdg-related-news/measurement-and-disclosure-by-asx150>

Link to report 2: <https://www.unaa.org.au/wp-content/uploads/2020/08/UNAA-RMIT-ASX-150-SDG-Report.pdf>

We take this opportunity to once again acknowledge and thank the Global Compact Network of Australia and the United Nations Association of Australia (UNAA) for their support of the two preceding reports, respectively, in this research series.

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ACKNOWLEDGEMENTS

The research team would like to thank CPA Australia and John Purcell, policy adviser for Environmental, Social and Corporate Governance for their contribution to this report. Special thanks to Frank Maisano and Yashwant Bhurruth for their research assistance.

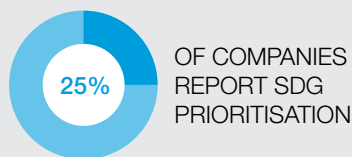
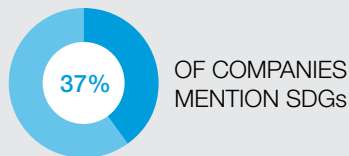
HIGHLIGHTS

- 1** SDG disclosures by the ASX150 have significantly improved over the 2018-2020 triennium.
- 2** There is an upward trend in terms of both the number of companies mentioning SDGs in their annual sustainability reports as well as the number of companies that disclose prioritized SDGs.
- 3** The extent of awareness, commitment and governance support for the SDGs have substantially improved.
- 4** Disclosure levels on how Australian businesses set and track appropriate performance targets and indicators for the SDGs, however, remains limited.
- 5** 124 (83%) of the ASX150, mention Modern Slavery Act in their annual and/or their sustainability reports.
- 6** 17 (11%) of the ASX150 companies have achieved carbon neutrality, and another 38 (25%) have committed to carbon neutrality.
- 7** Companies have also associated SDGs with their relief responses to the Covid19 pandemic.



SUMMARY FINDINGS

2018



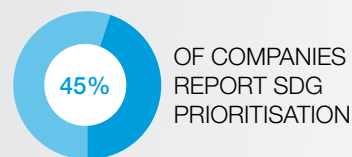
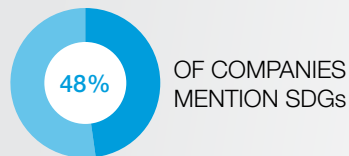
3 MOST COMMON SDGs PRIORITISED



3 LEAST COMMON TYPES OF SDGs PRIORITISED



2019



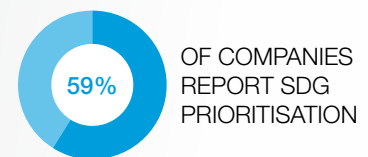
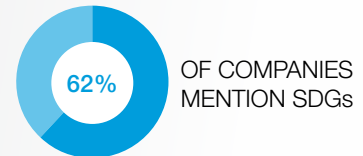
3 MOST COMMON SDGs PRIORITISED



3 LEAST COMMON TYPES OF SDGs PRIORITISED



2020



3 MOST COMMON SDGs PRIORITISED



3 LEAST COMMON TYPES OF SDGs PRIORITISED



2 times COMPANIES INCORPORATING SDGs IN THEIR BUSINESS PERFORMANCE TARGETS HAVE ALMOST DOUBLED SINCE 2019

92% OF THE 94 COMPANIES REPORTING ON THE SDGs HAD ALSO PRODUCED A MODERN SLAVERY STATEMENT

42% OF ASX150 HAVE PLEDGED TO ACHIEVING CARBON NEUTRALITY, WITH 17 COMPANIES HAVING ACHIEVED CARBON NEUTRALITY

80% OF THE 81 COMPANIES THAT HAD PRIORITISED CLIMATE ACTION SDG 13; HAVE EITHER ACHIEVED CARBON NEUTRALITY OR COMMITTED TO MEETING CARBON NEUTRALITY



BACKGROUND

THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

The SDGs aspire to address the world's most pressing social, environmental and economic challenges and are placed as an important compass to direct business actions on sustainable development. While the SDGs were agreed to by all 193 UN member states, their success is dependent on the actions and collaboration between various institutions and actors including business organisations. It is widely acknowledged that the private sector will be one of the most significant sources of resources, action and technical capacity relied upon to achieve the SDGs. The Australian Government's Senate Inquiry into the United Nations SDGs stated in its 2019 report, among other things, the need to increase awareness of SDGs among corporates, enhance reporting while keeping costs of doing so minimal.¹

The 2020s is seen as the decade for action on the SDGs. Yet the start of the decade has been tumultuous with the Covid19 pandemic outbreak threatening the availability of much needed resources to address the continuing challenges to humankind. The threats faced by our global food eco-systems, the impact of climatic changes and the peace and security of our nations and institutions are inextricably linked with evolving economic and technological developments. How businesses demonstrate their accountability and impacts on sustainable development is critical for the progress of the 2030 Agenda, and a matter burgeoning among the business owners and investors as well as the global community at large.

SUSTAINABLE DEVELOPMENT GOALS



The COVID-19 pandemic has had an impact on all 17 Sustainable Development Goals, showing that what began as a health crisis has quickly become a human and socioeconomic crisis. The crisis is simultaneously imperilling progress on the Goals and making their achievement all the more urgent and necessary. Efforts to recover from the COVID-19 pandemic must go hand in hand with efforts to implement the 2030 Agenda for Sustainable Development and deliver the Goals during the decade of action.....”

Secretariat of Economic and Social Commission for Asia and the Pacific, 2021

https://www.unescap.org/sites/default/d8files/event-documents/APFSD8_2E.pdf

¹ See: https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Foreign_Affairs_Defence_and_Trade/SDGs/Report



Reporting frameworks and guidelines help to establish clear and consistent disclosures on the Integration and performance of companies on the SDGs. Two such notable frameworks and guidelines are the SDG Business Compass Guide and the Business Reporting on the SDGs guide, both of which were created by the UN Global Compact in collaboration with the Global Reporting Initiative (GRI)². The SDG Compass aims to guide companies on how they can align their strategies as well as measure and manage their contribution to the SDGs. It involves a 5-staged process that keeps sustainability at the centre of business outcomes, shown in Figure 1.

We also drew insights from past studies e.g. *'SDG Reporting Challenge'* (PWC, 2019)³; *'How to Report on the SDGs'* (KPMG, 2018); *'ASX 20 Disclosures on the Sustainable Development Goals'* (Think Impact, 2018), and The recent Sustainable Development Goal Disclosure (SDGD) Recommendations by Adams, Druckman, and Picot (2020)⁴ which identify four critical themes for SDG disclosure:

- **Governance** - the board's governance around sustainable development risks and opportunities and oversight of processes to integrate sustainable development considerations into the organisation's processes.
- **Strategy** – changing what business is done and how business is done to maximise long term value creation for the organisation and society and positive impact on the achievement of the SDGs.
- **Management approach** – management's approach to integrating consideration of sustainable development risks and opportunities into all aspects of the organisation.
- **Performance and targets** – qualitative and quantitative approaches to communicating performance and targets.

2 <https://www.unglobalcompact.org/take-action/action-platforms/sdg-reporting>

3 <https://www.pwc.com/gx/en/services/sustainability/sustainable-development-goals/sdg-challenge-2019.html>

4 <https://www.accaglobal.com/an/en/professional-insights/global-profession/the-sustainable-development-goals/SDGDrecommendations.html>



THE FIVE STEPS OF THE SDG COMPASS GUIDE

- 1 Understanding the SDGs**
Develop awareness and understanding of the SDGs.
- 2 Defining priorities**
Seize the most important business opportunities presented by the SDGs and reduce risks. Define priorities based on an assessment of the positive and negative, current and potential impact on the SDGs across the companies' value chains.
- 3 Setting goals**
Align company goals with the SDGs, the leadership can demonstrate its commitment to sustainable development.
- 4 Integrating**
Integrate sustainability into the core business and governance, and embed sustainable development targets across all functions within the company. Pursue shared objectives or address systemic challenges, engage in partnerships across the value chain.
- 5 Reporting and communicating**
Report information on sustainable development performance using common indicators and shared set of priorities. Build the SDGs into the company's communication and reporting with stakeholders.

RESEARCH METHOD

Content analysis of the ASX150's annual reports on corporate sustainability and integrated reports with year ending in 2020 was undertaken. A cross-comparative analysis of SDG disclosures with the previous two years' reports i.e. years ending 31 December 2018, 2019 and 2020).

The analysis focused on identifying systematic patterns in SDG measurement and reporting by the ASX150 along three main themes:

- awareness and commitment to the SDGs,
- coherence in the integration of SDGs in the company's strategic materiality analysis, and
- measurement of the SDGs with their business activities and performance.

Our analysis was consistent with previous studies in this report series. See Figure 2 for criterion list which was developed based on SDG reporting guidelines such as SDG Compass.

Further, as elucidated In Figure 3, integrating the SDGs into the materiality analysis needs to be comprehensive, and company disclosure of this process is helpful for understanding their strategic stance on the SDGs.

Please Note: This study did not include a review of company websites or other social media outlets where companies may interact with the SDGs.

FIGURE 3 MATERIALITY ANALYSIS PROCESS

Materiality analysis generally involves an internal review, as well as an external analysis of the importance of the potential risks and opportunities faced by a company.

Internally, a self-assessment can be undertaken on potential issues that are material to the company and to its internal stakeholders. This process could include consultations with internal stakeholders e.g. managers and employees, and be informed by internal performance records. The external analysis begins with engaging with stakeholders outside the company, and reflecting on reports produced by external parties e.g. industry and media news.

Data from both the analyses on the different strategic and operational matters faced by the company can then be brought together through a materiality matrix, leading to identification of the materiality or importance of issues as viewed by both internal and external stakeholders.

The materiality profile can then be related to the relevant SDGs, and the goals and targets prioritized according to the potential risks, opportunities and impacts of organisational activities as per stakeholder perspectives.

FIGURE 2 CRITERION LIST

The nature and extent of SDG awareness, measurement and disclosure were assessed based on a total of thirteen (13) criterion items under three distinct areas as follows:

Awareness and Commitment to the SDGs

five criterion items

- (i) mention or acknowledgement of the SDGs in either the annual or sustainability reports;
- (ii) mention of the SDGs in the Chair or CEO message;
- (iii) presence of board members with SDG or sustainability knowledge and expertise,
- (iv) presence of a sustainability committee; and
- (v) prioritisation of the SDGs.

Integration of SDGs into Strategic Materiality Analysis

five criterion items

the integration of SDGs in

- (i) materiality assessment,
- (ii) SDGs linked to materiality assessment at the SDG target level,
- (iii) SDGs incorporated to stakeholder engagement processes,
- (iv) SDGs linked to sustainability initiatives, and
- (v) SDGs linked to sustainability initiatives at the SDG target level.

SDGs and Performance Measurement

three criterion items

the extent to which SDGs are mapped or linked with

- (i) business performance indicators,
- (ii) SDGs linked to business performance indicators at the SDG target level; and
- (iii) historic performance data demonstrating SDG contribution.

A score of one recorded if a criterion item was present.

SDG AWARENESS & COMMITMENT

Corporate reporting provides an avenue for making clear the contributions of businesses to the SDGs. This depends upon their awareness of the goals, and the quality of governance oversight and leadership mechanisms. Communicating the SDGs that are most relevant to a company's business model will enable both management and external stakeholders such as investors to focus on those goals that are value-enhancing. The SDG Compass suggests companies not only develop an awareness and understanding of the SDGs, but also disclose their commitment to sustainable development.⁵

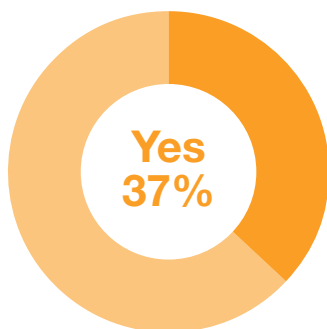
SDG ACKNOWLEDGEMENT IN REPORTS

Our analysis found 94 (63%) companies mentioned SDGs in 2020. This is a 31% increase compared to 2019, where 72 (48%) of the ASX150 mentioned SDG in the corporate sustainability reports in 2019, and an increase of 69% compared to 2018 where 56 (37%) companies were found to acknowledge the SDGs.

This trend, as shown in Figure 4, signals a strong and positive growth in the awareness and interest by ASX150 in the SDGs over the last three years. Further analysis at the sub-sector level reveals that SDGs are mentioned by majority of the companies in the Materials, Industrials and Financials. (See Appendix, for the full sectoral classification based Global Industry Classification Standards (GICS), jointly developed by S&P Dow Jones Indices and Morgan Stanley Capital Investment, and adopted by the ASX).

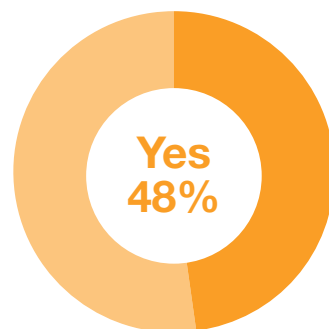
FIGURE 4

Companies mention SDGs
2018



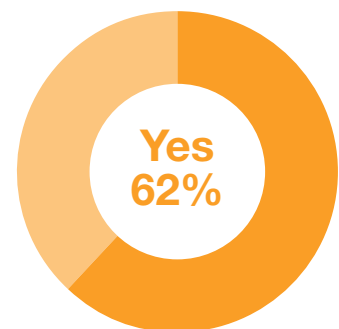
■ Yes (37%)
■ No (63%)

Companies mention SDGs
2019



■ Yes (48%)
■ No (52%)

Companies mention SDGs
2020



■ Yes (62%)
■ No (38%)

⁵ See: SDG Compass, 2015, p.16.
https://sdgcompass.org/wp-content/uploads/2016/05/019104_SDG_Compass_Guide_2015_v29.pdf

TONE AT THE TOP

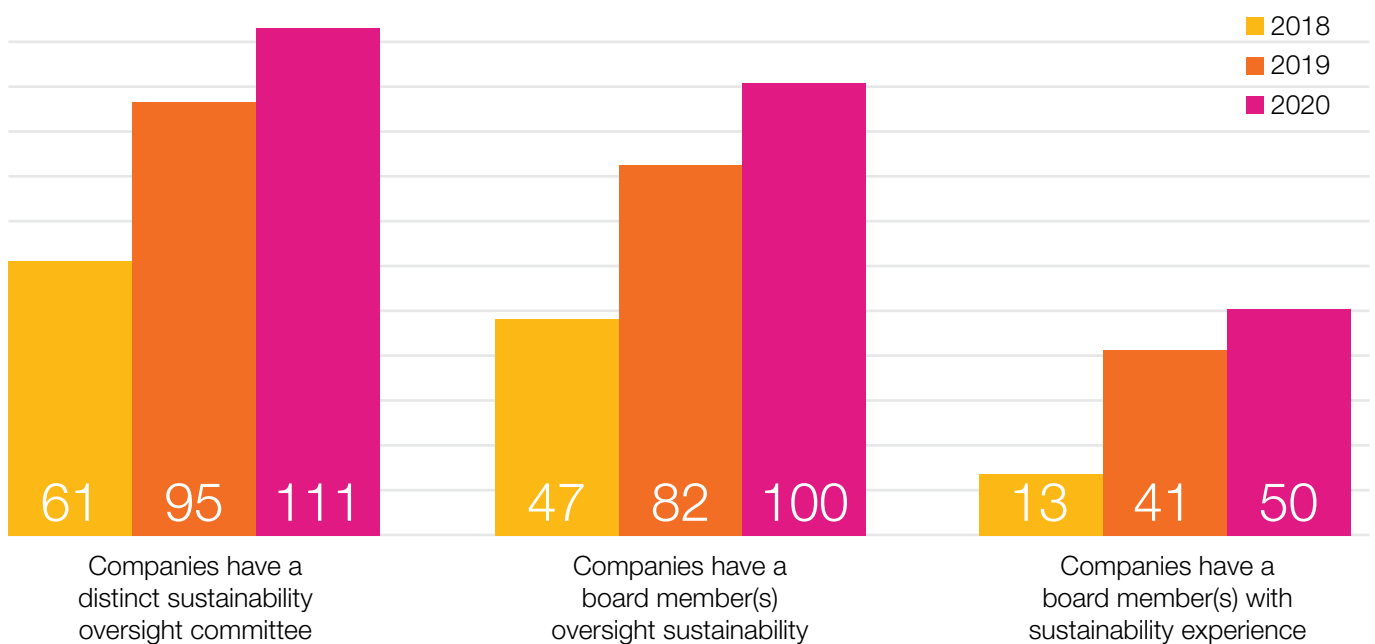
Interestingly, the downward trend of SDG mention in messages from the Chair or CEO mention found in 2019 continued in 2020. Of the ASX150's 2020 corporate sustainability reports, only 11 (7%) referred to the SDGs. Both the GRI and Global Compact Network Australia (GCNA) advocate that the most senior decision-maker of the organisation make a statement about the relevance of sustainability to the organisation as well as its commitments and strategies for addressing sustainability. However, given the significant upward trend in SDG mention in the corporate sustainability reports, the increasing awareness among ASX150 is encouraging.

GOVERNANCE OVERSIGHT

An upward trend is also found for the ASX150 in relation to the presence of a distinct sustainability oversight committee; in the number of businesses having board members with responsibility over sustainability matters, and board members having sustainability and/or SDG expertise. See Figure 5 below. Most notable is the increase in board members having sustainability and/or SDG expertise, which has quadrupled in the last three years, while the disclosure of the presence of sustainability oversight committees and board members with such oversight has doubled.

This is once again a positive trend signalling greater focus on governance structures and mechanisms to oversee the SDGs. Disclosure of such structures and mechanisms is important as it sends a strong signal of commitment by the organisation to the SDGs, and the presence of expertise for guiding sustainable development within the ASX150.

FIGURE 5 COMPANY GOVERNANCE SUPPORT FEATURES



SDG PRIORITISATION

Prioritisation is a process by which companies selectively identify one or more SDGs with their strategy and activities based on an assessment of risks and benefits to people and the environment.⁶ In other words, not all SDGs are relevant to all companies. Having a set of prioritised or carefully chosen set of SDGs at the organisational level signals to stakeholders that the company is not only clear on which SDGs are relevant to the business, but also convey focal areas in which it will direct and commit resources to.

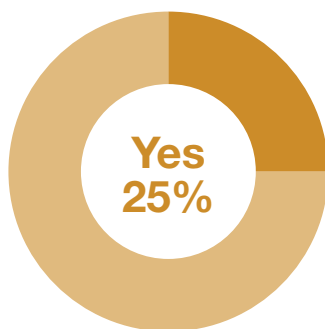
In 2020, 88 companies disclosed prioritised SDGs where there were 21 (31%) more companies prioritising the SDGs compared to 2019. As shown in Figure 6 below, this is a remarkable positive trend over the three years i.e. 2018-2020, signaling companies are beginning to better understand the connections between the SDGs and their business models, flagging improvements or a maturing of knowledge and expertise in SDG reporting.

Interestingly, of the 88 companies prioritising the SDGs, almost half prioritised between 6 to 10 goals, while 8 companies prioritised all 17 goals. This trend is interesting as deeper analysis indicates two of the companies that had prioritised all 17 goals in 2020 had not prioritised any goal in 2019. Further, the six other companies prioritising all goals were largely from the mining or materials industry and were already in the previous year had prioritised more than 13 goals on average. It is likely that companies vary widely in prioritisation practices, some still maturing in their selection approach.

FIGURE 6 COMPARATIVE ANALYSIS OF NUMBER OF SDGs PRIORITISED

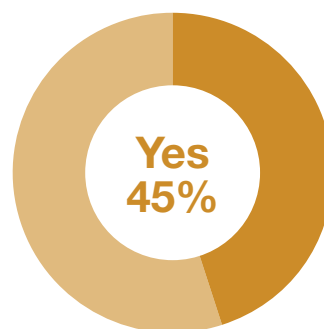
	1 to 5 SDGs	6-10 SDGs	11- 16 SDGs	17 SDGs	Total
2020	17	41	22	8	88
	19%	47%	25%	9%	100%
2019	20	28	17	2	67
	30%	42%	25%	3%	100%
2018	11	14	9	4	38
	28%	37%	24%	11%	100%

Companies Prioritising SDGs 2018:



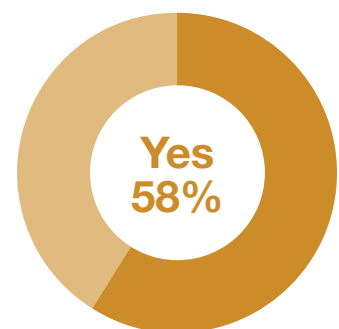
■ Yes (25%)
■ No (75%)

Companies Prioritising SDGs 2019:



■ Yes (45%)
■ No (55%)

Companies Prioritising SDGs 2020:



■ Yes (58%)
■ No (42%)

⁶ See the report titled, Integrating the SDGs into Corporate Reporting: A Practical Guide. https://www.globalreporting.org/resource/library/GRI_UNGC_Reporting-on-SDGs_Practical_Guide.pdf

GLOBAL INDUSTRY CLASSIFICATION STANDARDS (GICS)

Sector	Industry Group
Energy	Energy
Materials	Materials
Industrials	Capital Goods
	Commercial & Professional Services
	Transportation
Consumer Discretionary	Automobiles & Components
	Consumer Durables & Apparel
	Consumer Services
	Media
	Retailing
Consumer Staples	Food & Staples Retailing
	Food, Beverage & Tobacco
	Household & Personal Products
Healthcare	Health Care Equipment & Services
	Pharmaceuticals, Biotechnology & Life Sciences
Financials	Banks
	Diversified Financials
	Insurance
Information Technology	Software & Services
	Technology Hardware & Equipment
	Semiconductors & Semiconductor Equipment
Telecommunication Services	Telecommunication Services
Utilities	Utilities
Real Estate	Real Estate



“Achieving one target is almost always dependent on success in another: businesses are increasingly aware of the fact that they cannot succeed in societies that fail; societies in turn cannot perpetuate in dying ecosystems....”

Mark Irvine Communications manager ; DNV GL

<https://www.dnv.com/feature/sdgs-business-action.html>



“Right now, developing countries face the dual challenges of funding the pandemic response and avoiding a major debt crisis.

For the Sustainable Development Goals to stand a chance, we must address the immediate, medium and longer-term financing challenges that developing countries face....”

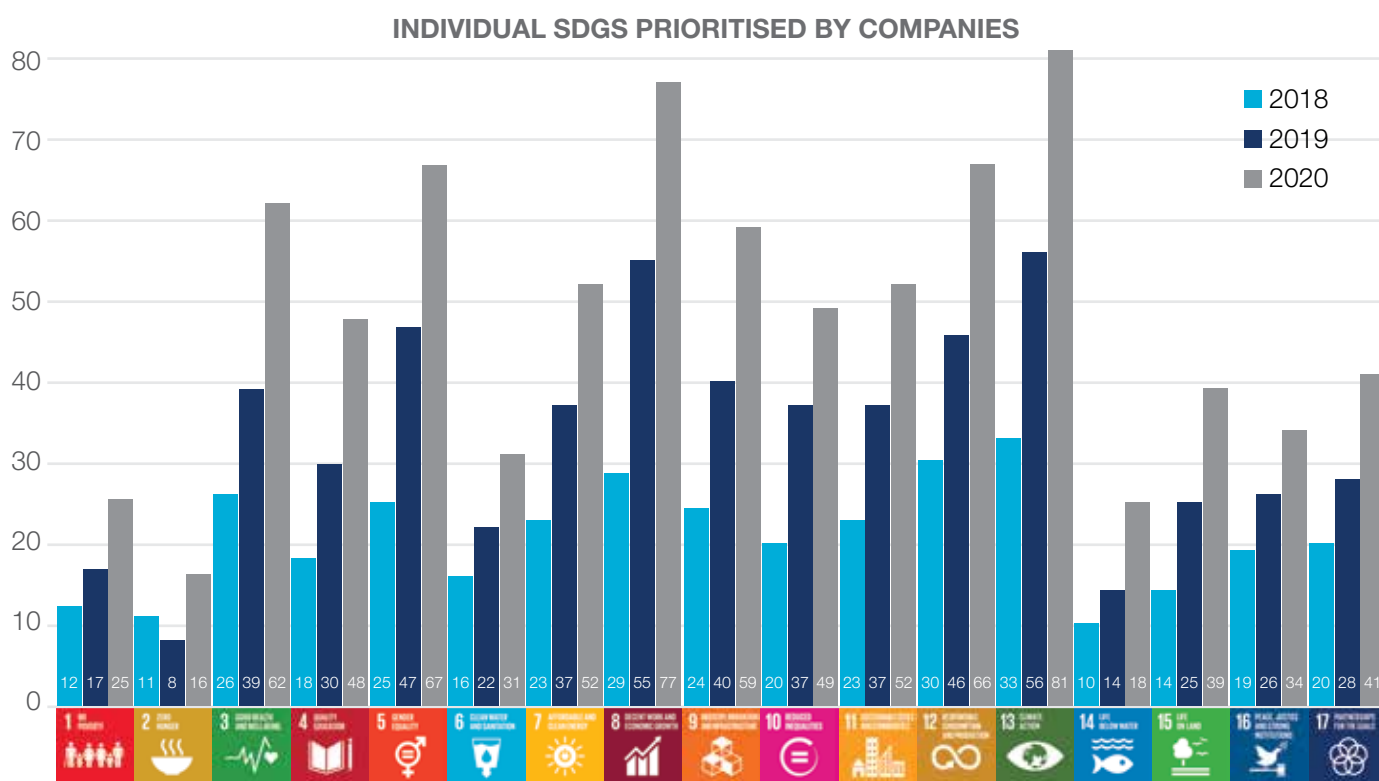
UN Secretary-General, September, 2020.

TYPE OF SDGS PRIORITISED

In 2020, the top five SDGs most commonly prioritized in order of rank are SDG13 Climate Action; SDG8 Decent work and economic growth; SDG5 Gender Equality; SDG12 Responsible Consumption and Production, and SDG3 Good health and well-being. The rise in the mention of SDG3 is most notable with almost three times more companies reporting SDG3 in 2020 compared to 2018. Part of the reason for this upward disclosure is the onset of the Covid19 pandemic in early 2020 had brought about unprecedented pressures on companies to respond to the well-being of employees and other stakeholders. Further analysis and examples on how companies have disclosed their responses to Covid 19 in relation to the SDGs is provided in the Appendix of this report.

See Figure 7 presenting a comparative depiction of SDG prioritization for all 17 SDGs for the three years, 2018 and 2020.

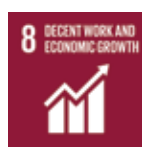
FIGURE 7 COMPARATIVE ANALYSIS – INDIVIDUAL SDGS PRIORITISED



TOP SIX MOST COMMONLY PRIORITIZED SDGS (2018-2020)



SDG13
Climate Action



SDG8
Decent work and economic growth



SDG5
Gender Equality



SDG12
Responsible Consumption and Production



SDG9
Industry Innovation and Infrastructure



SDG3
Good Health and Well-being.

MODERN SLAVERY REPORTING REQUIREMENT

The Australian Modern Slavery Act 2018 mandates entities operating in Australia with more than AUD\$100 million annual revenue to produce an annual public statement describing what they are doing to address modern slavery risks such as human trafficking, slavery, forced labour, child labour, and slavery-like practices.

In 2019, a notable growth in the prioritization of SDG5 Gender Equality and SDG10 Reduced Inequalities was observed compared to 2018. This disclosure trend was seen to flag the effects of the Australian *Modern Slavery Act* 2018 that came into effect on 1 January 2019.

In 2020, the prioritisation of both SDG5 Gender Equality and SDG10 Reduced Inequalities by the ASX150 continued to grow (43% and 32%, respectively) compared to 2019. Further, the parallel rise in company prioritization of SDG8 Decent Work and Economic Growth also signals the growing focus on emboldening more inclusive, safe and equitable workplaces.

ADDITIONAL ANALYSIS FURTHER SHOWS THAT

- 124 (83%) companies of the ASX150, mention Modern Slavery Act in their annual and/or their sustainability reports
- 106 companies have registered their Modern Slavery Statements with the Australian Government
- Of the 94 companies that mention SDGs, 88 (94%) companies had registered their modern slavery statement.
- The top five SDGs that companies with a Modern Slavery Statement are SDG 13 Climate action, SDG 8 Decent work and economic growth; SDG 5 Gender Equality; SDG 12 Responsible Consumption and Production and SDG 3 Good Health and Well-being.

Overall, these trends signal ASX150 are continuing to strongly respond to the Modern Slavery challenges, and to the 2018 Act itself through enhanced disclosure of Australian business community commitments and efforts to identify and address their modern slavery risks, and maintain responsible and transparent supply chains. It is also contended that taking actions to combat modern slavery through improving the integrity and quality of supply chains potentially yields multiple benefits including economic and social outcomes as well as sustainability of the business in the long run.



“Out of the 24.9 million people trapped in forced labour, 16 million people are exploited in the private sector such as domestic work, construction or agriculture; 4.8 million persons in forced sexual exploitation, and 4 million persons in forced labour imposed by state authorities.

Women and girls are disproportionately affected by forced labour, accounting for 99% of victims in the commercial sex industry, and 58% in other sectors”.

Source: Global Estimates of Modern Slavery: Forced Labour and Forced Marriage, Geneva, September 2017. <https://www.ilo.org/global/topics/forced-labour/lang--en/index.htm>

SDGS AND CARBON NEUTRALITY

SDG13 Climate Action relates to taking urgent action to combat climate change and its impacts. Further Target 13.1 centers on strengthening resilience and adaptive capacity to climate related hazards and natural disasters in all countries. With carbon emissions seen to be a fundamental source of climate change, the pressure on businesses to become carbon neutral has escalated. Carbon neutrality means achieving net-zero carbon emissions i.e. the release of carbon due to an organisation's activities need to be brought to zero. This can be achieved by reducing carbon emissions and/or compensating for emissions by investing in carbon offset projects to achieve net zero emissions overall.

THE ANALYSIS OF THE 2020 ANNUAL SUSTAINABILITY REPORTS OF THE ASX150 INDICATE 63 COMPANIES (42%) HAVE EITHER COMMITTED TO OR HAVE ACHIEVED CARBON NEUTRALITY. OF THESE:

- 17 (11%) companies disclose as having achieved carbon neutrality, but only 13 (76%) of these companies prioritize SDG13 Climate Action.
- 38 companies declared their commitment to achieving carbon neutrality by 2050 latest, and of these companies, 15 (40%) disclosed their intention to become carbon neutral by 2030. Interestingly, of the 38 companies 11 (29%) companies did not prioritise SDG13 Climate Action.
- Eight companies expressed commitment to carbon neutrality without setting a timeframe for achieving the goal.

Interestingly, while 87 companies were found **not to have** mentioned their intentions on carbon neutrality in their sustainability reports, 38 of them had prioritised SDG13 Climate Action.

Overall, less than half the ASX150 have disclosed their intention on carbon neutrality, and among those that do report, there appears to be a gap between company disclosure on their intentions on carbon neutrality and their prioritization of SDG13 Climate Action. The pressure on companies to be accountable and transparent on climate disclosure is escalating. In May 2021, the Business Council of Australia announced the adoption of a set of science-based membership criteria aligning Australian businesses with the transition to net-zero emissions. Various global investor bodies have likewise called for businesses to commit to and transition to carbon neutrality. For example, the UN accredited Net Zero Asset Managers initiative has 73 signatories representing USD32 trillion in assets under management, 36 per cent of the global total calling for carbon neutrality by businesses. As such, transparency on business actions relating to SDG13 Climate Action and carbon neutrality is critical for meeting the 2030 Agenda.

BUSINESS COUNCIL OF AUSTRALIA'S FIVE SCIENCE-BASED CRITERIA FOR MEMBERS

- 1 Set an ambition to reach net-zero greenhouse gas (GHG) emissions, no later than 2050 and have a science-informed plan to achieve it.
- 2 Set ambitious, science-informed, short and mid-term environmental goals that contribute to nature/biodiversity recovery by 2050.
- 3 Declare support for the UN Guiding Principles on Business and Human Rights by having in place a policy to respect human rights and a human rights due diligence process.
- 4 Declare support for inclusion, equality, diversity and the elimination of any form of discrimination.
- 5 Operate at the highest level of transparency by disclosing material sustainability information in line with the Task Force on Climate-related Financial Disclosures (TCFD) and align Enterprise Risk Management (ERM) with environmental, social and governance-related (ESG) risks.

Source: www.wbcsd.org/Overview/Global-Network/News/Net-zero-criteria-set-the-course-to-transition-for-Business-Council-for-Sustainable-Development-Australia-members

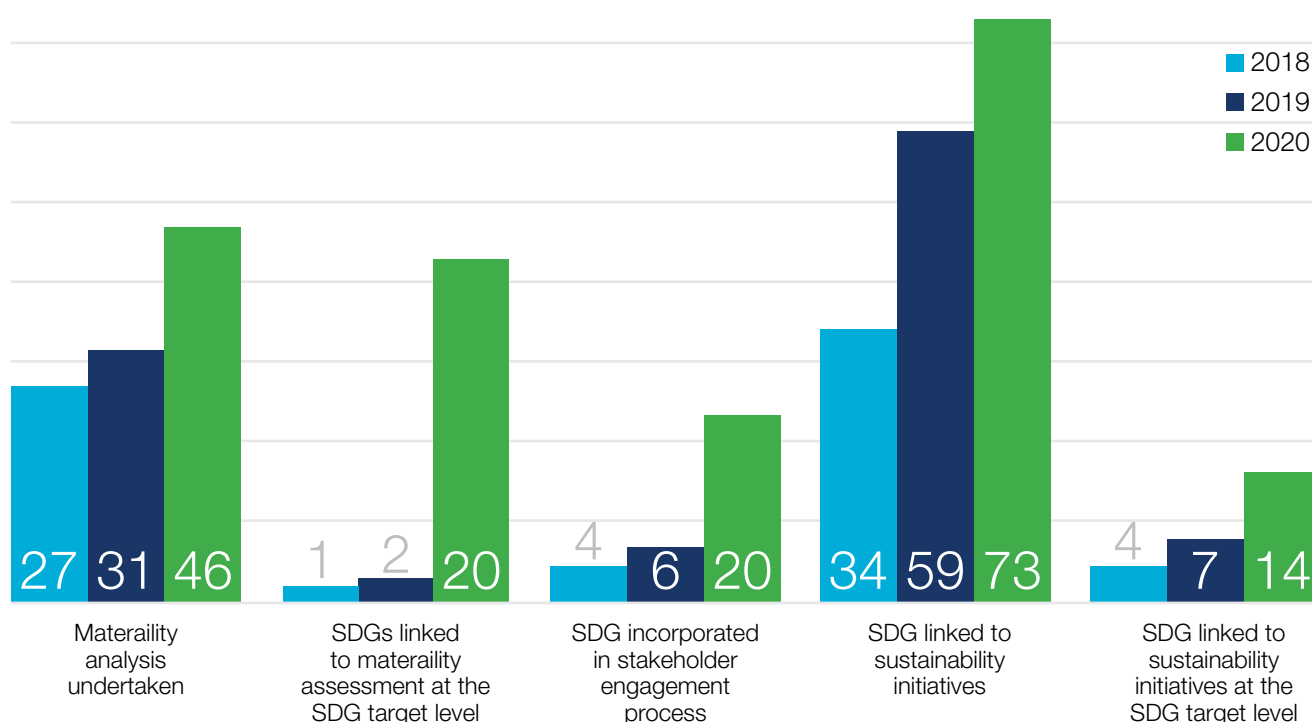
INTEGRATING SDGS INTO STRATEGIC MATERIALITY ANALYSIS

A strategic materiality analysis or review is a systematic process available to companies for identifying the important issues for the business, often from the eyes of both internal and external stakeholders. Disclosure of prioritised SDGs in relation to issues most critical for the business flags the SDGs that a company is actively actioning are likely to impact sustainable development. To be most effective, the sustainability goals of a company should be an integral component of its full set of financial, strategic and operational goals. The SDG Compass guide highlights that the initial step for a company is to conduct an assessment on the current, potential, positive and negative impacts that the business activities have on the SDGs throughout the value chain.

ARE SDGS CONSIDERED IN THE STRATEGIC MATERIALITY ANALYSIS?

In 2020, 46 companies disclosed their materiality analysis with SDGs embedded in the review, an increase of nearly 50% compared to the prior year. As depicted in Figure 8 below, in 2018, only 27 companies had embedded SDGs in their materiality review. This is a positive trend once again signalling the growing maturity in SDG governance processes, which is further supported by the upward trend in the increase in linking SDGs at the target level and at the stakeholder engagement process.

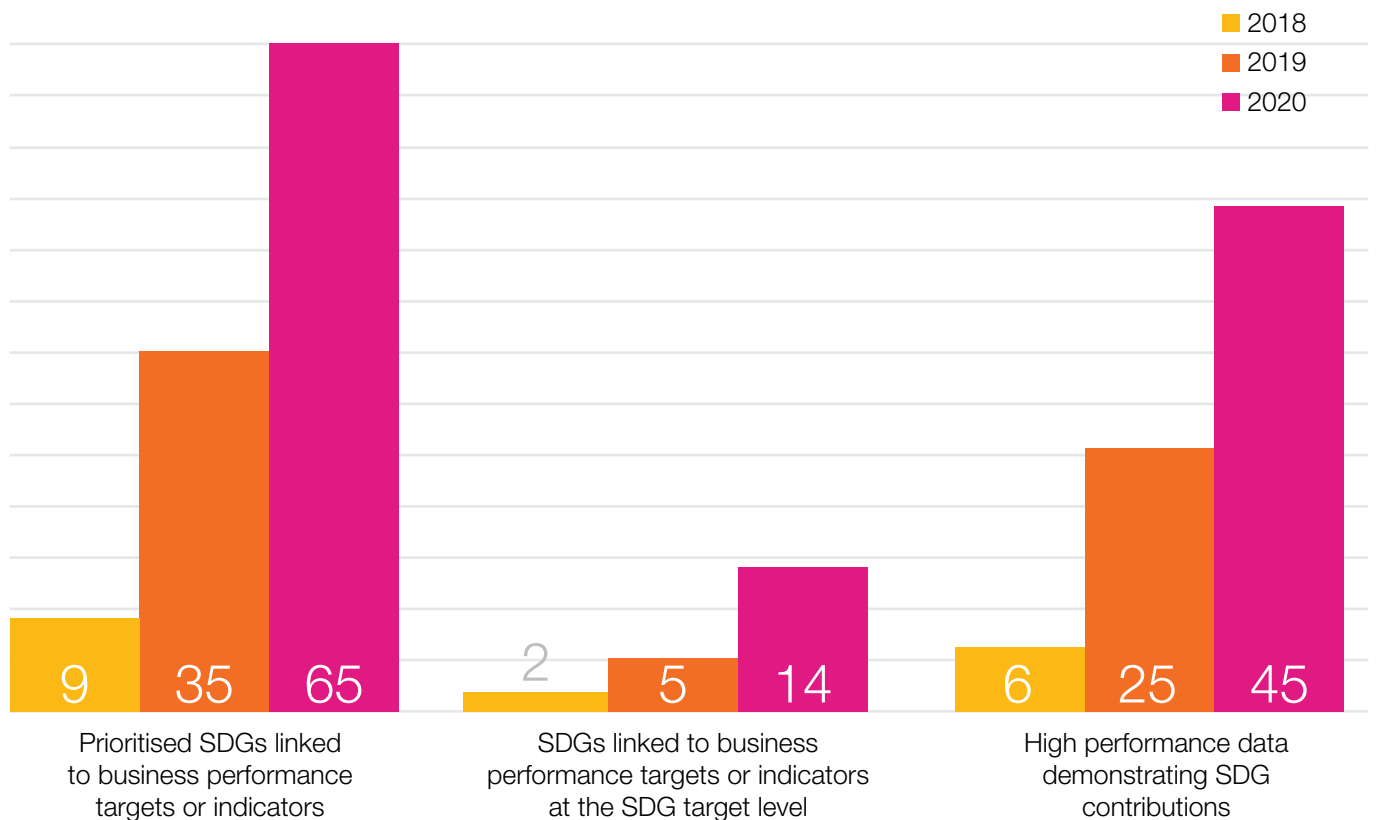
FIGURE 8 SDG INTEGRATION AND MATERIALITY ANALYSIS



SDG TARGET SETTING AND PERFORMANCE MEASUREMENT

Once the priority SDGs are identified by a company, ideally through a strategic materiality analysis, the next challenge for the company is to determine the targets for the selected SDGs, and the indicators for measuring performance. To ensure transparency, the key performance indicators of the company should be designed to quantitatively and/or qualitatively measure business and sustainability performance. Indicators should be specific, measurable, achievable, relevant and time-bound (SMART).

FIGURE 9 COMPARATIVE ANALYSIS - SDG PERFORMANCE DATA DISCLOSURE



Our analysis shows dramatic improvements where nearly double the number of companies linking prioritised SDGs with their business performance targets and Indicators. In 2019, 35 (48%) companies had set and aligned their prioritised SDGs with their business performance targets and indicators, while 65 companies revealed similar disclosure in 2020. SDGs linked to business performance indicators have also increased to 14, but when compared to 88 firms that are reporting prioritised SDGs, this is only around 16% of companies, and thus an area that could further improve.

The translation of global goals to the business context is not easy for many firms, and further guidance may be needed for guiding companies on how to effectively plan and link their organisational level Initiatives with the aspired global outcomes. It is much needed. While it is encouraging to see improvements in organisations starting to link business and SDG targets, further inquiry into the reasons and challenges faced by companies that are not reporting at a more granular level is needed. Further studies on finding the appropriate quantitative and/or qualitative approaches to communicating sustainability performance and contributions to a global sustainable development agenda appears justified.

HISTORIC PERFORMANCE DATA ASSOCIATED WITH SDGS

Presentation of performance data is an important part of disclosure. In the context of the SDG agenda, historical performance data is useful for demonstrating trajectory, and taking actions in relation to performance, on the road to achieving the 2030 SDG agenda. Demonstrating how a company has contributed to the SDGs strengthens confidence in the accountability of the company to stakeholders who have vested interests in a sustainability performance and outcomes of the company.

Our analysis identified that 48 (55%) of the companies that mention SDGs provided historic performance data on the SDGs in 2020. Once again, this is an area where the ASX150 have notably improved disclosure levels. A similar increase in disclosure rate was observed between 2018 and 2019. It was noted that GRI also plays an important positive influence in this context with 18 (72%) of the companies that providing historic performance data had also adopted the GRI guidelines.

Overall, the results demonstrate that although there has been a significant increase in the reporting of historical information by the ASX150 over the three year period.



TOP 20 PERFORMING COMPANIES

The top twenty (Top20) companies within ASX150 that performed very well in terms of their measurement and reporting of the SDGs are listed below. The assessment was based on the 13-item coding list developed for this study as described under the preceding section titled 'Research Overview'. The total market capitalisation of the Top20 companies is 32% of the ASX, with half the companies from the financial and industrial sectors. Compared to 2019, 12 new companies rose up to the Top20 performers group.

2018 TOP20 Performing Companies

AGL Energy Limited
Arcor PLC
ANZ Banking Group Limited
Aurizon Holdings Limited
Brambles Limited
Downer Group
Fortescue Metals Group Limited
Goodman Limited
Insurance Australia Group Limited
National Australia Bank
Northern Star Resources Limited
QBE Insurance Group Limited
Rio Tinto Limited
Sydney Airport
Telstra Corporation
Transurban Group
Westpac Banking Corporation
Woodside Petroleum Limited
Woolworths Group Limited
Worley Parsons Limited

2019 TOP20 Performing Companies

Ansell Limited ANN
ANZ Banking Group Limited
Boral Limited BLD
Brambles Limited
Challenger Limited
Downer Edi Limited
Fortescue Metals Group Limited
Goodman Limited
Insurance Australia Group Limited
National Australia Bank
Northern Star Resources Limited
Orica Limited
Origin Energy
SOUTH32 Limited
Sydney Airport
Telstra Corporation
Transurban Group
Treasury Wine Estate
Westpac Banking Corporation
Worley Parsons Limited

2020 TOP20 Performing Companies

ANZ Banking Group Limited
APA Group FP Units Stapled Securities
Brambles Limited
Caltex Australia
CSR Limited
Evolution Mining Limited
Iluka Resources
Incitec Pivot
Independence Group
Northern Star
OZ Minerals
Origin Energy
QBE Insurance Group
Reliance Worldwide
Saracen Mineral
SYD Airport
Transurban Group
Viva Energy Group
Woodside Petroleum
WorleyParsons Limited

CONCLUDING REMARKS

There has been notable progress in the level of SDG disclosures made by some of Australia's largest public-listed companies since 2017. It is indeed pleasing to not only see the significant growth in the number of companies acknowledging SDGs in their annual sustainability reports, but also greater transparency on the types of SDGs prioritized and embedded in the strategy and operations of companies, and the presence of support governance mechanisms at board level. Our findings mirror the global disclosure trends such as that reported by the recent survey of corporate sustainability reporting in 2020 conducted by KPMG (2020)⁷. The survey covering global companies in 55 nations finds the proportion of companies that connect their activities with the SDGs to have increased significantly since 2017. Yet, SDG mention by the ASX150 is still less than two-thirds of the sample, suggesting there is still room for improvement.

Some of the areas for companies to further advance disclosure practices include clearer linkages between business performance targets with the SDGs at the target and indicator levels, as well as making more apparent the association between company-level prioritised SDGs and imminent sustainable development issues such as climate action, carbon neutrality, modern slavery risk management and Covid19 impacts. While it is heartening to see most companies that mention the SDGs are also disclosing Modern Slavery Statements, further analysis is needed on the rigour and depth of such statements given the wide variability in the level of detail and length of such reports. We also find that there is still a wide variance in the design and content of SDG reporting, making comparability of SDG performance across companies difficult. The call for standards on SDG reporting still remains, loud and strong, as more and more companies continue to grapple with meeting the needs of stakeholder information needs.

No doubt, the usual caveats related to archival analysis requires the findings to be interpreted with due care. First, the study did not include a review of company websites or any other social media outlets. The review involved annual reports, and separate sustainability and integrated reports for three years (year ending 31 December 2018, 2019 and 2020) and reports systematic changes in trends over only two years.



The challenges imposed by the Covid19 pandemic continues to threaten the global community. Nevertheless, the threats posed by climate change, community displacement, modern slavery abuses, loss of bio-diversity and more continue to escalate. The efforts put forth towards achieving the 2030 Agenda however cannot be compromised or diluted in any way. It is not an option. Businesses need to be supported and heralded where the case may be for inspiring further success on the road to achieving global peace, prosperity and well-being. The 2020s has been recognized as a decade of action towards achieving the SDGs, and nations and business institutions need to invest in knowledge building and sharing and become even more innovative and resilient to times of volatile changes. The insights offered in our research series on the measurement and disclosure of the SDGs aims to pave and contribute to this process. As such we call out to governments, NGOs, professional bodies, industry experts, and indeed businesses as well – to come together, to engage and to seize the opportunities to build a better world through greater collaborations!

⁷ https://assets.kpmg/content/dam/kpmg/be/pdf/2020/12/The_Time_Has_Come_KPMG_Survey_of_Sustainability_Reporting_2020.pdf

APPENDIX: COVID 19 RESPONSE CASE EXAMPLES

Northern Star Resources Limited	24
Telstra	29
Ansell	31



APPENDIX

The Covid19 pandemic has unleashed an unprecedented crisis and has set back the progress of the 15-year global effort of the 2030 Agenda. According to the UN Department of Economic and Social Affairs' report, entitled "The Sustainable Development Goals Report 2020, the world's poorest and most vulnerable are affected the most.⁸ Lost incomes, limited social protection and rising prices are expected to push an estimated 71 million people into extreme poverty in 2020, the first rise in global poverty since 1998. Business support is critical to affect those hardest hit.

Almost all the ASX150 have mentioned and disclosed the negative impacts that Covid19 pandemic has had on their operations and continues to linger as a key business risk. Our analysis of how company operations are expressed in relation to the SDGs however indicates that the majority of ASX do not make this connection. Nevertheless, we also found some exemplary case companies that have reported on how their Covid19 response initiatives are aligned with the SDGs, demonstrating awareness and commitment to the goals.

Provided below are case examples from three companies on how each have associated their Covid19 responses with the SDGs but vary in the level of disclosure, ranging from connections of responses at SDG target level to implicit associations through displaying selected SDG icons. Northern Star Resource Limited's account is the most detailed demonstrating their Covid19 response initiatives at the SDG target level. Telstra provides a description of its Covid19 pandemic responses in relation to SDGs at the goal level, and interestingly specifies only one SDG in direct relation to its Covid19 initiatives. The third case example, Ansell simply places the SDG icon to flag the association between the two prioritised SDGs i.e. SDG 8 and SDG10 with Covid19 initiatives in a more general manner.

CASE EXAMPLE: NORTHERN STAR RESOURCES LIMITED

Background: Northern Star Resources Limited is a locally owned publicly listed company, deriving revenue from gold mining and exploration operations. It operates in Australia and North America with total annual production in FY2020 of 905,177oz. Northern Star operates three concentrated centres – Jundee; Kalgoorlie including Kanowna Belle, Kundana (the East Kundana Joint Venture – Northern Star's interest: 51%), South Kalgoorlie and KCGM (Joint Venture – Northern Star's interest: 50%); and Pogo Operations in USA (Alaska).

Notable Features: Northern Star's Sustainability Report 2020 is a good example of how a company can present a comprehensive overview of the Covid-19 impact on its operations and respective link to the SDGs. In the Message from ESS Chair and Executive Chair section of the sustainability report it is informed that the organisation has prepared and implemented an extensive COvid-19 response strategy (detailed in the organisation's Annual Report 2020), which included for instance a community COVID-19 fund to provide financial assistance to key areas of need. Details of the organisation Covid-19 Response strategy is also detailed in different sections of the sustainability report. These sections demonstrate the Covid-19 risks for the organisation's operations and activities, case studies and examples of actions implemented and results obtained to minimise these risks.

The organisation has also linked selected actions of its Covid-19 response strategy with specific SDG targets. For instance, the "State of Alaska public health assistance" is associated with the SDG target 3.8. as shown below.

⁸ <https://unstats.un.org/sdgs>

SUSTAINABLE DEVELOPMENT GOALS

Safety Performance

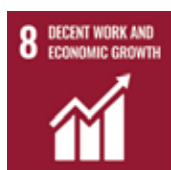
Our alignment with the UN Sustainable Development Goals through our Safety Performance.



3.2 By 2030, end preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortality to at least as low as 25 per 1,000 live births

Supporting Children’s medical research

Through our ongoing support of the Perth Children’s Hospital Foundation and Telethon Kids Institute we can give back to our Western Australian community with over A\$2M invested in research programs targeting children’s health since 2013. In CY2020 we assisted Perth Children’s Hospital Foundation to kick-start the second phase of their SAFE-T study - a world-first interdisciplinary research program to improve the safety and care of children requiring tonsillectomies.



8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms

Increasing employee awareness of Modern Slavery risks

In CY2020 we continued to educate key personnel within our organisation on the risks of Modern Slavery within our supply chains. Northern Star is committed to ensuring the elimination of Modern Slavery, a key human rights risk to vulnerable people across the globe. Departments trained to date include Procurement, Social Responsibility, External Relations, Legal and Site based General Managers. We plan to expand training to other disciplines and new starters throughout CY2021.



3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all

State of Alaska public health assistance

During the initial phases of the COVID-19 response in the United States, the State of Alaska identified a shortfall in personal protective equipment (PPE) for managing the risk to its health care workers. Northern Star was able to leverage its procurement and logistics expertise to fly 100,000 N95 masks, 400,000 ear loop disposable masks and 12,425 gowns to assist the State of Alaska public health challenges.

SUSTAINABLE DEVELOPMENT GOALS

People Performance

Our alignment with the UN Sustainable Development Goals through our People Performance.



1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters

Supporting our community during COVID-19

With over half of our employees living locally in our areas of operation, ensuring they have access to adequate services and business within the local community is a priority for Northern Star. COVID-19 presented numerous challenges for the regions we operate in, including local businesses, not-for-profits, and government bodies. The Board approved the establishment of a \$10 million fund to assist with COVID-specific donation and sponsorships to help these communities. One example is our partnership with the Kalgoorlie-Boulder Chamber of Commerce and Industry in developing supportive grants to financially assist local businesses within the Goldfields region of Western Australia.



5.1 End all forms of discrimination against all women and girls everywhere

Exposure to the mining industry for young women

Supporting initiatives that enhances the skills, confidence and capabilities of young women is critical to supporting gender parity in the communities in which we operate. Three initiatives we supported in CY2020 include the Focus on Mining Camp, Shooting Stars and Goldfields Girl programs. The Focus on Mining Camp takes a group of female high school students from across Western Australia to the Goldfields for an in-depth look around the Curtin Kalgoorlie university campus and nearby mine sites. Shooting Stars is an organisation we support through the Gold Industry Group’s sponsorship of Netball WA. It is an educational program centred around netball, to encourage greater school engagement amongst young Aboriginal girls and women. Goldfields Girl provides a series of workshops focused on employment, goal setting, community development, mental health and wellbeing to young Aboriginal and Torres Strait Islander women in Kalgoorlie to increase confidence, resilience, and their capacity to become young leaders within their communities.



10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

Supporting vendors with disability employment programs

At our Pogo Mine we source our core trays/boxes through Career Industries, an organisation devoted to enriching the lives of people with disabilities. Career Industries’ integrated workforce ensures adults with disabilities are provided with the opportunity for meaningful employment alongside more abled individuals in a safe, structured setting.

Social Performance

Our alignment with the UN Sustainable Development Goals through our Social Performance.



2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round

Preventing hunger during COVID

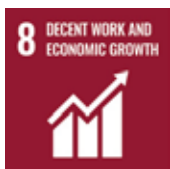
During lockdowns imposed in Western Australia and Alaska vulnerable people, such as the elderly, had restricted access to basic needs, including meals. Through our support of multiple organisations such as Foodbank WA and the Fairbanks Senior Centre we were able to assist in provided meals to these vulnerable people. Our accommodation village in Coolgardie, WA, developed its own food distribution service to provide aid to the elderly community members throughout 2020.



4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes

Supporting education programs across Alaska

Young minds are Alaska's greatest resource and Alaska Resource Education (ARE) works to spark an interest in resources and fuel their passion through education. ARE provides statewide educational opportunities to students and teachers and distributes primary education curriculum that meets Alaska State Science Standards. Through our ongoing support, ARE inspire future engineers, scientists, operators and regulators. In CY2020 ARE taught 4,966 students and 291 teachers in over 75 communities throughout the state.

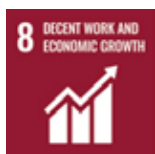


8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

Supporting Indigenous business

In CY2020 Northern Star, in collaboration with Saracen Minerals and KCGM, formed a partnership with the Wirrpanda Foundation to support quarterly Regional pop-up Wirra Hubs. The Wirra Hub is an Indigenous Business and Employment Hub based in the Perth metropolitan area to help Indigenous Australians establish sustainable businesses and work with existing businesses to become more competitive. The regional pop-up hubs provide businesses in Kalgoorlie-Boulder access to coaches and mentors who can assist with building capacity, fostering networking, facilitating tender briefings and workshops, and identifying opportunities. The Wirra Hub will also work with other companies to identify potential synergies and partnerships for the Indigenous businesses.

The Sustainability Report has also an SDGs Appendix – Appendix D: SDG Alignment. This section details actions adopted by the organisation that are aligned with SDG goals, targets and indicators. This table also links specific actions of the organisation’s Covid-19 response strategy with SDG goals, targets and indicators.



Sustainable Development Goal 8

Decent Work & Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Target	Indicators		2020 Alignment
8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries	8.1.1	Annual growth rate of real GDP per capita	Economic value add of A\$1.44 billion through government taxes, royalties, employee wages and procurement to the regions in which we operate
8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors	8.2.1	Annual growth rate of real GDP per employed person	Increased pressure on Original Equipment Manufacturers to fast-track development and innovation on equipment to increase business efficiencies with an onflow to economic value add
8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	8.3.1	Proportion of informal employment in non-agriculture employment, by sex	<p>Diversified regional contractor use in high agricultural areas.</p> <p>Support for local small businesses in the Goldfields Region of Western Australia during COVID with the provision of advertising grants.</p> <p>Support the Southern Deserts Matuwa Ranger Forum (Indigenous Desert Alliance) where discussions are held on the regional opportunities for Ranger Programs.</p> <p>Major sponsor of the Student Meets Industry Night in Kalgoorlie, providing a networking opportunity for students at the Western Australian School of Mines.</p> <p>Investment in multiple organisations providing business growth, coaching and networking opportunities in our areas of operation.</p>



Sustainable Development Goal 2

Zero Hunger

End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

Target	Indicators		2020 Alignment
2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round	2.1.1	Prevalence of undernourishment	<p>Via our Jundee Mine we support the Wiluna Remote Community School healthy food and nutrition program, ensuring that their students receive sufficient nutrition/ sustenance/food to support their learning and development. The majority of Wiluna’s population identifies as Aboriginal.</p> <p>Additional food donations to support children and elders in Wiluna. Sourcing fresh food and staples became difficult due to COVID travel restrictions.</p>
2.1 Prevalence of moderate or severe food insecurity in the population, based on the Food Insecurity Experience Scale (FIES)	2.1.2	Prevalence of moderate or severe food insecurity in the population, based on the Food Insecurity Experience Scale (FIES)	<p>Community partnership with Foodbank WA providing access to food and resources to vulnerable communities within Western Australia in response to the pandemic.</p> <p>Donation to Fairbanks Senior Centre to provide meals to vulnerable people during the COVID pandemic.</p> <p>Provision of meals for the elderly within the Coolgardie community via our Accommodation Village during the COVID lockdown.</p> <p>Annual support of the 'Christmas in the Park' event, providing access to a meal and community activities on Christmas Day for the wider community of Kalgoorlie, including people living with a disability and other disadvantaged people.</p> <p>Additional support provided to Foodbank Kalgoorlie in partnership with Saracen Minerals to enable direct support of the Kalgoorlie-Boulder region.</p>



CASE EXAMPLE: TELSTRA

Background: Telstra is the largest telecommunications company by market share in Australia. It provides a range of telecommunications and information technology products and services through its Australian and offshore operations.

Notable Features: Telstra's 'Chairman and CEO Message' links COVID-19 to its strategy and operations. In its Sustainability Report 2020 the company aligns its Sustainability Strategy with SDGs in identifying its four priority SDGs: Gender Equality (SDG5), Decent Work and Economic Growth (SDG8), Industry, Innovation and Infrastructure (SDG9), and Climate Action (SDG13). Material topics have been further revised during the financial year to considering COVID challenges and opportunities. Telstra specifically addressed how it addresses the four priority SDGs by providing detailed approach and performance, including qualitative and quantified measures and outcomes.

For example, under the section "Contributing to the United Nations Sustainable Development Goals", Telstra described how it contributes to each of the prioritised SDGs. For Industry, Innovation and Infrastructure (SDG9), Telstra made significant investment in network infrastructure and extending coverage to connect people and build digital capabilities (p13, Telstra 2020 Sustainability Report):

We believe that the more connected people are, the more opportunities they have. We are making significant investments in our network infrastructure to extend our coverage across rural and regional Australia, improve network resilience, and ensure we are able to meet the rising demand for data and content, including through the rollout of commercial 5G services. We also help vulnerable customers to stay connected and our communities to build digital skills and capabilities through our Everyone Connected programs. In FY20 we:

- Helped around 2.6 million customers to stay connected through COVID-19 support packages
- Switched on more than 700 Mobile Black Spot Program sites
- Trained 23,000 people through our digital capability programs

Contributing to the United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) comprise 17 goals and 169 targets aimed at addressing the world's most significant development challenges.

Working with government and civil society, businesses have an important role to play in achieving these goals.

At Telstra we see technology as an enabler of action on the SDGs. This is reflected in the focus of our Sustainability Strategy. Our strategy is aimed at helping people to thrive in a digital world. It includes initiatives and targets to address our

impacts and opportunities in relation to the four priority SDGs listed below. Our SDG priorities reflect the areas we believe Telstra is best placed to contribute to, given our role as a major Australian employer and a leading telecommunications and technology company.

For more information on how our SDG priorities are reflected in our Sustainability Strategy, our FY20 performance highlights, and the stages across our value chain where we can make the greatest impact, see the [Responding to the SDGs](#) page of our report website.

Priority goals

5 GENDER EQUALITY

We are committed to achieving gender equality at Telstra and have implemented a range of policies, programs and engagement initiatives to help us achieve this goal. Telstra is also a signatory to the UN Women's Empowerment Principles. In FY20 we:

- Achieved 32.3 per cent female representation, up 1.3 per cent from FY19
- Provided around 6,500 smartphones to women impacted by domestic and family violence
- Introduced a new paid parental leave policy in Australia, providing 16 weeks leave to both primary and secondary carers.

8 DECENT WORK AND ECONOMIC GROWTH

We are committed to providing meaningful and productive work. This commitment extends across our value chain and into developing the skills we will require in the future. Our approach is values-led and focused on building a diverse and inclusive workforce that reflects our customers and the countries in which we operate. It is underpinned by our commitment to work to eradicate modern slavery and protect labour rights. It also includes supporting future generations of digital innovators and problem solvers to build STEAM (Science, Technology, Engineering, the Arts and Mathematics) capability. In FY20 we:

- Invested more than \$28 million in employee learning and development
- Were the first major Australian company to introduce a paid Epidemic and Pandemic Leave Policy, including for casuals
- Announced partnerships with five major universities to build skills for the future

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

We believe that the more connected people are, the more opportunities they have. We are making significant investments in our network infrastructure to extend our coverage across rural and regional Australia, improve network resilience, and ensure we are able to meet the rising demand for data and content, including through the rollout of commercial 5G services. We also help vulnerable customers to stay connected and our communities to build digital skills and capabilities through our Everyone Connected programs. In FY20 we:

- Helped around 2.6 million customers to stay connected through COVID-19 support packages
- Switched on more than 700 Mobile Black Spot Program sites
- Trained 23,000 people through our digital capability programs

13 CLIMATE ACTION

We believe businesses, and technology companies in particular, have a critical role to play in addressing climate change. As one of the largest consumers of power in Australia we are committed to mitigating our impact and in March this year we announced three climate change ambitions: becoming carbon neutral in 2020, which we achieved in July, enabling renewable energy equivalent to 100 per cent of our consumption by 2025, and reducing absolute emissions by at least 50 per cent by 2030. We are also committed to helping our customers to manage their own environmental impacts using technology, so that we can all move towards a low carbon future that is more resilient to a changing climate. In FY20 we:

- Were recognised on the CDP 2019 Climate A list
- Were certified as carbon neutral across our operations in July 2020
- Reduced our carbon emissions intensity by 55 per cent from a baseline of FY17

CASE EXAMPLE: ANSELL

Background: Ansell is a publicly listed Australian manufacturing company founded in 1929, and a world leader in providing superior health and safety protection solutions that enhance human wellbeing. In F2020, the company reported strong sales and earnings growth despite covid-19 operational challenges.

Notable Features: Ansell's Sustainability Report 2020 discloses how the company has responded and adapted to the impact of Covid-19. Ansell's materiality assessment includes consideration of emerging issues that shape future company strategy and actions and considers how Ansell impacts the SDGs. The company prioritises 6 SDGs which are most aligned to Ansell's business. Ansell's business is closely tied to healthcare (SDG 3); some of Ansell's raw materials and associated manufacturing processes are water intensive (SDG 6); Ansell has a role to play in energy efficiency and renewables (SDG 7); Ansell makes a significant contribution to employment and economic growth, including in lower and middle income countries (SDG 8); as a global employer, Ansell can help to address inequality (SDG 10); and product stewardship is a recent focus area for Ansell and is strongly correlated to goal 12. Ansell clearly links SDGs to Covid-19 initiatives.

For example, under the 'Employee health and safety' section of the report, the company discloses initial actions undertaken at the start of the Covid-19 pandemic, and it appears to implicitly links such actions to SDG 8. *"In the earliest days of the COVID-19 outbreak, Ansell formed a global crisis team which supported the team at our Xiamen manufacturing plant in China to quickly implement extensive precautions to prevent the spread of the virus among our workforce. The best practices and safe operations developed in Xiamen have been leveraged across our manufacturing operations and shared with our suppliers."*



Better Society

Our company-wide approach to health and safety reporting is guided by the US Occupational Safety and Health Administration (OSHA) and Australian regulatory requirements. We adhere to these standards globally, even where they exceed local regulatory requirements.

Our policy on communication of environment, health, safety and risk management incidents requires that all incidents (accidents and near misses) are appropriately responded to, investigated and documented, and that all serious incidents are immediately reported internally and, where required, to the appropriate authorities. In all cases, appropriate corrective and preventative actions must be established and implemented.

Each site reports monthly on leading and lagging indicators, including incidents/accidents, Core Standard progress, behaviour based safety activities, address of audit recommendations, status of high-risk survey activities and more. Our regional EHS managers monitor trends closely, so that issues are identified early and acted on. Consolidated regional reports are reviewed monthly by the Executive Leadership Team. Updates are also periodically provided to the Sustainability and Risk Committee and the full Board.



Throughout the COVID-19 crisis, our teams have worked together, and put forward a huge number of bottom-up suggestions for how to manage safety.

Health and safety under COVID-19

In the earliest days of the COVID-19 outbreak, Ansell formed a global crisis team which supported the team at our Xiamen manufacturing plant in China to quickly implement extensive precautions to prevent the spread of the virus among our workforce. The best practices and safe operations developed in Xiamen have been leveraged across our manufacturing operations and shared with our suppliers.

The steps we took included:

- putting in place travel restrictions for all employees, and encouraging remote working wherever possible
- establishing social distancing and enhanced cleaning protocols in all operating facilities that remained open, and providing additional PPE for employees
- closely supervising the health of all workers and training teams to ask for help if they notice co-workers who may be showing signs of illness
- establishing paid leave for workers needing to self-isolate or care for relatives
- engaging with all major suppliers to ensure alignment on employee protection, and undertaking spot checks to ensure compliance.

Throughout the crisis, our teams have worked together, and put forward a huge number of bottom-up suggestions for how to manage safety.

We will continue to monitor evolving guidance from the World Health Organization (WHO) and Centers for Disease Control (CDC) regarding exposure prevention so we can ensure our employees are as protected as possible while the pandemic persists.

Under the section of the report titled 'Quality protection solutions and innovation', the company reports on how Covid-19 has accelerated innovation to anticipate end user needs, *Our end users trust in the quality of our products to protect them from harm, and their needs are constantly evolving. We pursue an ambitious innovation program, with the aim to not only meet these needs but to anticipate them, closely monitoring evolving trends to understand future needs. At the same time, we aim to constantly improve the comfort and fit of our products, providing the quality products and solutions our brand is known for*. SDG 3 and SDG 8 icons are presented in this section but there is no specific explanation on their connection to the initiatives, making any such association implicit.



Better Business

Quality protection solutions and innovation

Our perspective

The Ansell brand stands for safety. Our end users trust in the quality of our products to protect them from harm, and their needs are constantly evolving. We pursue an ambitious innovation program, with the aim to not only meet these needs but to anticipate them, closely monitoring evolving trends to understand future needs. At the same time, we aim to constantly improve the comfort and fit of our products, providing the quality products and solutions our brand is known for.

Our industry is also evolving, and we must stay alert to potential disruptions from new entrants or new technologies that could change our products, our methods of production, and our raw materials.

Ansell's world class engineering capability, advanced materials science, and innovation program enable us to consistently provide high quality products, and are key differentiators for our business. We have a global engineering team, and ten research and development facilities worldwide.

Our research and development takes a long-term perspective. Our products may be in the market for 5-10 years, so it's important that we think about their overall impacts over that time. For our medical products, innovations need to go through sometimes lengthy approvals processes to ensure they meet the regulatory requirements of different countries.

As well as providing our customers with high-quality products, we also design and deliver solutions such as our proprietary tools, AnsellGUARDIAN™ and CHEMICAL GUARDIAN™. AnsellGUARDIAN™ helps companies select the right personal protective equipment solution to improve their safety, productivity and cost performance. CHEMICAL GUARDIAN™ has been specifically designed to support customers in making informed decisions on safety solutions in chemical environments.

Our performance

During FY20, Ansell began partnerships with two companies (ProGlove and Modjoul) that are applying the Internet of Things (IoT) to safety. Together, we can deliver safety solutions for the digital age. With ProGlove, a leading provider of industrial wearables, we can offer digital assistance for choosing the right protective equipment while providing assurance for managers that tasks are being properly executed using appropriate safety equipment. With Modjoul, we are developing hand protection solutions that address motion-ergonomics. By combining smart PPE with embedded sensors, data analytics and artificial intelligence, we can better prevent hand and wrist muscular-skeletal diseases and other common avoidable workplace injuries.

COVID-19 has accelerated innovation, particularly in leveraging digital technologies. For example, where our AnsellGUARDIAN™ teams would typically go to customer facilities to assess safety needs and recommend solutions, these visits have been effectively conducted virtually.

RESEARCH TEAM



Prof. Nava Subramaniam

*Deputy Dean (Research & Innovation) and Professor of Accounting
School of Accounting, Information Systems and Supply Chain (AISSC), RMIT University*

Nava's research interests include corporate governance, corporate sustainability and disclosure; performance management and assurance. She has led several national and international projects funded by the Australian Research Council Grant and other large competitive grants. Her work experience includes management and professional accountant roles.



Dr Renzo Mori Junior

Senior Advisor, Sustainable Development, RMIT University

Renzo advises RMIT on its approach to address the UN 2030 agenda and is part of the team responsible for implementing the SDGs agenda within RMIT University. He has worked as a research fellow at the Centre for Social Responsibility in Mining at The University of Queensland and served in a wide range of government, corporate and not-for-profit organisations.



Dr Suraiyah Akbar

Lecturer at School of AISSC, RMIT University

Suraiyah's research covers the areas of corporate social responsibility and accountability, social governance, and social sustainability issues. She also teaches in the area of social and environmental accounting and reporting.



Dr Sophia Ji

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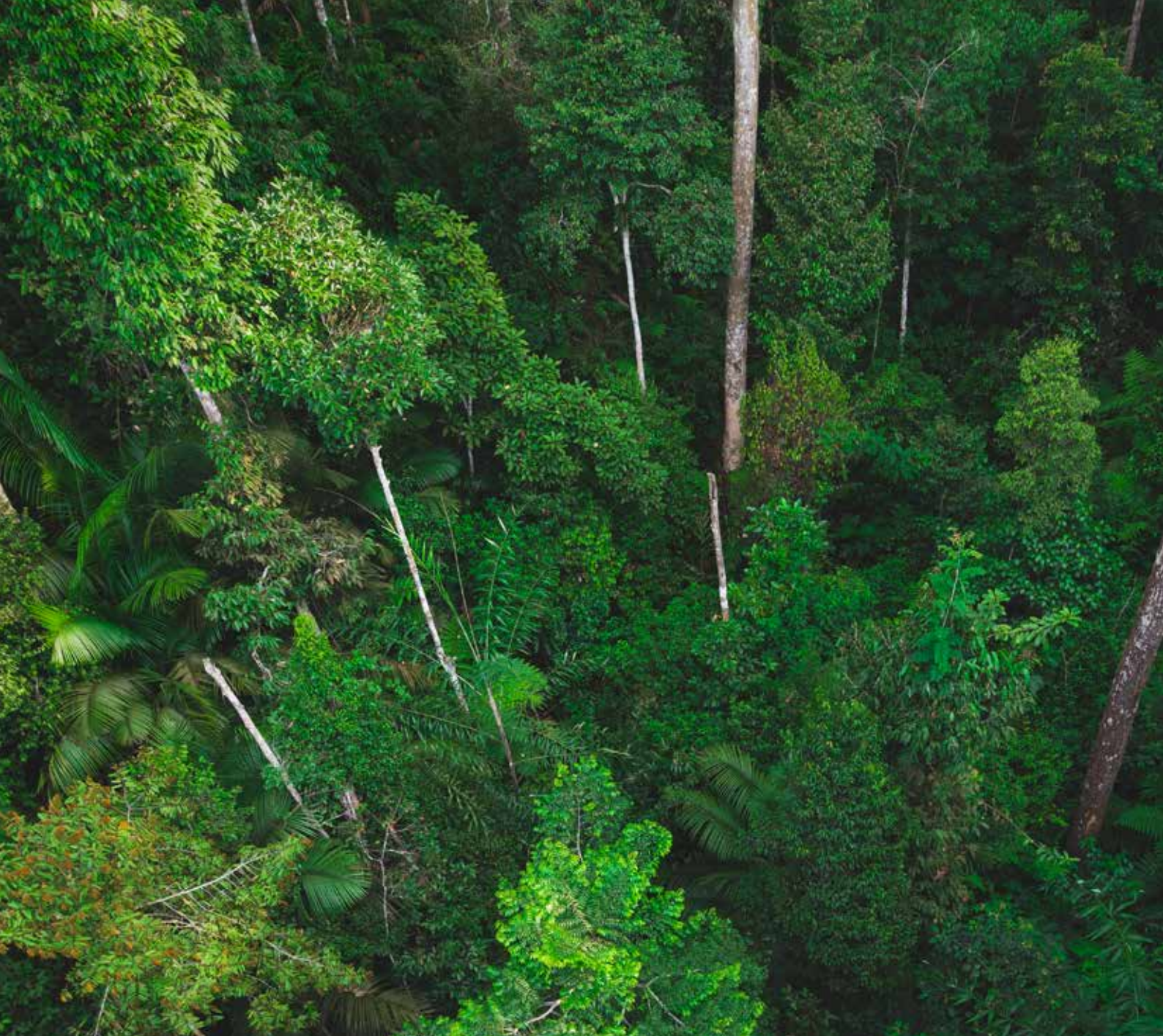
Sophia researches and teaches in the area of accounting for sustainability. She has over ten years of experience in the Australian higher education sector, and has worked in management accounting in a large Chinese listed enterprise.



Dr Hui Situ

Lecturer at School of AISSC, RMIT University

Hui's research interests include corporate social responsibility, cultural communication, management accounting and corporate disclosure. She also has over ten years of professional experience in business and accounting industry.



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