



Climate-related financial disclosure

Submission by the Australian Council of Trade Unions to the Treasury consultation paper *Climate-related financial disclosure*

ACTU Submission, 17 February 2023
ACTU D. No 06/2023

Contents

Executive Summary	1
Responses to Consultation Questions	3
Appendix 1: Key indicators.....	7
1 Workforce composition	7
2 Social dialogue between industrial partners	9
3 Workforce participation.....	10
4 Supply chain	12
5 Work Health and Safety	13
6 Pay levels	15
7 Grievance mechanisms.....	16
8 Training and development.....	16
9 Workplace gender equality and diversity.....	16
10 Pension fund contributions for employees.....	17
11 Just Transition	18

Executive Summary

Since its formation in 1927, the ACTU has been the peak trade union body in Australia. There is no other national confederation representing unions. The ACTU consists of affiliated unions and State and regional trades and labour councils who have nearly 1.8 million members who are engaged across a broad spectrum of industries and occupations in the public and private sector.

The ACTU supports the intent of the Government to improve the quality, breadth, and regularity of climate disclosure as an important step in improving the ability for investors, regulators and the public to make informed decisions and policy to reduce emissions from the activities of Australian companies. Investors have a broad set of responsibilities to ensure the assets they invest in on behalf of their beneficiaries do not breach Environmental, Social and Governance (ESG) standards. While many attempt to meet this responsibility, information gaps between companies and their investors often inhibit meaningful decision-making, hinder effective stewardship, make it difficult to track substantive progress or make reasonable comparisons. Australian companies largely determine themselves what and how to make disclosures, and often use their own definitions to do so. As a result investors and the public face an increased cost in understanding the interpreting the nature of the disclosures made.

Taking action immediately to address this on the topic of climate change is welcome, and the ACTU notes and supports that the consultation paper outlines the Government will develop broad sustainable finance architecture. The reform principles upon which the consultation is based are sound. The union movement, however, believes that meeting new global minimum standards will not be making the most of the opportunity available to us. Australia has an opportunity and, in particular for addressing climate risk, a responsibility to lead in this space. Where improving disclosure standards for investors, Australia can make a contribution to the international investment community, Australian investors and their beneficiaries, by developing world-leading standards and taxonomy.

The ACTU supports substantive disclosures from businesses on the level of emissions, the progress of decarbonisation and meaningful plans presented to the public about the pathway to meeting net zero emissions, consistent with national targets. Companies should have detailed plans regarding how and when they expect to decarbonise, and what impact that will have on their businesses. Global disclosure standards like those issued by the International Sustainability Standards Board (ISSB) deem this a minimum, and that is a minimum Australia should immediately meet.

An area the union movement seeks to improve disclosure from companies is labour standards, generally and in the area of climate to ensure companies are engaging in a just transition through decarbonisation. The Paris Agreement requires signatories to ‘take into account the imperatives of a just transition of the workforce and the creation of decent work and quality jobs’ and implementing this in climate related financial disclosures will be an important step to meeting this goal.

The ACTU’s primary recommendation in this submission is that when Treasury develops the Climate-related financial disclosure guidelines, companies are required to disclose the impact of their decarbonisation strategy on their workforce and the engagement with unions. The ACTU developed a *Just Transition Guide* for investors for their use in stewardship conversations, which outlines key items that companies should disclose, plans they should have, and reporting which investors should have access to. All items disclosed should provide investors an understanding of both the impact of policies and strategies on people and their communities, and the gender impact of the company’s strategy.

Companies should be required to make deeper and more meaningful disclosures to investors on labour issues. Key items which businesses should be required to disclose in order are outlined in Appendix 1, and cover the following topics:

- Workforce composition,
- Social dialogue,
- Workforce participation,
- Supply chain
- Work health and safety
- Pay levels
- Grievance mechanisms,
- Training and development,
- Workplace gender equality and diversity
- Pension fund contributions, and
- Just transition.

Each of these disclosure topics will assist investors in evaluating the impact of a transition on workers and track progress against agreed principles and plans.

Climate related financial disclosures should complement an independent Energy Transition Authority. Workers and businesses need certainty regarding the pathway of decarbonising our

energy sector and the role businesses, investors, unions, and all levels of Government in getting there. The Energy Transition Authority will require meaningful disclosure from emitters and investors on their decarbonisation plan to effectively function and ensuring climate-related financial disclosures are consistent with Government planning and regulatory requirements will be essential in ensuring they are effective but not duplicative.

Responses to Consultation Questions

In this submission, the ACTU will respond to some but not all consultation questions.

Question 1: What are the costs and benefits of Australia aligning with international practice on climate-related financial risk disclosure (including mandatory reporting for certain entities)? In particular:

- 1.1 What are the costs and benefits of meeting existing climate reporting expectations?
- 1.2 What are the costs and benefits of Australia not aligning with international practice and in particular global baseline standards for climate reporting?

As global investors increase the prominence of carbon intensity on investment decisions, Australian businesses will need to meet international expectations for disclosure in order to demonstrate the case for their ongoing investment. Bringing minimum disclosure threshold to international standards will assist investors in making meaningful decisions and improve the flow of capital to Australian businesses.

Aligning to international best practice and global baselines should not be mistaken by Government as being constrained by them. The Paris Agreement requires signatories to 'take into account the imperatives of a just transition of the workforce and the creation of decent work and quality jobs' however missing from some global standards is the explicit requirement for companies to disclose the impact.

Question 3: To which entities should mandatory climate disclosures apply initially?

- 3.1 What size thresholds would be appropriate to determine a large, listed entity and a large financial institution, respectively?
- 3.2 Are there any other types of entities (that is, apart from large, listed entities and financial institutions) that should be included in the initial phase?

The general principle of who disclosures should apply to should be 'why not?' While large investors and large listed entities should be obvious candidates to make immediate and comprehensive disclosures, some of Australia's largest employers and emitters are not publicly listed and that should not prevent the public and beneficiaries of private investment from

accessing information as to their decarbonisation performance. As disclosures become regularised and tools are developed to improve the efficiency of disclosure, smaller companies should also be subject to disclosure requirements.

Question 4: Should Australia seek to align our climate reporting requirements with the global baseline envisaged by the International Sustainability Boards?

- 4.1 Are there particular considerations that should apply in the Australian context regarding the ISSB implementation of disclosures relating to: governance, strategy, risk management and/or metrics and targets?
- 4.2 Are the climate disclosure standards being issued by the ISSB the most appropriate for entities in Australia, or should alternative standards be considered?

Australia should be aligned to the ISSB implementation of disclosures, however should not be limited by them provided any Australian specific metrics are aligned with ISSB principles in its Guidance. We support international efforts being coordinated by ISSB to consolidate and align the various disclosure frameworks that currently exist, and we believe it is important that Australia support that effort. The ISSB implementation offers a suitable breadth and consistency of disclosable items, though we believe that further iterations of IFRS S2 Climate-related Disclosures will need to include more concrete advice on social factor disclosure metrics, particularly on workforce aspects, that will be required, particularly for transition plans. It is important in our view that users of general purpose financial reporting have access to consistent metrics and standardised qualitative disclosures around workforce and other social factors to help them assess how climate-related matters and the associated risks and opportunities affect an entity's financial position and financial performance. This remains in our view an underdeveloped feature of disclosure guidance. In that context we welcome the ISSB Memorandum of Understanding (MoU) with the Global Reporting Initiative whose better developed social factor standards form a strong foundation for the specificity we propose for social factor disclosure metrics, that can improve the ISSB guidance.

Australia has a wide breadth of carbon intensive industries and has a large number of workers employed at heavy emitting assets. In order to meet community expectations, companies should be required to produce and public just transition plans, and track their progress against them.

The nature of these plans can be found in the ACTU's Just Transition Guidance for Investors. It centres on the need for companies to engage with their workforce and establish a just transition committee, produce a just transition plan in collaboration with workers which contain detailed information about the impact of the transition on workers, and report against the implementation

of the plan to investors. Each of these stages are critical to investors understanding the impact of decarbonisation on workers and the community.

Question 6: Where should new climate reporting requirements be situated in relation to other periodic reporting requirements? For instance, should they continue to be included in an operating and financial review, or in an alternative separate report included as part of the annual report?

Sustainable finance reporting should be done annually and be disclosed in directors' annual reports. Separated annual and sustainability reports risk these disclosures being treated as secondary or made with less rigour than annual reporting standards. Climate and other sustainability metrics are not subordinate to financial metrics, they provide important context and increase the understanding of investors of material issues to the sustainability of the business.

Question 7: What considerations should apply to materiality judgements when undertaking climate reporting, and what should be the reference point for materiality (for instance, should it align with ISSB guidance on materiality and is enterprise value a useful consideration)?

Companies should be required to close all matters which are material to either the company, or have a material impact on the environment, climate, workers, or the community. The trade union movement supports the concept of 'double materiality' being applied to disclosure and reporting in this context. For example, if an action is immaterial to the operating of the company, but that action has a material impact on a cohort of workers or the environment, the company should be required to report against that. In making comprehensive disclosures, if the company has determined that it is not reasonable to report against a particular metric, it should be required to explain that to shareholders and the public.

Question 11: What considerations should apply to ensure covered entities provide transparent information about how they are managing climate related risks, including what transition plans they have in place and any use of greenhouse gas emissions offsets to meet their published targets?

Companies should be required to produce and report against transition plans they have in place. This should include reporting about workforce impacts for both directly and indirectly employed workers. In order to effectively report against climate related risks, companies should be required to provide quantitative and qualitative information to investors about the planning process, the progress of plans, and their projected impact on workers and their communities. For climate and a just transition, the union movement supports the matters outlined in Appendix 1 being disclosed in order for there to be effective and holistic disclosure. These include disclosures about the size and extent of the workforces impacted by decarbonisation plans, the co-

development and consultation between the company and the workforce about transition plans, and the extent the company is meeting objectives set through the consultation process.

Appendix 1: Key indicators

The key indicators outlined relate specifically to labour standards and are generally sourced from the Global Reporting Initiative – the standards by which many listed entities report. Where sourced elsewhere, that is noted.

1 Workforce composition

Assessment criteria under this theme indicate the type of relationship a company has with its workforce, the level of precarious employment, the extent of use of non-national guest labour, approaches to workforce diversity, and the propensity for avoidance of minimum labour standards in the particular jurisdiction.

Indicator No.	Key indicators	Source of definition of indicator	Risk factors that can be assessed by disclosure of data on this indicator
1.1	<p>How many full-time (35+ hours or more per week), part-time (<35 hours per week) and casual workers are engaged by the company (total number and by FTE) disaggregated by (i) directly employed; (ii) indirectly employed e.g. by a labour hire company; or (iii) by other means; and in each of (i), (ii) and (iii) how many are (a) employees, and (b) independent contractors?</p> <p>Disaggregate data by gender and country.</p>	GRI: G4-10	<p>Gathering information on direct and indirect employment (through labour hire agencies, franchisees and independent contractors) indicates the level of risk from indirect employment where lead company control is diminished.</p> <p>An important trend in the field of online on-demand platforms is the classification of workers as independent contractors instead of employees. The implications of this include arrangements that allow employers to circumvent minimum wage rates and withhold social benefits while shifting risks onto workers by denying workers' compensation, sick leave, other employee safety net benefits and the right to collective bargaining.</p>
1.2	What is the rate of turnover for each of the past 3	GRI:G4	Information on the rate of turnover indicates the level

	<p>financial years of (i) permanent workers with 35 hours or more per week(ii) permanent workers with less than 35 hours per week/part-time (however engaged)/casual workers, by country?</p> <p>Disaggregate by gender</p>		<p>of workforce stability. High levels of turnover warrants further investigation around risks of precarious work.</p>
1.3	<p>What proportion of the company's workforce comprises non-national guest labour, by country of operation?</p> <p>Disaggregate by gender.</p>	ACTU	<p>Use of guest labour is well documented as showing a strong correlation to exploitative practices, exacerbated by language, ignorance of local laws and weak regulatory entitlements/protections. It is an indicator of potential human rights violations.</p>
1.4	<p><i>For Assets and business streams Identified to Undergo a Transition due to Decarbonisation or Technological Change</i></p> <p>How many full-time (35+ hours or more per week), part-time (<35 hours per week) and casual workers are engaged by the company (total number and by FTE) disaggregated by (i) directly employed; (ii) indirectly employed e.g. by a labour hire company; or (iii) by other means; and in each of (i), (ii) and (iii) how many are (a) employees, and (b) independent contractors?</p> <p>Disaggregate data by gender and country.</p>	ACTU	<p>Investors should be able to evaluate the impact of the decarbonisation strategy on the workforce for those who it affects.</p> <p>For example, Origin would disclose under this indicator the number of workers, the category of employment, and the contingent workforce of Eraring Power Station (among other transitioning assets)</p>

2 Social dialogue between industrial partners

Assessment criteria under this theme indicate the commitment to collective bargaining with an appropriate bargaining agent, the attitude to the principle of freedom of association and union organisation of the workforce and levels of industrial tribunal activity and industrial disputation

Theme No.	Key indicators	Source of definition of indicator	Risk factors that can be assessed by disclosure of data on this indicator
2.1	<p>What percentage of the workforce is covered by a collective bargaining agreement, by country of operation?</p> <p>Disaggregate by gender, work type.</p>	<p>GRI:G4-11</p> <p>ILO Convention No 98, Right to Organise and Collective Bargaining Convention, 1949 (ILO C98) and Convention No 87, Freedom of Association and Protection of the Right to Organise Convention, 1948 (ILO C87)</p>	<p>Low levels of workforce coverage under a collectively bargained agreement is a strong indicator of dysfunctional labour relations and potential human rights violations.</p>
2.2	<p>What percentage of the workforce is covered by collective bargaining agreements made with a trade union, by country?</p> <p>Disaggregate by gender, work type.</p>	<p>GRI:G4-11</p> <p>ILO C98</p> <p>ILO C87</p>	<p>Low levels of workforce coverage by a collectively bargained agreement with a union is a strong indicator of ineffective and dysfunctional labour relations and potential human rights violations.</p>
2.3	<p>How many work stoppages (strike and/or lockouts) have occurred in the company's operations disaggregated into (i) 1 day or less; (ii) 1-3 days; (iii) 3-7 days; 7-14 days; 14-28 days; more than 28 days - over the past 12 months?</p>	<p>Sustainability Accounting Standards Board (SASB) accounting metric</p>	<p>Work stoppages are indicators of dysfunctional labour relations. Regular and ongoing stoppages in the company's operations may indicate problems with the quality of social dialogue.</p>
2.4	<p>Is there (i) any pending litigation against the company brought forward by employees, employee representatives NGOs or government regulators or</p>	<p>CWC Guidelines for the Evaluation of Workers' Human Rights and Labour Standards (CWC Guidelines)</p>	<p>Labour relations litigation is an indicator of dysfunctional labour relations. Litigation against workers and trade unions is indicative of a</p>

	labour investigation initiated by a government agency; or (ii) has the company initiated litigation seeking penalties against workers and/or their trade union in the past 12 months?		company with poor social dialogue that is engaging in approaches to labour management that generate financial and reputational risk, as well as strained labour relations in the medium to long term.
2.5	Is there a current International Framework Agreement (IFA) between the company and a union/s or trade union body?	CWC Guidelines	The absence of an IFA is an indicator of low level company commitment to global standards across its operations and in particular the lack of dispute settlement procedures and fair bargaining i.e. labour relations instability. The existence of an IFA demonstrates an advanced level of collaboration between workers and management.
2.6	Does the company encourage, remain neutral on or discourage (i) social dialogue with recognised independent unions; and (ii) the workforce joining a recognised independent trade union/s? Note: Evidence of encouragement/discouragement to join a trade union will include CEO and senior company management statements, information in company HRM documentation such as recruitment advertising	ILO C87 ILO C98 ILO C135 (Workers' Representatives Convention, 1971)	Company attitude to unionisation of its workforce and engagement in social dialogue with recognised independent trade unions is a strong indicator of the level of commitment to strong worker-management relationships, functional labour relations and respect for human rights. The level of executive commitment to social dialogue is an important indicator of a company's approach to workers' rights.

3 Workforce participation

Assessment criteria under this theme indicate the approach to industrial democracy, workforce engagement in company decision making and consultation with the workforce on issues affecting their current and future employment and pay/conditions

Indicator No.	Key indicators	Source of definition of indicator	Risk factors that can be assessed by disclosure of data on this indicator
3	Does the company provide for workforce participation in the affairs of the company through: (i) worker representation at the board level; (ii) company-level or national level work councils; and (iii) formally established workforce participation mechanisms?	CWC Guidelines	Company attitude to worker participation in company affairs is a strong indicator of the level of commitment to social dialogue, functional labour relations and respect for human rights.
3.2	Irrespective of the company approach to workforce participation, does the company recognise the presence of trade unions as representatives of the workforce for dialogue on company labour relations and safety issues?	ILO C135	Company attitude to workers' rights to join and participate in unions is a strong indicator of its respect for human rights. This indicator helps evaluate a company's commitment to the involvement of trade unions in the labour relations and safety management within the company.
3.3	Does the company consult with the workforce (including its trade union representatives) on workforce restructuring, including retrenchment, and the introduction of technological change that impacts the workforce prior to, when and if that restructuring occurs?	CWC Guidelines	Company approaches to consultation with its workforce on significant workforce change is a strong indicator of the level of commitment to social dialogue, functional labour relations and respect for human rights.
3.4	<i>For companies undergoing an industrial transition</i> Has the company established a Just	ACTU Just Transition Guidance for Investors	Investors should have line of sight of how companies are undertaking their just transition strategy. Just Transition Committees

	Transition Committee comprised of senior management and representatives of trade unions? If so, how many times has this Committee met and what has it discussed?		should be substantively consultative and not a one-way information flow.
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4 Supply chain

Assessment criteria under this theme indicate the commitment to upholding human rights principles in the contractor and supplier elements of the supply chain, that covers issues such as use of child labour, factory and occupational safety, freedom of association and compliance with domestic (and regional/provincial) labour laws

Indicator No.	Key indicators	Source of definition of indicator	Risk factors that can be assessed by disclosure of data on this indicator
4.1	Does the company conduct (i) supplier; and (ii) contractor due diligence regarding adherence to the same labour and human rights standards that it upholds for its direct operations over which it has 100% control, during (i) prequalification and supplier selection; and (ii) on an ongoing basis once suppliers and contractors are contracted, at least annually, for current suppliers and contractors?	CWC Guidelines	Company due diligence regarding labour relations practices and human rights standards across its suppliers and contractors is a strong indicator of the level of commitment to upholding human rights principles in all aspects of the company's business.
4.2	Does the company (i) encourage or (ii) require, its subcontractors and/or labour agency hires to maintain collective agreements covering employees and contractors working for, or supplied to, the company?	CWC Guidelines	Company practice regarding the labour relations standards expected in its supply chain is a strong indicator the depth of company commitment to upholding human rights and fair labour relations in its supply chains. This reflects a company's commitment to influence

			labour standards across its entire supply chain, thereby reducing risk of labour disputes outside the company's immediate control.
4.3	<p>Does the company take proactive measures to avoid or mitigate adverse human rights impacts for workers in high-risk countries in its supply chain?</p> <p>Note: A proactive measure includes actions such as undertaking periodic independent audits and publicly reporting outcomes; or demonstrates adherence to core ILO Convention and OECD standards requirements even if not ratified/endorsed by the nation which is part of its supply chain</p>	<p>GRI:G4-LA15</p> <p>Bangladesh Accord 2013</p> <p>UN Guiding Principles on Business and Human Rights (UNGPHR)</p>	<p>The quality of pro-active measures a company takes to uphold human rights and fair labour relations practices in its supply chains is an important indicator of the level of company commitment to upholding human rights standards.</p>

5 Work Health and Safety

Assessment criteria under this theme indicate the level of commitment to the WHS rights of the workforce and WHS performance

Indicator No.	Key indicators	Source of definition of indicator Relation to Principles	Risk factors that can be assessed by disclosure of data on this indicator
5.1	<p>Does the company positively and publicly promote the WHS rights of the workforce as provided in WHS law, regulations and codes of practice, and facilitate the exercise of those rights by the workforce?</p>	ACTU	<p>A lack of positive commitment to uphold the WHS rights of employees is an important indicator of the quality of a company's commitment to providing a safe work environment. Strong management of health and safety in the workplace can have short-</p>

			term and long-term positive impacts on operational and therefore financial performance.
5.2	Does the company require the establishment of WHS Committees and appointment of trained Health and Safety Representatives (HSRs) for each Designated Work Group (DWG) in all its workplaces?	ACTU	Company commitment to participation of its workforce in safety management and practice is an important indicator of the quality of a company's commitment to providing a safe work environment.
5.3	Does the company measure and publish leading WHS performance indicators (e.g. deaths, injuries, near misses and unsafe conditions; safety discussions held, H&S audits, safety focused improvement events), showing trends over a minimum 3 -5 year period?	CWC Guidelines	Company commitment to maintain and publish OHS performance indicators is an important indicator of the quality of a company's commitment to providing a safe work environment.
5.4	What are the types of injuries and rates of injury, occupational diseases, lost days, absenteeism, and total number of work-related fatalities by country?	GRI:G4-LA6	Company commitment to maintain and publish OHS performance indicators is an important indicator of the quality of a company's commitment to providing a safe work environment.
5.5	Does the company have a policy to prevent workplace sexual and gender-based violence and which Director and/or Senior Executive is responsible for the implementation of that policy? How many incidents of sexual and gender-based violence have occurred?	ACTU	Australian companies have an obligation to prevent workplace sexual and gender-based harassment and violence. Progress against this obligation should be reported to investors.

6 Pay levels

Assessment criteria under this theme indicate the approach to reward for work relative to the minimum standards in the jurisdiction and relative to executive pay as well as the opportunity to share in the wealth created

Indicator No.	Key indicators	Source of definition of indicator	Risk factors that can be assessed by disclosure of data on this indicator
6.1	Does the company ensure that every worker irrespective of employment type, without discrimination, has the right to equal pay for equal work?	ILO C100 (Equal Remuneration Convention, 1951) ILO C111 (Discrimination (Employment and Occupation) Convention, 1958) UN Declaration of Human Rights Article 23.2	Evidence of company commitment to pay equality is a strong indicator of company non-discriminatory policy.
6.2	What is the CEO-to-median worker pay ratio, by Gender and by Country? Note: the expectation here, irrespective of the nation of company operations, is adherence to the USA CEO pay ratio disclosure rule, which is contained in Item 402(u) of SEC Regulation S-K, requiring public companies to disclose: (i) the median of the annual total compensation of all US and non-US employees, other than the chief executive officer; (ii) the annual total compensation of the chief executive officer; and (iii) the ratio of these amounts.	CWC Guidelines	The CEO to median worker pay ratio is a strong indicator of company commitment to wage justice and fair labour relations practice.
6.3	How do average company wages for the non-executive workforce compare with minimum statutory wages by gender and country?	GRI:G4-EC5	The relationship of company average wages relative to statutory minima is a strong indicator of wage justice

			and fair labour relations practice.
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7 Grievance mechanisms

Assessment criteria under this theme indicate the ability of employees to exercise their basic human right to raise grievances about workplace issues free of retribution or discrimination and to have those grievances satisfactorily resolved

Indicator No.	Key indicators	Source of definition of indicator	Risk factors that can be assessed by disclosure of data on this indicator
7.7	Does the company (i) have an operational-level grievance mechanism that provides workers with access to remedy? and (ii) Does the process to deal with employee grievances include the presence of trade union representatives?	UN GPHR	The availability of functional grievance mechanisms is a strong indicator of the level of commitment to functional labour relations and respect for human rights.

8 Training and development

Assessment criteria under this theme indicate the commitment to human capital development and career advancement

Indicator No.	Key indicators	Source of definition of indicator	Risk factors that can be assessed by disclosure of data on this indicator
8.1	Does the company offer programs to all employees for skills management and lifelong learning that support continued employability of employees at no cost to the employee?	GRI:G4-LA10	Company provision of training and workforce development is a strong indicator of the level of commitment to respect for human rights.

9 Workplace gender equality and diversity

Assessment criteria under this theme indicate the commitment to gender, ethnic and age diversity

Indicator No.	Key indicators	Source of definition of indicator Relation to Principles	Risk factors that can be assessed by disclosure of data on this indicator
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9.1	Is the company implementing a workplace diversity policy that promotes age, disability, ethnic, gender and sexual orientation diversity?	CWC Guidelines	Company commitment and practice regarding workforce diversity is a strong indicator of the level of commitment to respect for human rights.
9.2	Specify the company's workforce diversity as a percentage by disability, ethnicity, gender and sexual orientation relative to national profile; and show company workforce age profile relative to national profile.	ACTU	Company commitment and practice regarding workforce diversity is a strong indicator of the level of commitment to respect for human rights
9.3	Disclose the gender split of employees by category of employment and by level of seniority.	ACTU	Investors should have visibility of the gender equality performance of the company.
9.4	Disclose overall gender pay gap, and disaggregate the gender pay gap by country, level of seniority, and category of employment.	ACTU	Investors should have visibility of the gender equality performance of the company.

10 Pension fund contributions for employees

Assessment criteria under this theme indicate the commitment to contribute to the retirement income of employees

Indicator No.	Key indicators	Source of definition of indicator Relation to Principles	Risk factors that can be assessed by disclosure of data on this indicator
10.1	Does the company contribute to a company or industry or national superannuation or pension fund for its employees in each nation in which it operates?	ACTU CWC Guidelines GP3, GP7	Company contributions to employee pension or superannuation contributions is a strong indicator of the level of commitment to respect for human rights.
10.2	Does the governance board of the superannuation or pension fund/s into which the employer makes contributions (other than government pension funds)	ACTU GP3, GP7	The composition of the governance board of superannuation and pension funds is an important indicator of the commitment of the

	include both employer and fund member representatives nominated by employers and trade unions or workforce, respectively?		employer to ensure the workforce and their representatives are engaged in the retirement income outcomes of their employees.
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11 Just Transition

Indicator No.	Key indicators	Source of definition of indicator Relation to Principles	Risk factors that can be assessed by disclosure of data on this indicator
11.1	Has the company established a joint management-labour Transition Committee? In establishing the Committee it should be clear if it is site-based or company-wide and if it is composed of senior management and trade union representatives. How many times has the Committee met and what was discussed?	ACTU	Whether a company has meaningfully engaged in transition planning with key decision-makers. That consultation is occurring at sites.
11.2	Has the company developed a Just Transition plan and is the plan publicly available? Does the plan detail projected changes in direct and indirect employment?	ACTU	Clearly outlining the impact of the transition on the workforce so investors can understand the scale and impact of the challenge.
11.3	In reporting against the implementation of the Just Transition Plan, the following metrics: <ul style="list-style-type: none"> The company-wide investment required for the transition plan, The retiring asset plan and costs, 	ACTU	Investors should be able to track progress of the transition plan and if companies are meeting the goals set.

	<ul style="list-style-type: none">• The spend against the annual transition plan budget,• Investment in alternative job creation• Actual change in direct employment in transitioning business segments,• Actual change in indirect employment in transitioning business segments.		
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