

GIVINGLARGE

The GivingLarge Report summarises groundbreaking research on the considerable contributions currently being made to the community by some of Australia's top companies

The research conducted annually by Strive Philanthropy analyses the publicly available reports of the ASX50, compiling their community investment statistics to develop a unique data set aimed to draw attention to corporate Australia's efforts in this area.



Foreword

Sarah Davies, CEO, Philanthropy Australia

Philanthropy Australia welcomes the GivingLarge Report and supports all analysis and sharing of quality data and insight regarding giving and philanthropy in Australia. Clarity and transparency around the role, scale and contribution of philanthropy is essential to growing giving and community investment.

The companies included in this report should be acknowledged, congratulated and encouraged to continue their giving and reporting. Everyone benefits. We know how influential responsible, community and social investment and partnership is on positive employee attraction and retention, social license to operate and on broader customer, market and supplier engagement. The GivingLarge report helps shine a light on good practice and inspire others to follow suit.

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Giving Large Report
Strive Philanthropy 2017

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About this Report

From the Boardroom to the Battler, from the Suits to the Streets. There is a clear and growing need and responsibility for the companies around us to give back to the community they operate in. The GivingLarge Report summarises groundbreaking research on the considerable contributions currently being made to the community by some of Australia's top companies. Australia's interest in corporate generosity is certainly on the rise and if we are smart about it, our growing interest in this area may just help to drive up total giving to those who need it.

TOTAL CONTRIBUTION (2017)

\$867 Million

Contributed to the Australian Community in 2017 (from 39 companies)

This research project analysed publicly available reports of the ASX50, compiling their community investment statistics to develop a unique data set, aimed at drawing attention to corporate Australia's efforts in this area. The findings of this report will hopefully:

- Inform future corporate behaviour in this space,
- Encourage further contributions & transparency,
- Stimulate best practice sharing,
- Create an environment of healthy philanthropic competition.

The GivingLarge analysis revealed a significant \$867 Million contribution to the Australian community in 2017. This figure was derived from publicly available reports of 39 companies (within the ASX50) who clearly disclosed a community investment figure in 2017. Reported figures met the defined criteria stated in our methodology and aligned with global standards. Companies contributed a mean \$22 Million investment across the whole group at a 0.59% contribution of pre-tax profit and a 0.57% contribution of earnings (EBITDA*)^.

* Earnings before interest, tax, depreciation, amortisation

^ throughout this report we will define profit as pre-tax profit and earnings as EBITDA

Scope & Methodology

Overall Scope

This report focusses on ASX50 companies, publishing their giving statistics by sector and reviewing some key community investment parameters such as:

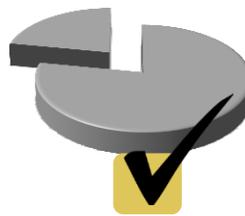
- Contribution as a % of Profit or Earnings (rolling 3 year average)
- Total Community Contribution as a Dollar Value
- Standardisation, Assurance and Comprehensiveness of Reporting
- Primary Causes selected by each company

Eligible community contributions adhered to global standards developed by the London Benchmarking Group (LBG) (membership not mandatory) or the Global Reporting Initiative (GRI)[^].

The GivingLarge research and associated report have adopted aligned elements of the LBG framework and the GRI standards on corporate community investment. Our analysis not only reviewed which companies are adhering to these important standards but also sought alignment from those companies who did not formally disclose their adherence.

ASX50

Publicly Reported Community Investment Figures



78%
Disclosed
Clear Figures

“ LBG defines corporate community investment as businesses’ voluntary engagement with charitable organizations or activities that extends beyond their core business activities ”

“ GRI defines community investment as voluntary donations plus investment of funds in the broader community where the target beneficiaries are external to the organization. ”

Scope & Methodology

“ The GivingLarge research and associated report has adopted aligned elements of the LBG framework and the GRI standards on corporate community investment. ”

What's included?

- Cash
- Time
- In-kind contributions of product, property or services (incl. Pro Bono)
- Management costs: program costs, staff salaries, benefits/overhead and research and communications.

What's not included?

- Leverage*
- Foregone Revenue^
- Political Donations
- Commercial Sponsorships (eg. professional sporting team).

Let's Talk Percentage

Reporting absolute dollar contribution is rarely useful when it comes to community investment. Companies differ in size and profit margins meaning that companies with higher profits are able to contribute more total dollars to the community in which they operate. Converting dollar values into relative percentages of company profits is one way to enable comparisons and ensures a more meaningful review of generosity.

In line with global methodology, profit used in our research is pre-tax and earnings are before interest, tax, depreciation & amortisation (EBITDA). In this report a company's community contribution as a % of earnings or profit is published as a rolling 3 year average.

Third Party Assurance

Independent assessment of an organization's reported community investment is imperative to ensure accurate and reliable claims about a company's generosity and community impact. An important part of our analysis was to identify which companies engaged in third party assurance. Third party assurers act to ensure that the preparation and presentation of a company's sustainability report is in accordance with the agreed upon standard or company definition and in the case of limited assurance (which the majority of our sample utilised), that no amendments are required to meet these standards.

Scope & Methodology

Comparing Apples with Apples

As different companies may define profits in different ways, it is important to ensure that the same things are being compared across companies. For example, mining companies will report income differently to banks based on industry specific factors. For the ASX50 this means grouping companies by how they declare their profits or earnings before tax. Due to the volatility of profits in some sectors and lack of disclosure of earnings in other sectors, our analysis is mixed. This table shows how each sector was grouped for the overall analysis.

Grouping companies by sector (ASX defined) also acts to ensure an aligned review of company contribution, eliminating cross-sector variables, reporting discrepancies and allowing companies to learn from their peers. It follows that due to these aforementioned variables cross sector comparisons are less meaningful

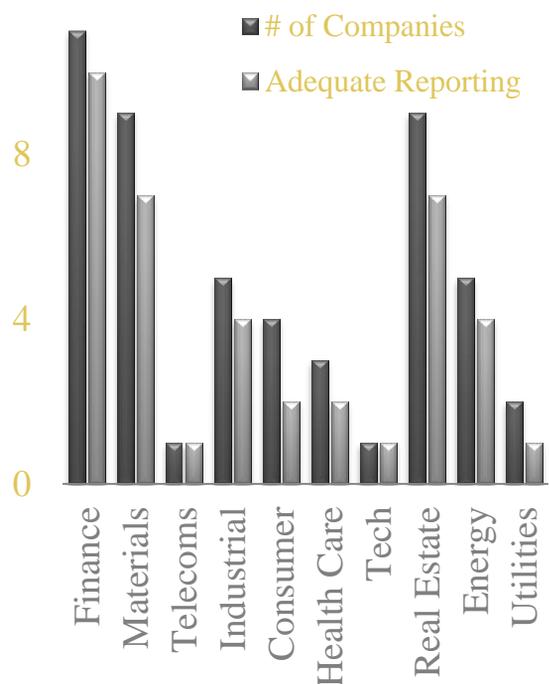
Example Sector Scorecard

(see page 11 onwards)

(Profits are pre-tax. Earnings are EBITDA)

Eg/	Company Name
	<u>Abbreviation</u>
<hr/>	
% of profit	\$ 2017 contribution
% of earnings	

Sector	Published as % of Profit (pre-tax)	Published as % of Earnings (EBITDA)
Finance	✓	
Materials		✓
Telecoms	✓	✓
Industrial		✓
Consumer	✓	✓
Health Care	✓	✓
Info Tech	✓	✓
Real Estate	✓	
Energy		✓
Utilities		✓



Scope & Methodology

Limitations & Research Gaps

The limitations of this research are those characteristics of the design or methodology that may impact or influence the interpretation of the findings. For the most part these limitations represent an opportunity for further research into this important area.

Prior Research : While there is growing interest in community investment in our society, very little literature currently exists analysing top corporate community investment in Australia. While our findings are significant and well founded, further consensus based research examining the community investment of top ASX companies and the broader business community is needed

Research Sample & Size: Our analysis was restricted to just the ASX50 companies. These companies are indeed unique and for the most part don't represent the broader Australian business community or corporate sector. While our group of 50 companies represent a significant sample size, further studies investigating a larger pool of ASX companies as well as privately owned organisations would be highly beneficial.

Collecting the data: Public reports may be missing important data, may provide inaccurate data or may be misinterpreted in our research. Our analysis of third party assurance alongside our communication with select companies helps to confirm company disclosures, however no other measures were taken to confirm the accuracy of the data . Future studies and efforts to standardise reporting and seek assurance will reduce these limitations and strengthen the sectors ability to benchmark and improve performance.

Measures of Community Investment: Our methodology aligned with global consensus, utilising frameworks such as those from LBG to define community investment. However parameters such as percentage contribution of profit or earnings are not yet validated to ensure community impact. More work needs to be done to ensure that these markers being measuring truly correlate with the intended change we are seeking.

Subjective Analysis: This research did undertake an element of subjective analysis, particularly on companies who's reporting was not clear. If uncertain, researchers generally excluded these companies or sought to gain clarification, however it was inevitable that some amount of subjectivity remained. Alignment with global standards minimised this subjectivity and should be a focus for ongoing efforts in this area.

“ further studies investigating a larger pool of ASX companies as well as privately owned organisations would be highly beneficial. ”

Key Findings

The GivingLarge research revealed a significant \$867 Million contribution from Corporate Australia to the community in 2017. This figure was derived from analysis of 39 companies (within the ASX50) who clearly disclosed a community investment figure in publicly available reports. Companies contributed a mean \$22 million investment across the whole group at a 0.59% contribution of pre-tax profit and a 0.57% contribution of earnings*. Using percentage averages we were also able to provide an estimate for our full company cohort, extrapolating the contribution for the 11 companies that weren't included in our total analysis, revealing an estimated figure of **over \$900M** of investment making its way towards to the Australian community.

TOTAL CONTRIBUTION (2017)

\$867 Million

Contributed to the Australian Community in 2017 (39 companies)

Mean Contribution

\$22M

Mean Investment
Across 39 companies

Extrapolation to ASX50

>\$900M

Estimated Investment
post extrapolation (All 50 companies)

Key Findings

The leading percentage contributions in our overall analysis came from the Consumer and Health Care sectors with contributions over 1% from top companies (both % of profit and earnings). However it was the Materials sector that contributed the largest total figure at a notable \$359M, representing 42% of our total ASX50 figure.

Of the total \$867M, 74% came from the top 9 companies and 76% of the total came from just three sectors (Materials, Finance and Consumer). These trends suggest that within the ASX50 there are a small number of companies contributing the most to the community. Awareness and best practice sharing of the methods and strategies these companies take to prioritise community investment could benefit the community greatly.

The upcoming sector overviews (page 11 onwards) provide detailed summaries and key findings of the sector's performance, noting the top performers in both total investment and most comprehensive reporting. Importantly it is these sector specific comparisons that are the most meaningful, based on reduction of variables that may arise across different industries.

Average % Contribution

0.59 %
of Pre-Tax Profit

(Rolling 3 yr, 26 companies)

0.57 %
of Earnings (EBITDA)

(Rolling 3 yr, 22 companies)

9 companies were included for Profit & Earnings

Leading Sectors

% of Profit

(Pre-Tax PROFIT)

1.7%
Consumer

1.1%
Health

0.7%
Telecom

% of Earnings

(EBITDA)

1.1%
Consumer

1.0%
Health

0.8%
Energy

GIVINGLARGE
Sector Overviews

Finance Sector

%'s shown are of Pre-Tax Profit

In 2017 the Financial Sector contributed a significant \$196 Million dollars to the Australian community. This represented 23% of the total ASX50 contribution and came from 10 of the 11 finance companies listed on the ASX50 that clearly disclosed their community giving. Contributions from the finance sector went primarily to causes such as financial literacy and equality, medical research and indigenous inclusion. Reporting was clear with most companies itemising their contributions.

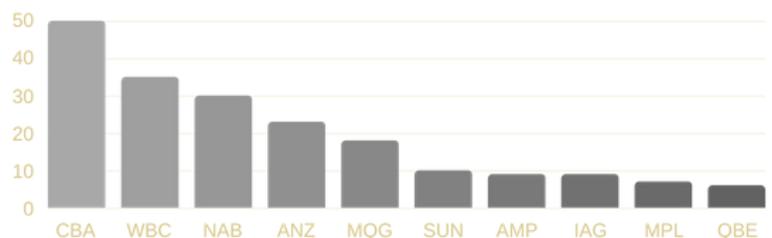
55% of companies followed a reporting standard (GRI, LBG or both) and 36% of companies engaged a third party to assure their reported figure. ANZ and Westpac reported most comprehensively; disclosing third party assurance, clear itemisation of giving and adherence to a reporting standard.

While IAG & Medibank Private lead the sector based on percentage contribution, at 0.9% of their pre-tax profit, it was the big 4 banks that contributed the largest total figures to the community. **The big 4 contribution made up a significant 71% of the finance sectors investment and 16% of the total ASX50 figure.**

1/	IAG <u>IAG</u>	2/	Medibank Private <u>MPL</u>
0.89% (PTP) \$8.9M		0.85% (PTP) \$6.3M	
Causes: Shared Value Focus on Safer, Stronger more confident communities. Other causes.		Causes: Financial Inclusion, Community Health, Medical Research, Indigenous Equity	
<input checked="" type="checkbox"/> Assured <input type="checkbox"/> Standard		<input type="checkbox"/> Assured <input checked="" type="checkbox"/> Standard (LBG)	
3/	Macquarie Group <u>MQG</u>	4/	Suncorp <u>SUN</u>
0.61% (PTP) \$18M		0.55% (PTP) \$10M	
Causes: Social innovation, not for profit capacity building, broad range of other causes		Causes: Health, Financial Literacy, Disaster preparedness, road safety, crime prevention	
<input type="checkbox"/> Assured <input checked="" type="checkbox"/> Standard (GRI)		<input type="checkbox"/> Assured <input checked="" type="checkbox"/> Standard (LBG)	

Total Contributions

Total Community Investment (\$M) in 2017



Finance Sector Cont.

%'s shown are of Pre-Tax Profit

5/	QBE <u>QBE</u>	6/	AMP <u>AMP</u>
0.55% (PTP) \$5.7M		0.48% (PTP) \$9.2M	
Causes: Indigenous Success, Veteran Affairs, Hunger Reduction, Medical Research		Causes: No causes reports	
<input type="checkbox"/> Assured	<input type="checkbox"/> Standard	<input type="checkbox"/> Assured	<input type="checkbox"/> Standard
7/	NAB <u>NAB</u>	8/	CBA <u>CBA</u>
0.37% (PTP) \$30M		0.36% (PTP) \$50M	
Causes: Sport (community), Disadvantaged/Social Welfare, Med Research, Economic Development		Causes: Financial Literacy & Inclusion, Education, Health, Indigenous Support, Social Inclusion	
<input type="checkbox"/> Assured	<input checked="" type="checkbox"/> Standard (GRI, LBG)	<input checked="" type="checkbox"/> Assured	<input type="checkbox"/> Standard
9/	Westpac <u>WBC</u>	10/	ANZ <u>ANZ</u>
0.30% (PTP) \$35M		0.22% (PTP) \$24M	
Causes: Financial Inclusion & Literacy, Indigenous Financial Equality, Affordable Housing,		Causes: Financial Inclusion, Financial Literacy, Emergency Relief	
<input checked="" type="checkbox"/> Assured	<input checked="" type="checkbox"/> Standard (GRI)	<input checked="" type="checkbox"/> Assured	<input checked="" type="checkbox"/> Standard (GRI, LBG)

Foregone Revenue

One type of community investment not counted in our analysis is foregone revenue. Defined as the revenue foregone for community benefit on fees, products & services provided for free or discounted*. This type of investment is generally excluded from the LBG framework when reviewing community inputs, so in turn was not included in our analysis. Many finance and telecommunications companies do in fact forego large amounts of revenue for community benefit which they commonly report on. Ongoing research in this area should focus attention on foregone revenue across sectors, particularly in finance and telecommunications companies.

When including foregone revenue in our calculations, CBA, Westpac & ANZ contributions noticeably increased, taking their contribution to the top of the sector, with CBA and Westpac comfortably exceeding 1% (1.99%, 1.48% respectively).

NR/ ASX
ASX

Causes: Veterans Affairs, Medical Research

Real Estate Sector

%'s shown are of Pre-Tax Profit

1/	Stockland <u>SGP</u>	2/	GPT Group <u>GPT</u>	3/	Westfield <u>WFD</u>
0.81%	\$5.9M	0.78%	\$8.3M	0.34%	\$8.3M
Causes: Health & Well-being, Education, Community Connection		Causes: Health & Well-being, Inclusivity, Employment & Skilling		Causes: Health, Education, Youth Support	
<input checked="" type="checkbox"/> Assured	<input checked="" type="checkbox"/> Standard (LBG & GRI)	<input checked="" type="checkbox"/> Assured	<input type="checkbox"/> Standard	<input type="checkbox"/> Assured	<input checked="" type="checkbox"/> Standard (GRI)
4/	Scentre Group <u>SCG</u>	5/	Mirvac <u>MGR</u>	6/	Vicinity Centres <u>VCX</u>
0.25%	\$9.0M	0.20%	\$1.8M	0.12%	\$1.6M
Causes: Range of causes within Disability (esp. Cerebral Palsy, Autism)		Causes: Homelessness, Health & Well-being, Arts & Culture		Causes: Education & Young People, Health, Social Welfare	
<input type="checkbox"/> Assured	<input checked="" type="checkbox"/> Standard (GRI)	<input type="checkbox"/> Assured	<input checked="" type="checkbox"/> Standard (GRI & LBG)	<input checked="" type="checkbox"/> Assured	<input checked="" type="checkbox"/> Standard (LBG)

7 out of 9 real estate companies in the ASX50 adequately reported on their investment which in 2017 totalled \$35.7M. Mean contribution for the sector was lower than other sectors their size, sitting at \$5.1M, coinciding with a 0.37% contribution of profit. Reporting was mostly on par with other industries with 67% of companies adhering to a reporting standard and providing a breakdown of their contribution, and 33% gaining third party assurance. Investment varied widely but funds primarily went towards health & well-being, education, homelessness and unemployment.

Real Estate Sector

%'s stated are of Pre-Tax Profit

7/ Dexus Properties
DEX

NR/ Goodman Group
GMG

NR/ LendLease
LLC

0.08% \$0.7M

NR NR

NR NR

Causes: Child Health, Health & Well-being

Causes: Contributions across a range of causes

Causes: Community Development, Diversity & Inclusion, Employment, Health

Assured Standard (GRI)

Assured Standard

Assured Standard

Stockland lead the real estate sector for % investment at 0.81% of pre-tax profit (\$5.9M). **They also set an important benchmark (alongside Vicinity Centres) with the most comprehensive reporting in the sector** that included third party assurance, standardised disclosure and clear itemisation of their contribution.

Total Contributions

Total Community Investment (\$M) from previous year



“ Causes varied widely but funds primarily went towards health & well-being, education, homelessness & unemployment ”

Materials Industry

%'s shown are of Earnings, EBITDA

1/	Rio Tinto <u>RIO</u>	2/	South 32 <u>S32</u>	3/	BHP <u>BHP</u>
1.19%	\$229M	0.92%	\$19M	0.89%	\$104M
Causes: Education, Recreation, Environment, Health,		Causes: Education, Health & Wellness, Poverty Alleviation		Causes: Human Capability & Social Inclusion, Environment, Governance	
<input type="checkbox"/> Assured	<input checked="" type="checkbox"/> Standard (GRI)	<input checked="" type="checkbox"/> Assured	<input checked="" type="checkbox"/> Standard (GRI)	<input checked="" type="checkbox"/> Assured	<input checked="" type="checkbox"/> Standard (GRI)
4/	James Hardie <u>JHX</u>	5/	Orica <u>ORI</u>	6/	Ancor <u>AMC</u>
0.42%	\$1.9M	0.24%	\$2.0M	0.06%	\$1.4M
Causes: Economic & Environmental Stability, Community Stability & Vitality		Causes: Education & Youth, Health, Economic Development, Environment		Causes: Food Access, Environment, Education	
<input type="checkbox"/> Assured	<input type="checkbox"/> Standard (GRI)	<input type="checkbox"/> Assured	<input checked="" type="checkbox"/> Standard (GRI)	<input type="checkbox"/> Assured	<input checked="" type="checkbox"/> Standard (GRI)
7/	Incitec Pivot <u>IPL</u>	NR/	Newcrest <u>NCM</u>	NR/	Fortescue <u>FMG</u>
0.05%	\$0.4M	NR	NR	NR	NR
Causes: Education, Health, Community Development		Causes: Community capability building through education		Causes: Education, Aboriginal Engagement, Health, Economic Development, Art, Environment	
<input type="checkbox"/> Assured	<input checked="" type="checkbox"/> Standard (GRI)	<input checked="" type="checkbox"/> Assured	<input checked="" type="checkbox"/> Standard (GRI)	<input type="checkbox"/> Assured	<input type="checkbox"/> Standard

Materials Industry

%’s shown are of Earnings, EBITDA

In 2017 the Materials and Mining sector lead the nation for community investment across the ASX50 with a noteworthy \$359 Million contributed to the Australian community. With clear disclosure from 7 out of 9 companies, this sector’s contribution represented an important 41% of the total ASX50 figure. As expected, the largest contributions came from Rio Tinto and BHP. **Their combined contribution in 2017 of \$333M made up 93% of the sector’s contribution and a considerable 38% of the total ASX50 figure.**

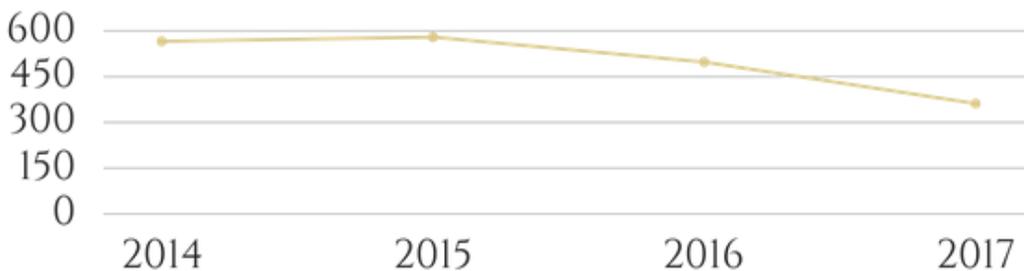
Sector contributions made their way to causes such as the environment, education and community development. Reporting itemisation was less clear, with most companies only stating overall dollar values. Adherence with reporting standards was high with 78% of companies adhering to the GRI standard. Only 22% of companies engaged third party assurance of their community investment.

The leading contribution from the materials sector, by % of earnings, came from Rio Tinto with a % contribution of 1.19% on a rolling 3 year basis.

Despite their large representation in our total figure, the profit and earnings fluctuations in the mining industry over the last 3 years have unfortunately coincided with a significant reduction in total community investment in this sector. **The 2017 total being 38% less than the 2015 total contribution of \$577M. This represents a considerable \$218M difference to the community.** To put this into perspective, this \$218M difference is more than any other sectors total contribution, and if considered within the 2017 total ASX50 contribution would represent 25%. This acutely illustrates the importance of company profits on community investment., an important trend that may not be sector specific.

Total Contributions

Declining Total Sector Contribution (\$M)



MATERIALS SECTOR TOTAL CONTRIBUTION DECREASING IN LAST 3 YEARS

Industrial Sector

%'s shown are of Earnings, EBITDA

<p>1/ Brambles <u>BXB</u></p> <hr/> <p>0.24% \$5.9M</p> <hr/> <p>Causes: Food Security, Food Waste including Education & environment</p> <p><input type="checkbox"/> Assured <input checked="" type="checkbox"/> Standard (GRI)</p>	<p>2/ Qantas <u>QAN</u></p> <hr/> <p>0.17% \$3.7M</p> <hr/> <p>Causes: Health & Well-being (Child, Mental & Global Health), Gender Equality</p> <p><input type="checkbox"/> Assured <input type="checkbox"/> Standard</p>	<p>3/ Sydney Airport <u>SYD</u></p> <hr/> <p>0.14% \$2.2M</p> <hr/> <p>Causes: Arts & Culture, Social Welfare, Health</p> <p><input type="checkbox"/> Assured <input checked="" type="checkbox"/> Standard (GRI & LBG)</p>
<p>4/ Transurban <u>TCL</u></p> <hr/> <p>0.11% \$2.5M</p> <hr/> <p>Causes: Road Safety, Range of other diverse causes</p> <p><input type="checkbox"/> Assured <input checked="" type="checkbox"/> Standard (GRI)</p>	<p>NR/ Aurizon Holdings <u>AZJ</u></p> <hr/> <p>NR NR</p> <hr/> <p>Causes: Health & Well-being, Community Safety, Environment, Education.</p> <p><input type="checkbox"/> Assured <input type="checkbox"/> Standard</p>	<p>“ Lower percentage contributions from individual firms in this sector represent an opportunity for this group of companies. ”</p>

The Industrial Sector contributed \$14 Million dollars to the Australian community in 2017. Lower percentage contributions from individual firms in this sector represent an opportunity for this group of companies. The sector's total came from 4 out of 5 Industrial companies that clearly disclosed their community giving. Contributions went primarily to causes such as health and well-being, and community and environmental safety. Reporting was on par with other sectors, with 60% of companies using a reporting standard, 40% itemising their giving and 25% assuring their disclosed community investment. Sydney Airport reported most comprehensively with clear itemisation and adherence to both LBG and GRI standards.

Brambles lead the way in this sector with a 0.24% contribution of earnings and an overall investment of \$5.9 Million.

Energy Sector

%'s shown are of Earnings, EBITDA

1/	Oil Search <u>OSH</u>	2/	Santos <u>STO</u>	3/	Woodside <u>WPL</u>
1.26%	\$19M	0.76%	\$13M	0.59%	\$25M
Causes: Community Health, Womens Protection, Womens Empowerment.		Causes: Regional & Indigenous Community, Health, Education, Environment		Causes: Education, Environmental Outreach, Early Childhood, Employment	
<input type="checkbox"/> Assured	<input checked="" type="checkbox"/> Standard (GRI)	<input type="checkbox"/> Assured	<input type="checkbox"/> Standard	<input type="checkbox"/> Assured	<input checked="" type="checkbox"/> Standard (GRI & LBG)
4/	Origin <u>ORG</u>	NR/	Caltex <u>CTX</u>	<p>“ In 2017 the Energy Sector invested a total of \$62M to the community at an above average 0.75% of earnings per company ”</p>	
0.38%	\$4.0M	NR	NR		
Causes: Education (Gender in STEM & Indigenous), NFP Training & Development		Causes: Road Safety, Child Health, Youth Education			
<input type="checkbox"/> Assured	<input checked="" type="checkbox"/> Standard (GRI)	<input type="checkbox"/> Assured	<input type="checkbox"/> Standard		

The energy sector primarily contributes its community funds towards community health, education and the environment. In 2017 the sector invested a total of \$62M to the community at an above average 0.75% of earnings per company. The sectors total investment represented 7% of the total ASX50 figure. This contribution came from 4 out of 5 industrial companies that reported clearly, 3 of whom followed a reporting standard. None of the companies in this sector engaged third party assurance for their community investment.

Oil Search lead the sector with a clear breakdown of their giving, adherence to the GRI standard and a \$19M investment at 1.26% of Earnings.

Consumer Industry

%'s shown are of Pre-Tax Profit or Earnings, EBITDA

In 2017 the Consumer sector gave a notable \$106 Million to the Australian community. This sectors contribution came from just 2 out of 4 companies that disclosed clearly and contributed an important 12% of the total ASX50 investment.

As expected large contributions came from both Wesfarmers and Woolworths. Disclosure and reporting from these two companies also demonstrated best practice within our overall analysis with disclosure of third party assurance, clear itemisation of contributions and adherence to a reporting standard (GRI). Consumer contributions were directed to causes such as health & medical research as well as community and economic development.

With high levels of ongoing competition in our top consumer companies it's interesting to see a clear leader when it comes to community investment. Wesfarmers contributing \$73m in 2017 at 2.41% of their pre-tax profit and 1.39% of their earnings (EBITDA). Not only a leader in this sector but also a leader in our overall ASX50 analysis. Wesfarmers efforts are complemented (as above) by their excellence in reporting.

While outperformed by Wesfarmers in this sector, Woolworths contribution was still notable. Despite cross sector contributions being less meaningful, Woolworths numbers (1.3% of profit and 0.74% of earnings) compare strongly versus other companies in our broader ASX50 group.

1/	Wesfarmers <u>WES</u>	2/	Woolworths <u>WOW</u>
	2.14% (PTP) \$73M 1.39% (EBITDA)		1.30% (PTP) \$33M 0.74% (EBITDA)
	Causes: Medical Research & Health, Indigenous Programs, Community & Education, Arts		Causes: Health, Economic Development, Emergency Relief
	<input checked="" type="checkbox"/> Assured <input checked="" type="checkbox"/> Standard (GRI)		<input checked="" type="checkbox"/> Assured <input checked="" type="checkbox"/> Standard (GRI)
NR/	Treasury Wine <u>TWE</u>	NR/	Aristocrat Leisure <u>ALL</u>
	NR		NR
	Causes: Contributions across a range of causes		Causes: No causes reported
	<input type="checkbox"/> Assured <input type="checkbox"/> Standard		<input type="checkbox"/> Assured <input type="checkbox"/> Standard

Telecommunications

%'s shown are of Pre-Tax Profit or Earnings, EBITDA

In the telecommunications sector, Telstra contributed a notable \$39 Million dollars to the community at a 0.7% contribution of pre-tax profit and a 0.38% contribution of earnings. Telstra contributed to causes to support Digital Inclusion, Climate Change, Emergency Relief, and Reconciliation. Reporting was comprehensive with clear itemisation and adherence to the GRI reporting standards.

Like several companies in the finance sector, Telstra reported clearly on their foregone revenue, a community investment which is not included in our overall analysis (see page 13). Telstra reported a considerable \$111 Million in foregone revenue, which when included in our % calculations would push their contribution to 2.7% of profit or 1.4% of earnings.

1/	Telstra
	<u>TLS</u>
<hr/>	
0.70%	(PTP) \$39M
0.38%	(EBITDA)
<hr/>	

Causes: Digital Inclusion, Climate Change, Emergency relief, Reconciliation,

Assured Standard (GRI)

“ Telstra contributed a notable \$39 Million dollars to the community in 2017 ”

Information Technology

%'s shown are of Pre-Tax Profit or Earnings, EBITDA

1/	Computershare
	<u>CPU</u>
<hr/>	
0.15%	(PTP) \$0.6M
0.08%	(EBITDA)
<hr/>	

Causes: World Aid, Environment.

Assured Standard

In our smallest sector by market cap, the information technology sector through Computershare contributed \$600k to the community at 0.15% of their pre-tax profit, and 0.08% of their earnings. Computershare directed these funds towards world aid and the environment.

“ The Information Technology sector gave \$600k to the community in 2017 ”

Health Care

%'s shown are of Pre-Tax Profit or Earnings, EBITDA

1/	CSL CSL	2/	Sonic SHL	NR/	Ramsay RHC
1.97% (PTP)	\$52M	0.24% (PTP)	\$2.5M	NR	NR
1.73% (EBITDA)		0.23% (EBITDA)			
<p>Causes: Biomedical Research, Medical Education & Support Groups, Emergency Relief</p> <p><input checked="" type="checkbox"/> Assured <input checked="" type="checkbox"/> Standard (GRI)</p>		<p>Causes: Medical Research, Child Health, Disability, Disaster Relief,</p> <p><input type="checkbox"/> Assured <input type="checkbox"/> Standard</p>		<p>Causes: Medical Research & Education, Community Health & Education</p> <p><input type="checkbox"/> Assured <input type="checkbox"/> Standard</p>	

The Health Care sector community contribution came from 2 out of 3 Health Care companies that disclosed their community investment clearly. The sector contributed a total of \$54 million representing 6% of the ASX50 total investment. As expected contributions from the sector went towards medical research, medical education and medical support groups.

CSL was the predominant contributor and clear leader in this sector. It was also an overall leader in our total ASX50 analysis when looking at % of earnings. Their \$52M investment constituting 1.97% of their profit and 1.73% of their earnings. **Not only do these figures stand out amongst our cohort but CSL also set a best practice benchmark with their reporting; ensuring clear itemisation, adherence to a reporting standard and third party assurance.**

Utilities

%'s shown are of Earnings, EBITDA

1/	AGL AGL	NR/	APA APA
0.19%	(EBITDA) \$3.5M	NR	NR
<p>Causes: Arts & Culture, Economic Development, Social Welfare, Education & Youth</p> <p><input type="checkbox"/> Assured <input checked="" type="checkbox"/> Standard (GRI)</p>		<p>Causes: Arts & Culture, Unemployment</p> <p><input type="checkbox"/> Assured <input type="checkbox"/> Standard</p>	

With only 1 out of 2 utility companies adequately disclosing their community investment, this sectors analysis is somewhat limited. AGL clearly disclosed their community investment of \$3.5M in 2017 at 0.19% of their earnings. Funds went towards arts and culture, economic development and social welfare. AGL adhered to GRI standards and provided clear itemisation of their giving.

Key Findings - Reporting

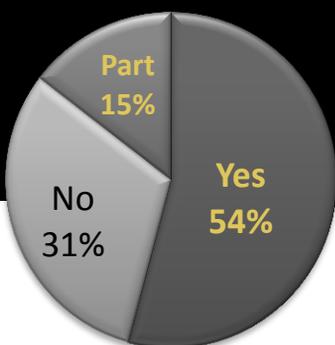
Reporting Standard

70% of companies in our list adopted either the GRI standards or LBG framework (members) to report on their community investment. GRI was the pre-dominant standard disclosed however a larger number of companies used the LBG framework/categories as non-members to breakdown their contributions. 12% of companies reported using both the GRI standards and LBG framework (members). The 30% of companies that did not disclose adherence to GRI or LBG were analysed in the same manner and subjective alignment to those standards was sought. For some companies this meant their disclosure was deemed not adequate to include in our research. A total of 11 ASX50 companies fell into this category.

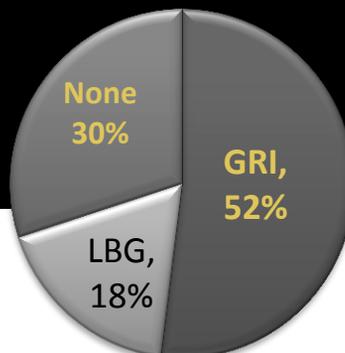
Continued use of a reporting standard should be encouraged to ensure aligned and meaningful disclosure. GRI adherence is becoming a best practice benchmark with most companies either adhering to these standards or intending to in upcoming years. Membership with LBG should also be considered with the majority of companies adopting their framework.

Itemisation

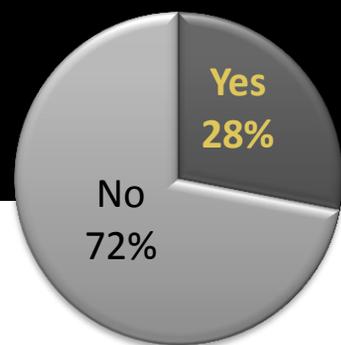
While the total cost of a community activity may well be made up of one, or a combination, of the above types of contributions, meaningful breakdown or itemisation of the contribution from assessed companies was mixed. In many cases, companies reported the main elements of their investment, such as their total cash contribution or volunteer time, but didn't break down into other categories. 54% of companies published clear itemisation of their community investment (most often aligned with LBG categories), 15% partial itemisation and 31% very little to no itemisation. Increased efforts to breakdown a company's community investment would bring value to many stakeholders including the corporates themselves. Clear itemisation will ensure engagement with the right community stakeholders to optimise impact and attract sought after attention from investors and customers with shared interests.



Investment Itemisation



Reporting Standard



Third Party Assurance

Key Findings

Third Party Assurance

While the majority of companies in our sample gained third party assurance for their sustainability or CSR reports, only 28% of our cohort assured their published community investment figures. The majority of companies engaged limited assurance, usually with a focus on assuring the environmental aspects of their report.

This is certainly an area of interest and a key finding from this research. For companies to make reliable claims about their community impact and levels of generosity, third party assurance on their community investment numbers should be engaged.

2017 Sector Leaders

Sector	Company	% of Profit (Pre-tax)	% of Earnings (EBITDA)
Finance	IAG	0.9%	
Materials	RIO TINTO		1.2%
Telecoms (n=1)	TELSTRA	0.7%	0.38
Industrial	BRAMBLES		0.2%
Consumer	WESFARMERS	2.1%	1.4%
Health Care	CSL	2.0%	1.7%
Info Tech (n=1)	COMPUTERSH	0.2%	0.1%
Real Estate	STOCKLAND	0.8%	
Energy	OIL SEARCH		1.3%
Utilities (n=2)	AGL		0.6%

“ Of the total ASX figure, 74% came from the top 9 (23%) companies and 76% of the total came from just three sectors (Materials, Finance and Consumer) ”

Conclusions & Recommendations

Conclusions

- In a first of its kind piece of research, the GivingLarge study revealed a considerable investment from the ASX50 companies to the Australian community. \$867 million dollars was given from 39 organisations that clearly reported on their contributions. With estimates suggesting that around 1 in 4 charities in Australia depend on giving for 50% or more of their total income, and that approximately \$10.5 billion makes its way to charities from donations and bequests (per year), the contribution from just these 39 companies is significant.
- Within the ASX50 there is a small number of companies giving the most to the community, with 76% of the total coming from just 9 companies. While the Consumer and Health Care Sector were the most generous in terms of percentage giving, (CSL and Wesfarmers), it was the materials sector that contributed the largest total sum (\$359M representing 42% of the total) despite a drop in recent years with decreasing earnings in the sector. Best practice sharing of the methods and strategies undertaken by these companies to prioritise community investment as well as the creation of a culture of healthy competition amongst these large organisations could benefit the community greatly.
- The majority of ASX50 companies disclose their community investment figures in publicly available reports with most companies increasing their disclosure over time. The variation came with their adherence to global standards, the itemisation of their giving and their engagement of third party assurers. Ongoing efforts to standardise reporting and seek assurance will serve to strengthen the accuracy of company disclosure, the ability to accurately reflect on impact, and most importantly will enable the community to make valued and robust sector comparisons to drive future behaviour.
- The GivingLarge Report represents one of only a small number of studies to investigate the community investment of Australia's top companies. Given the large yearly contribution noted, further consensus based research examining the community investment of top ASX companies and the broader business community is needed. Future research examining a larger pool of ASX companies, privately held organisations and global companies with Australian subsidiaries would be highly valued. These studies should also look to further investigate markers of impact, such as percentage contribution (of profit or earnings), foregone revenue and corporate leverage, validating these parameters to ensure optimal community impact.

% of Profit

% of Earnings



