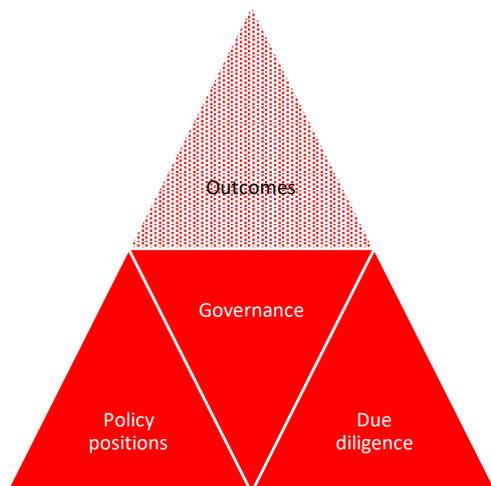


## IOOF YEAR 1 REPORT FINANCIAL SERVICES HUMAN RIGHTS BENCHMARK

Company Name	IOOF HOLDINGS LIMITED
Industry	Wealth management
FY end	30 June 2019
Revenue FY19	\$1.063 bn
Employees	1,703 (WGEA data)
Retail divisions	Financial advice, AET, wealth management
CLIS divisions	AET, independent financial advisers, investment management
Law reform contributions	None in our sample
Overall level of disclosure	Limited disclosure

Our overall rating of IOOF's human rights performance for each domain is set out below



### RETAIL: RED

IOOF did not present a holistic approach to governance of human rights risk in this area of its business. We found evidence of *some* attention to privacy and to information (for example, its Code of Conduct requires employees to ensure records are accurate, complete and up-to-date), as well as to the right to remedy (via an internal complaints mechanism, a licencing requirement). Yet this attention did not extend to all of our human rights categories or to a systematic approach to governance of human rights in respect of its retail customers.

That lack of systemic approach was also evident in policy positions and the apparent absence of any feasible due diligence process.

Outcomes were a mixed bag for IOOF: we note that client remediation for Fees for No Service as well as for advice quality issues was ongoing, with regulator attention from both ASIC and APRA in respect of licencing conditions. We note AFCA complaints data, notably in the superannuation area, but across a number of

its AFCA Reporter entities, with a total of 152 complaints from 1 October 2018 to 31 December 2019. We did not find any data on internal complaints mechanisms to help us put its AFCA complaints record into context. For example, how many complaints did IOOF receive in FY2019? How many complaints were resolved during the year? How often did it take to resolve these complaints, both in average terms, but also to give some indication of range of time frames, and how that compares against its policy on internal dispute resolution.

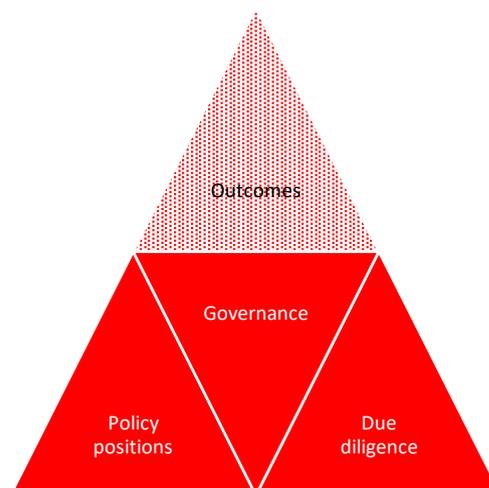
### COMMERCIAL LENDING INVESTMENT AND SERVICES: RED

This domain is something of a black box, yet it is an important area of IOOF's business.

There was little evidence of attention to human rights risk in governance. We note IOOF's responsible investment policy, but given that this sector also encompasses relationships with the independent financial advisers, we could find very little commentary on these relationships, other than their existence.

There was little evidence to indicate a feasible due diligence process was in place to assess human rights risk. We appreciate that IOOF's approach to the area of investment management and ESG risk is evolving, but during our reference period, 2019, there was little in the way of evidence or even a description of this process. We note in particular the Factset investment database of the individual security holdings of IOOF's external fund managers, a project that wasn't completed in FY19 (or FY20).

We also note changes disclosed in the 2020 Annual Report and Corporate Governance Statement to elevate environmental and social risk, yet the same statement that appeared in the 2019 Corporate Governance Statement remains: 'The Board does not believe it has any material exposure to environmental and social sustainability risk.'

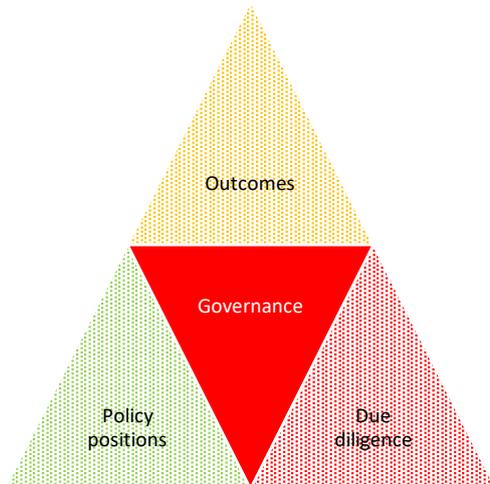


This report is presented for the purpose of disseminating information and research findings for the benefit of the public. It has been prepared on the basis of evaluation of human rights performance based on publicly available material for the 22 ASX listed entities included in the sample.

The University of Sydney ("University") makes no representations or warranties as to the accuracy, completeness, or reliability of the information contained in the report, and accepts no legal liability whatsoever arising from, or connected to, the material contained in this report.

The information contained in this report is not intended to constitute legal, tax, financial or investment advice and nothing in the report is intended to imply any recommendations or opinions. The University recommends that users make their own independent judgements or seek independent advice with respect to the information contained in this report.

# IOOF YEAR 1 REPORT FINANCIAL SERVICES HUMAN RIGHTS BENCHMARK



## EMPLOYEES: AMBER

As one of the medium sized employers in our sample, we did not observe any consistent attention to governance across all six human rights categories in the benchmark.

We observed some good policy positions and descriptions of other (non-human rights) policies that suggest that some employee matters area are well covered.

We are less confident about the existent of a feasible due diligence process to identify, assess and monitor human rights risks for employees.

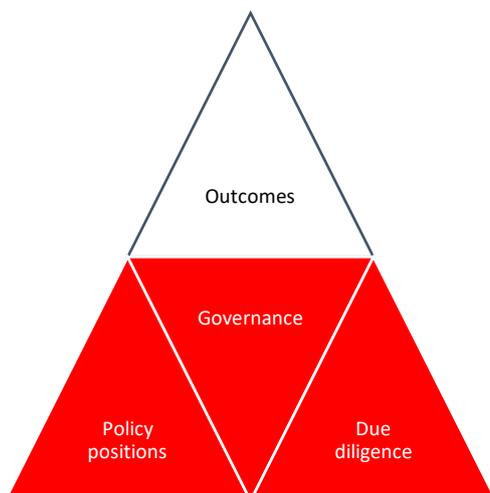
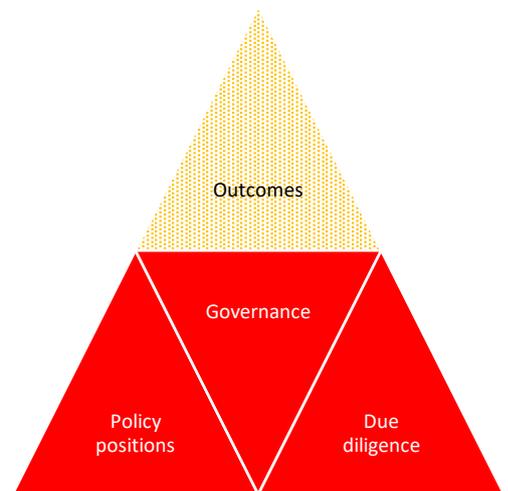
Outcomes again reflects a lack of disclosure: some of this information can only come from IOOF itself. We note a broad definition of diversity is adopted yet disclosures are only provided for gender diversity. We observed the 2019 WGEA filing indicated there was a pay gap: yet IOOF's annual report did not specify its plans to address this.

## SUPPLY: RED

This area was given almost no attention in the 2019 annual report from IOOF and we were unable to find any commentary to suggest this area was being considered as part of the group's governance.

Similarly, we could find no evidence of relevant policy positions or a due diligence process. This is further confirmed by reviewing IOOF's 2020 Annual Report and Corporate Governance Statement: both mention that Modern Slavery Act reporting is an emerging issue, without indicating exactly what IOOF is doing to identify, assess and manage the human rights risks in this area.

The coding for outcomes is common across our Year 1 sample.



## SOCIETY: RED

There is no recognition at Board level of public policy advocacy as a source of human rights risk. While the Diversity and Inclusion Policy states that IOOF seeks to 'make a contribution to the economic, social and educational well-being of the communities it serves', we could only find philanthropic initiatives. There is no recognition that this aim could also be fulfilled via public policy advocacy.

In the absence of the recognition of public policy advocacy as a source of human rights risk, there are no policy positions or feasible due diligence processes evident.

IOOF did not make any submissions to the law reform opportunities we considered in this year's benchmark. It presents a missed opportunity to fulfil its broader aims, but also to recognise how its Reconciliation Action Plan could be related to the wider social movement toward such reconciliation.