

# Coversheet for the 22 reports

We explain below some features of our individual company reports so that you can better understand how we've approached this task.

At the top of each new report, you will find the **FSE name** and **summary table**. The summary table identifies the FSE, its **industry** (a sub-sector of the financial services industry), the **FSE's financial year end**, followed by **two dimensions of the FSE's size** - revenue for FY19 and the number of employees. We then separate the **FSE's business divisions** into two categories that we used to assess performance for **Retail** (it provides financial products and/or services to retail customers) and **CLIS** (commercial lending investment and services - the financial products and/or services it provides to commercial clients).

We then list by number the **law reform contributions** made by the FSE that we used to evaluate their human rights impacts on public policy (under Society). The law reforms are identified in the list below:

1. ASX Corporate Governance Council's 4<sup>th</sup> edition of the *Corporate Governance Principles and Recommendations*
2. Joint Select Committee on Constitutional Recognition relating to Aboriginal and Torres Strait Islander Peoples
3. Senate Standing Committee on Economics, Treasury Laws Amendment (Consumer Data Right) Bill 2019 (Cth)
4. Treasury consultation on Enforceability of financial services codes
5. Treasury consultation on Improving disclosure in general insurance
6. Senate Economics Committee consultation on the bill that became The Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Bill 2019 (Cth)
7. Department of Home Affairs *Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities*
8. Safe Work Australia, Consultation Regulation Impact Statement Recommendations of the 2018 Review of the Model Work Health and Safety Laws
9. Senate Economics Legislation Committee inquiry on the Treasury Laws Amendment (Enhancing Whistleblower Protections) Bill 2017 (note Act received Royal Assent on 12 March 2019 and this brings it the FY19 reference period).
10. Treasury discussion paper, *Review of unfair contract terms for small business*
11. APRA proposed revisions to its guidance on the buffer and floor rates used in borrower serviceability assessments set out in Prudential Practice Guide APG 223 Residential Mortgage Lending
12. Senate Economics References Committee, Credit and financial services targeted at Australians at risk of financial hardship
13. Senate Economics References Committee, Consumer protection in the banking, insurance and financial sector
14. Senate Legal and Constitutional Affairs References Committee Resolution of disputes with financial service providers within the justice system
15. ASIC on responsible lending conduct – RG 209

16. Hayne Royal Commission Interim Report
17. Education and Employment Legislation Committee, Fair Work Amendment (Family and Domestic Violence Leave) Bill 2018
18. House Standing Committee on Economics, Review of the Major Four Banks, 4th Hearing
19. ASIC product intervention powers short term credit contracts
20. A group of selected international consultations on principles relevant to financial services comprising: The Equator Principles; Sustainability Accounting Standards Board (SASB); UN Principles of Responsible Investment; UN Principles of Responsible Banking; Sustainability Accounting Standards Board (SASB); OECD consultation on National Contact Points.

We give a rating of the **Overall level of disclosure** to indicate how much we were able to view the FSE's own documents - **Limited** (few policy documents were public and we relied upon the key periodic reports - annual report, any investor presentations, any sustainability disclosures provided on a voluntary basis); **Moderate** (some policy documents were publicly available even if only in summary form, the key periodic reports); and **Extensive** (many policy positions were publicly available, the FSE provides detailed disclosures of its sustainability performance, UN PRI Transparency Reports, CDP Reports, the key periodic reports).

We present our analysis of the human rights performance of the FSE across each of our five domains (retail, commercial lending investment & services, employees, supply chain, society).

For each domain, you will find we use **Factor triangles** – comprising at the base our three risk management factors: governance (at the centre), policies and due diligence - and showing the outcomes at the top. Traffic light colours have been used to depict for performance levels (Red: poor; Amber: partial; Green: substantial). Where a performance level is apparent, but there is too little information or data available to be certain, the relevant colour is pixilated. Where a domain does not apply to the relevant FSE (eg Pinnacle Investment has no retail customers) then the factors are left blank, with no colour coding.

While we do use several **Acronyms** – we have endeavoured to keep these to a minimum and using only those that are familiar in the financial sector:

AFCA – The Australian Financial Complaints Authority

AFSL - Australian Financial Services Licence

AML/CTF – Anti-Money Laundering and Counter-Terrorism Financing

APRA – *Australian Prudential Regulation Authority*

ASIC – *Australian Securities and Investments Commission*

CDP - *Carbon Disclosure Project*

CLIS - *Commercial lending investment and services*

ESG – Environmental, Social and Governance

FSE – Financial Service Entity

FX – Foreign Exchange

GHG – Greenhouse gas emissions

OAIC – Office of the Australian Information Commissioner

UN PRI – United Nations Principles of Responsible Investment

'Wexit' – Exiting wealth management

WGEA - Workplace Gender Equality

Within our commentary for the retail domain, you may find reference to **AFCA averages** - this is the AFCA Complaint Process Stage Reached (Avg). It is a measure of how far through AFCA's process the complaints about this type of product progressed before being resolved (i.e. from 1 (initial contact) to 4 (determination)). It includes complaints that were closed in the comparative reporting period (even if they were brought to AFCA before the start of this period). Complaints that AFCA handled in this period but had not been closed by the end of reporting period are excluded.

Finally, we draw your attention to the **disclaimer** found on page 1 of each report.