

# BEYOND TRIFR: SELLING SAFETY CULTURE TO THE BOARD

# MEET YOUR PANELISTS



**Anthony Gibbs**

CEO, Sentis

**sentis**



**Jillian Hamilton**

Managing Director,  
Manage Damage





**To change the lives  
of individuals and  
organisations for the  
better, every day.**

# Webinar Panel: How to use

Open/close your control panel here

Participants are muted

Download handouts

Send comments/questions here

Today's webinar is being recorded

The screenshot shows a vertical control panel on the right side of a webinar interface. It is divided into several sections:   
1. **Audio**: Contains a 'Sound Check' indicator with three green bars and a question mark. Below it are three radio buttons: 'Computer audio' (selected), 'Phone call', and 'No audio'. A red 'MUTED' status is displayed with a microphone icon. Below the status are dropdown menus for 'Microphone Array (Realtek High Defi...)' and 'Speaker/HP (Realtek High Definition...)', along with a volume slider.   
2. **Handouts**: Shows a PDF document titled 'Sentis Safety Culture Worksheet.pdf'.   
3. **Questions**: A section for submitting questions, currently empty.   
4. **Input Area**: A text input field with a 'Send' button circled in green.   
5. **Footer**: Displays 'Final Mockinar', 'Webinar ID: 467-412-019', a red dot indicating 'This session is being recorded.', and the 'GoToWebinar' logo.



# Beyond TRIFR: Selling Safety Culture to the Board

Safety  
Governance  
Foundation  
& Institute





measures & metrics  
challenging indicators  
resonating metrics  
business case metrics

# WHY.

now does my boss **deeply** care  
about safety reporting

Safety  
Governance  
Foundation  
& Institute







Safety  
Governance  
Foundation  
& Institute





W.H.O.  
asking?

Safety  
Governance  
Foundation  
& Institute



Safety  
Governance  
Foundation  
& Institute



# banks



# investors



Safety  
Governance  
Foundation  
& Institute



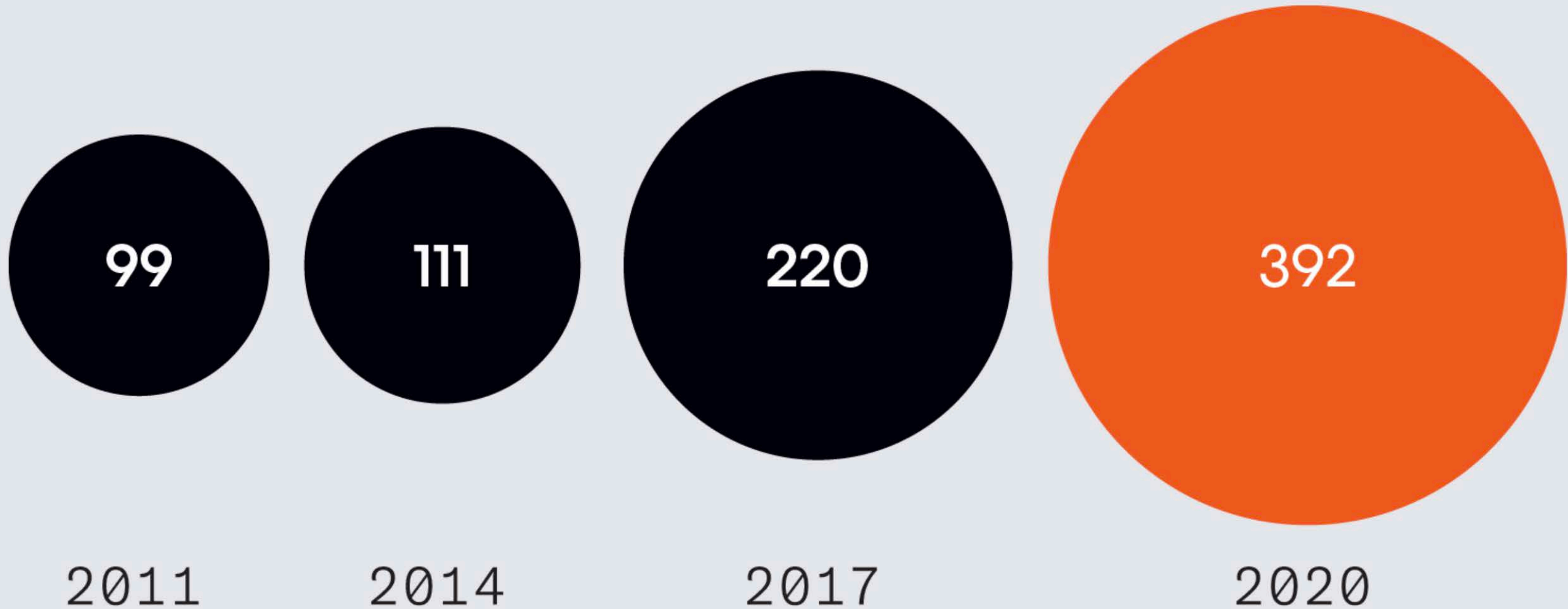
e.s.g.

environmental, social & governance



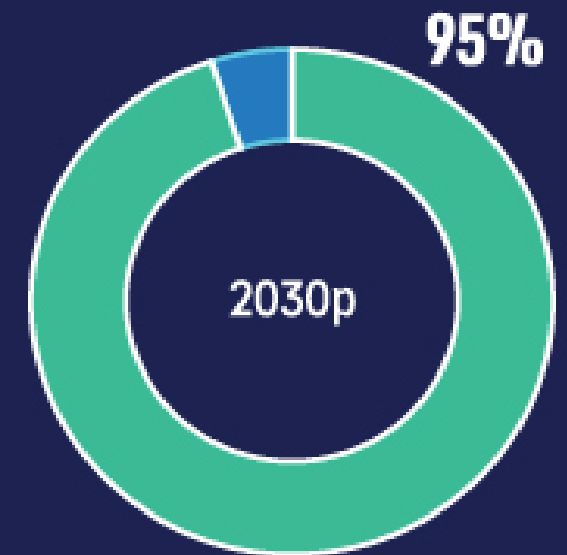
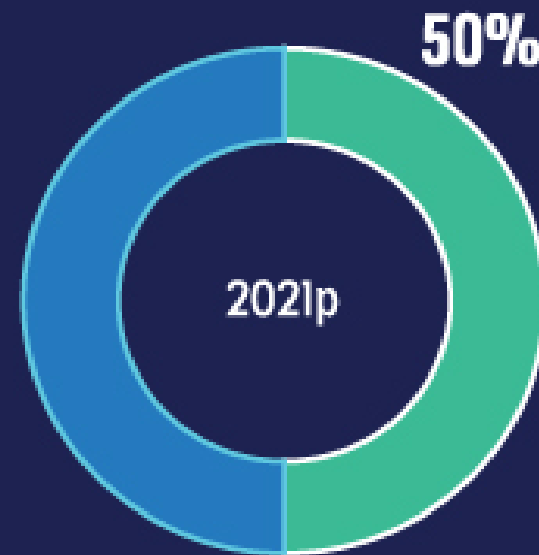
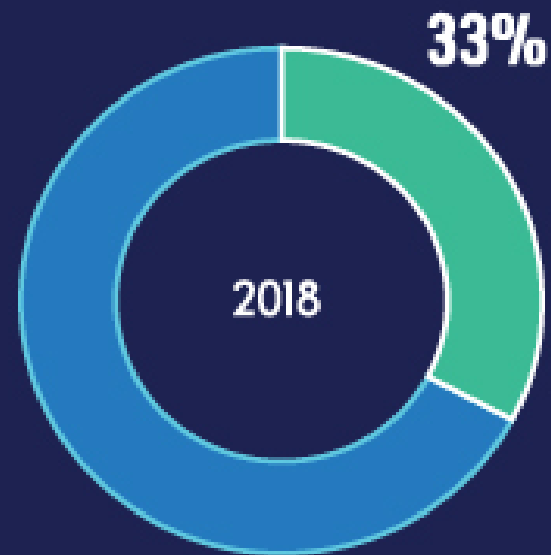


# ...AS ARE DEDICATED ESG FUNDS



## ESG ASSETS AS PERCENTAGE OF TOTAL ASSETS

 ESG assets



Source: Deutsche Bank,  
Global Sustainable Investment Alliance, 2019



# Sustainability and Deeper Connections to Stakeholders Drives Better Returns

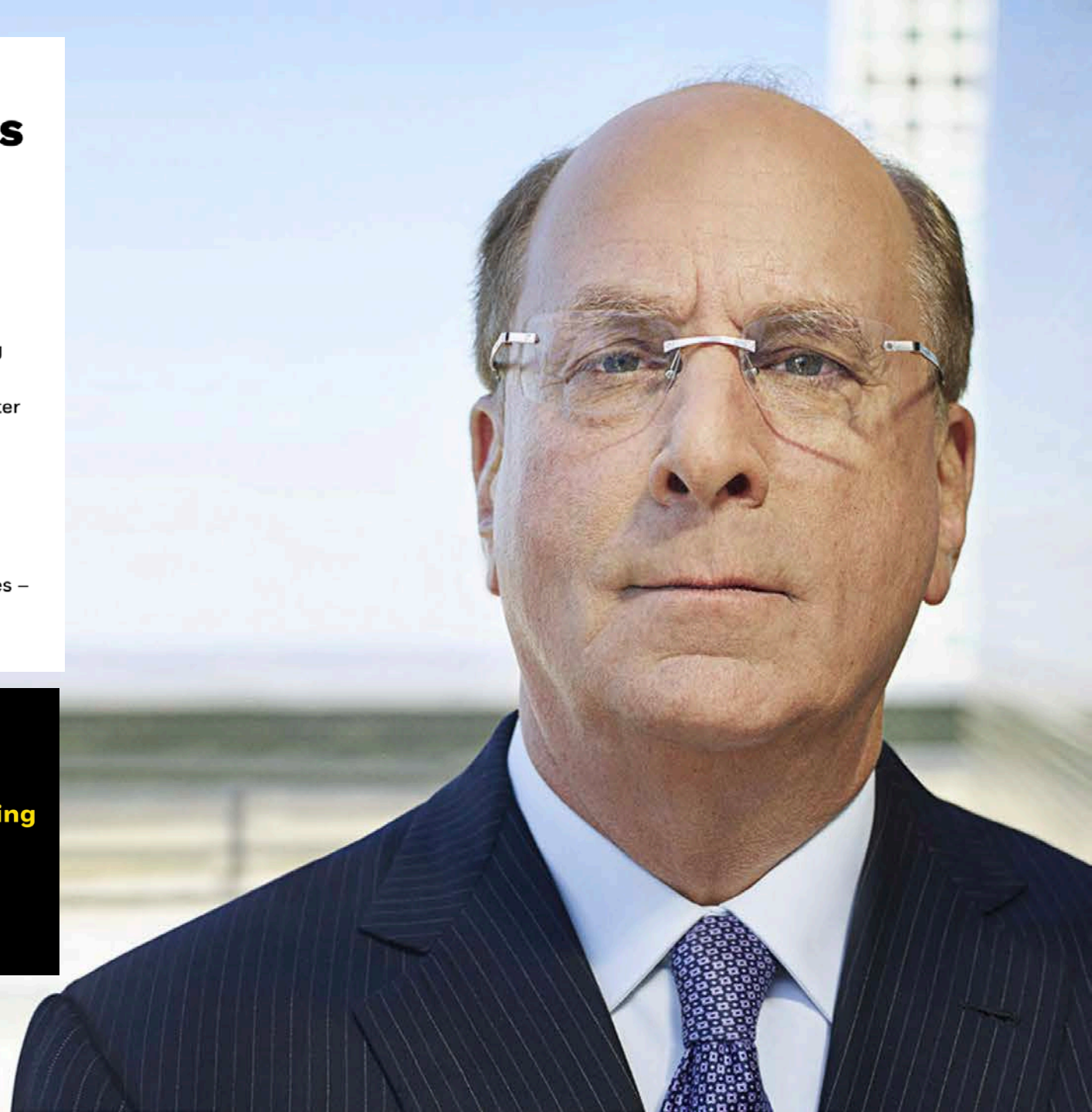
In 2018, I wrote urging every company to articulate its purpose and how it benefits all stakeholders, including shareholders, employees, customers, and the communities in which they operate. Over the course of 2020, we have seen how purposeful companies, with better environmental, social, and governance (ESG) profiles, have outperformed their peers. During 2020, 81% of a globally-representative selection of sustainable indexes outperformed their parent benchmarks.<sup>3</sup> This outperformance was even more pronounced during the first quarter downturn, another instance of sustainable funds' resilience that we have seen in prior downturns.<sup>4</sup> And the broader array of sustainable investment options will continue to drive investor interest in these funds, as we have seen in 2020.

But the story goes deeper. It's not just that broad-market ESG indexes are outperforming counterparts. It's that within industries – from automobiles to banks to oil and gas companies – we are seeing another divergence: companies with better ESG profiles are performing better than their peers, enjoying a “sustainability premium.”<sup>5</sup>

## Sustainable investing *n.*

“Combines the best of **traditional investing approaches** with **insights** about society, traditionally non-financial insights, to generate better long-term outcomes for our clients”\_

Safety  
Governance  
Foundation  
& Institute





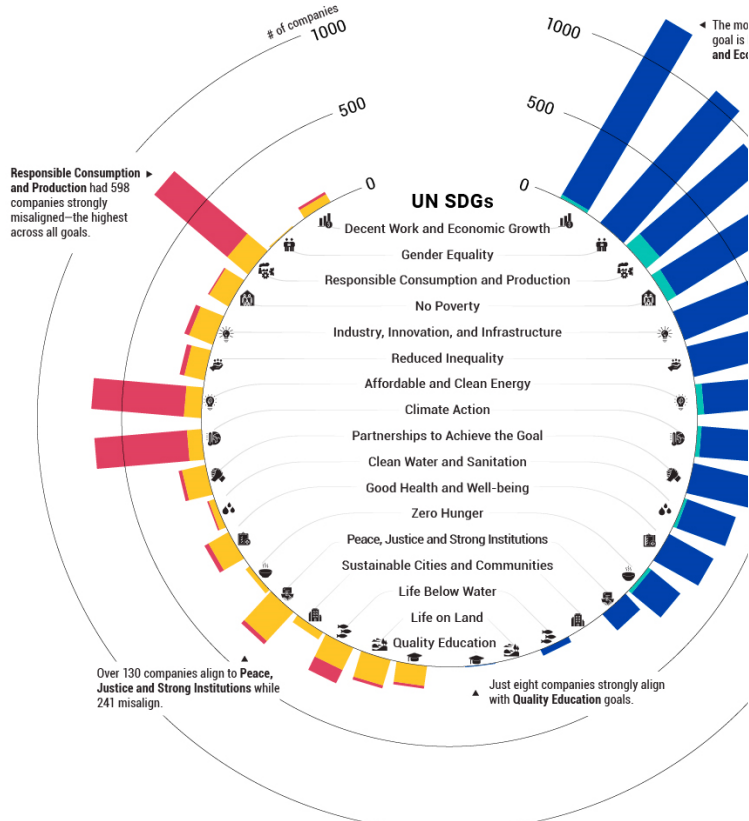


# The UN Sustainable Development Goals

## How Do Companies Stack Up?

The 17 UN Sustainable Development Goals (SDGs) target three core objectives for our future global society: Planet protection, Ending poverty, Prosperity

Below, MSCI measures the SDG-alignment of 8,550 companies worldwide.   
① Strongly Aligned ② Aligned ③ Misaligned ④ Not Aligned



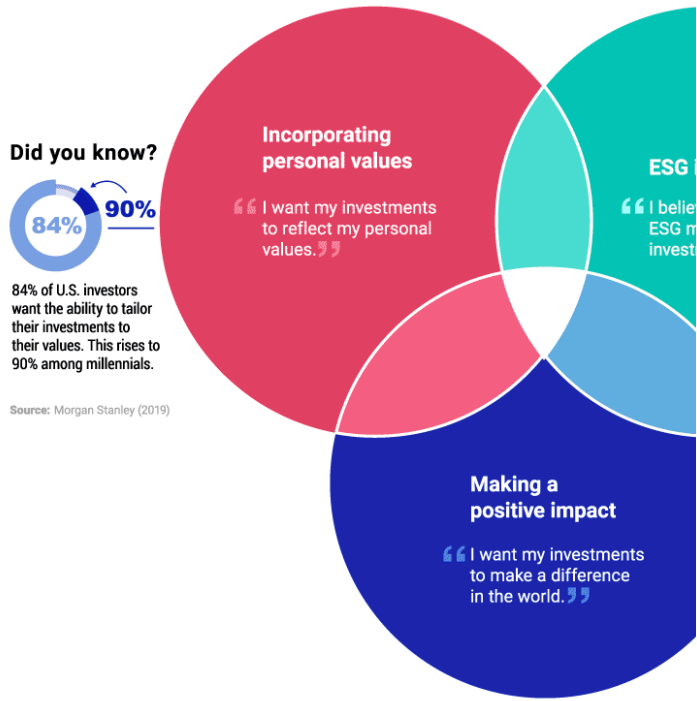
**Geographic Breakdown**  
 Percentage of firms aligned



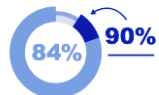
# ESG Investing

## Finding Your Motivation

We've seen three common motivations among investors for using ESG in their portfolios

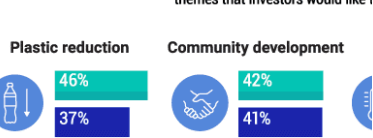


Did you know?



Source: Morgan Stanley (2019)

Did you know?



ESG investing doesn't need to be a one size fits all solution. With various angles strategy best suited

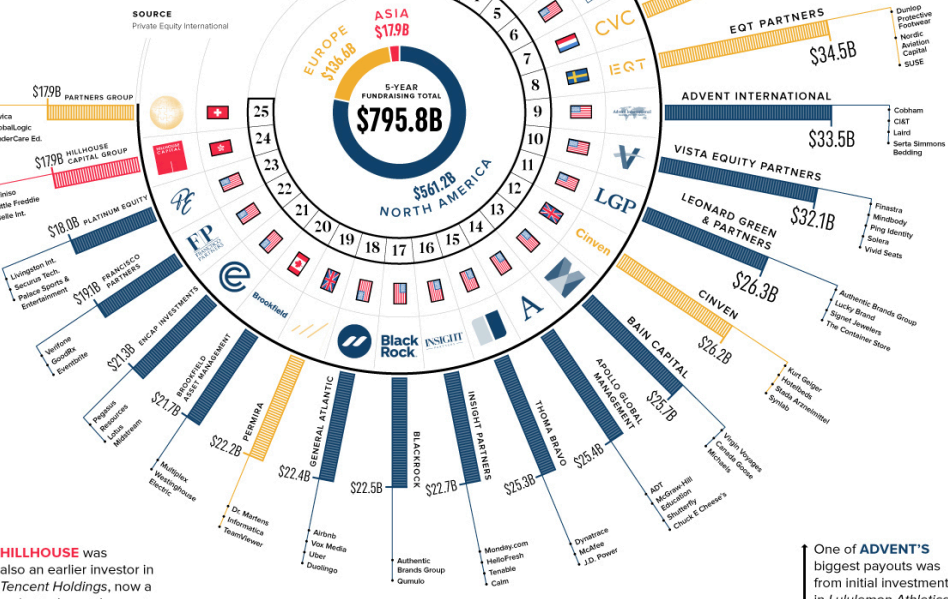
# How Big is Private Equity?

Almost everyone has heard of private equity (PE), but few understand the size and scope of PE firms.

Here are the top 25 private equity firms by funds raised over the last five years.

**BLACKSTONE** is well-known for previous investments in Hilton Hotels, Pinnacle Foods, and Freescale Semiconductor

## The World's 25 Largest Private Equity Firms



**HILLHOUSE** was also an earlier investor in Tencent Holdings, now a major tech conglomerate and the world's largest video game vendor

Notable Current Investments:

- Refinitiv
- Merlin Entertainments
- Gates Corp
- Cheniere Energy

**KKR's** 1989 leveraged buyout of RJR Nabisco was the largest buyout in history until 2005

**NEUBERGER BERMAN** was acquired by Lehman Brothers in 2003 before regaining independence following the firm's 2008 collapse

**CVC** was also the majority owner and later major shareholder of Formula One from 2005-2017



When they say...

**Safety** that's the  
**Social Licence to Operate**

Safety  
Governance  
Foundation  
& Institute



Our stocks go **up**

**Safe** is the new  
**Green.**

Safety  
Governance  
Foundation  
& Institute





# e.s.g.

**Safety  
Governance  
Foundation  
& Institute**



# NFR

## non-financial risk vs / safety





# Corporate Governance

How an organisation must  
operate to **protect shareholders  
investments.**

Good Corporate Citizen

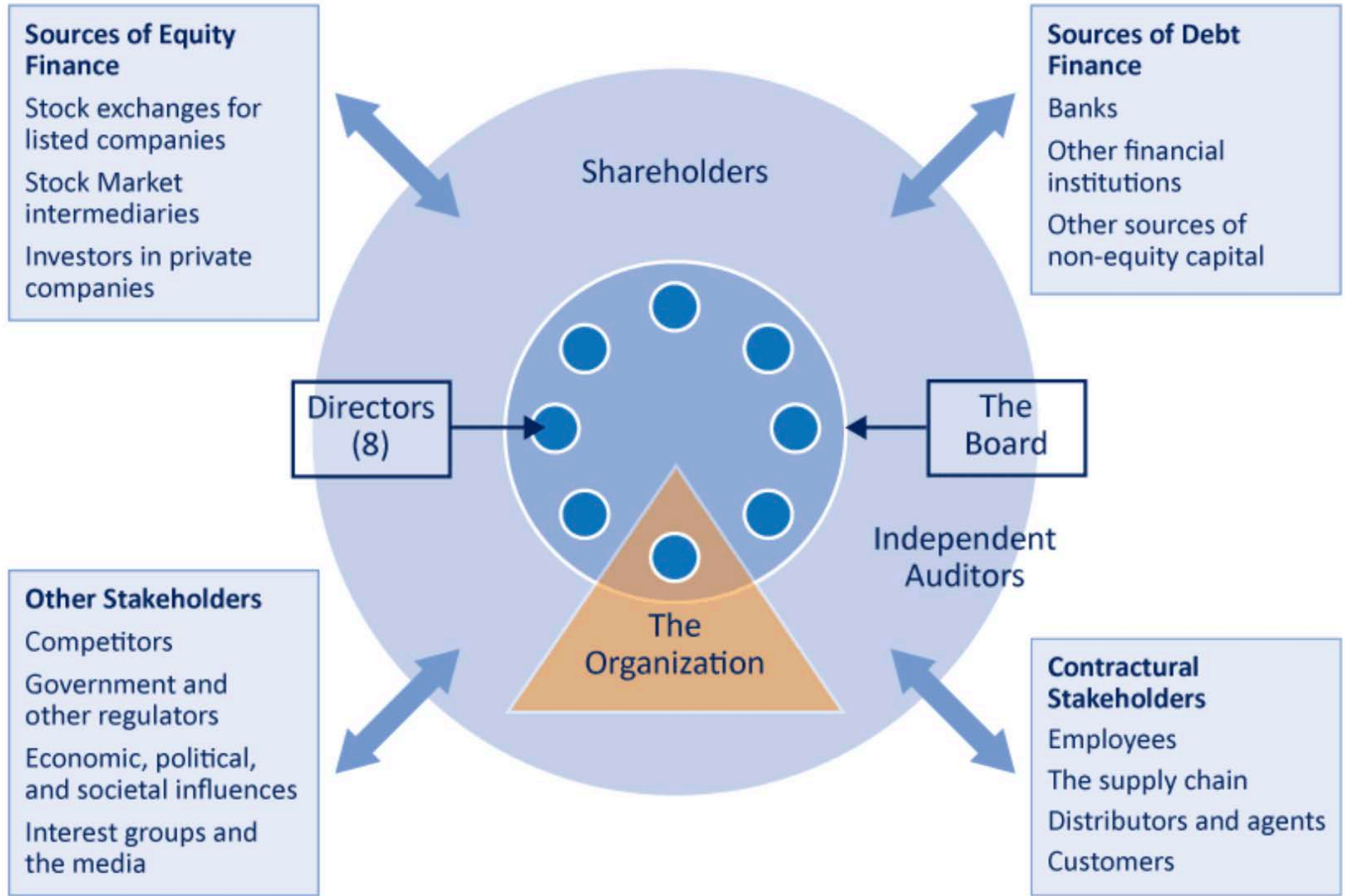


**Safety  
Governance  
Foundation  
& Institute**









# Definition of Material has altered



Safety  
Governance  
Foundation  
& Institute





# Safety is Material - Stakeholders & Shareholders have never been more interested...



TESLA



CROWN



SAMSUNG

bp



National Transportation Safety Board - Autopilot driver assistance system was on during a fatal crash	\$4B USA = \$5.16B AU
Samsung Note 7 recall	AU\$4.08b
Deep Water - Pre-Tax	\$61.6B USA = \$79.47B AU
Boeing 737 Max & 346pp	18.7B USA
Crown new Sydney Casino Build Cost	\$2.2B
NSW Government lost tax revenue	\$400M Tax Rev
Licence Fee Anticipated Recovery	\$100M
"Disregarded the safety and welfare" of its staff in China "poor corporate governance, deficient risk management structures and processes and a poor corporate culture".	



# when definition changes



Safety  
Governance  
Foundation  
& Institute



# measuring sticks must change

80.45% GDP



23 COUNTRIES

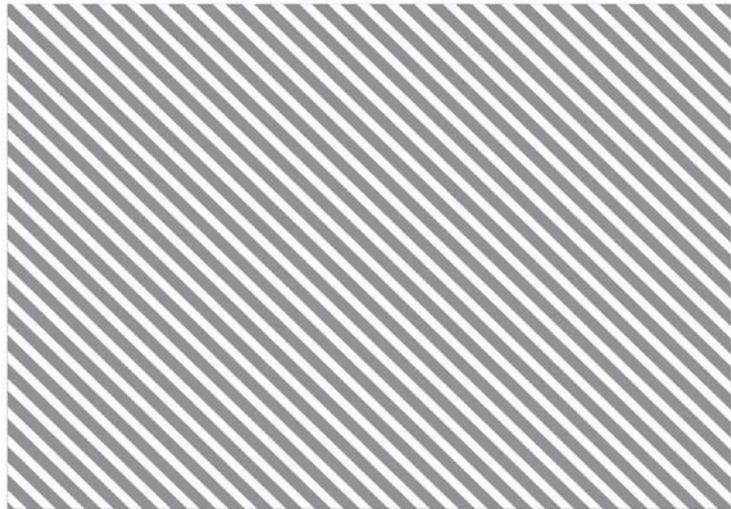
ONLY 21.7% MENTION SAFETY

WHILE 47.8% MENTION ENVIRONMENT

## Toward Common Metrics and Consistent Reporting of Sustainable Value Creation

Prepared in collaboration with Deloitte, EY, KPMG and PwC

January 2020

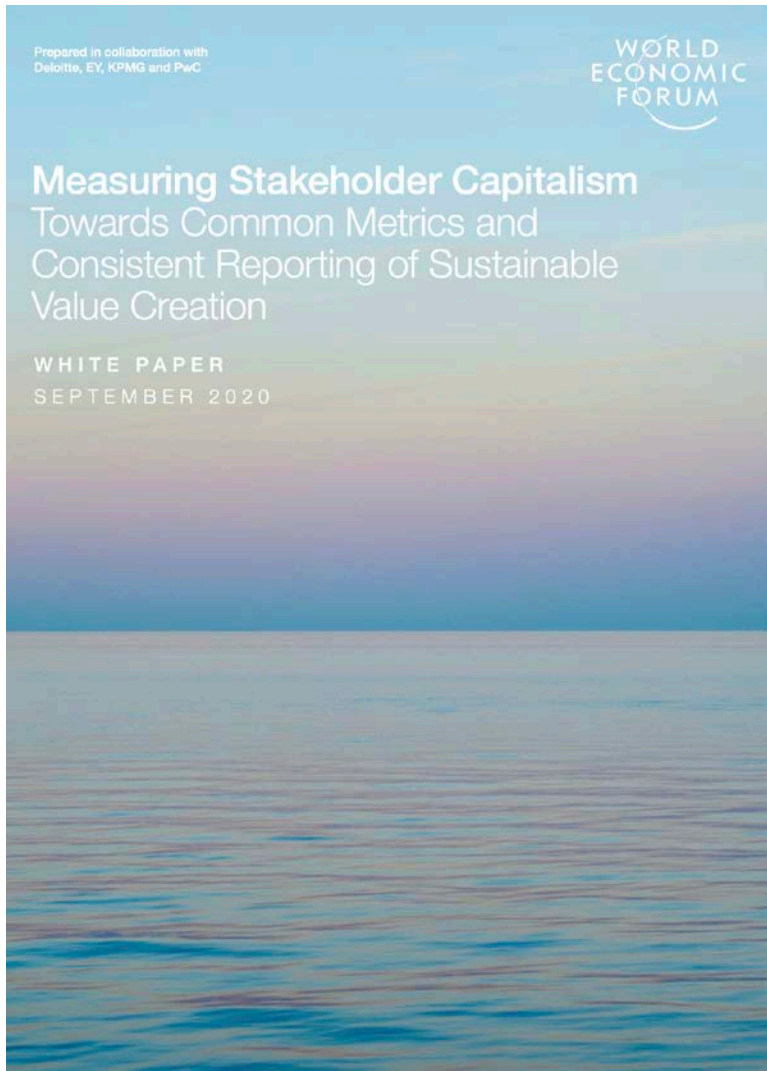


## HEALTH & WELL-BEING / HEALTH & SAFETY

### Metrics chosen:

1. The total recordable injury rate (TRIR) – the number of fatalities, lost-time injuries, substitute work and other injuries requiring treatment by a medical professional, per million hours worked by specific categories of workers (e.g. employees, contractors)
2. The absentee rate (AR) for specific categories of workers (absentee days lost, expressed as a percentage of total days to be worked by specific categories of workers (e.g. employees, contractors) for the same period).





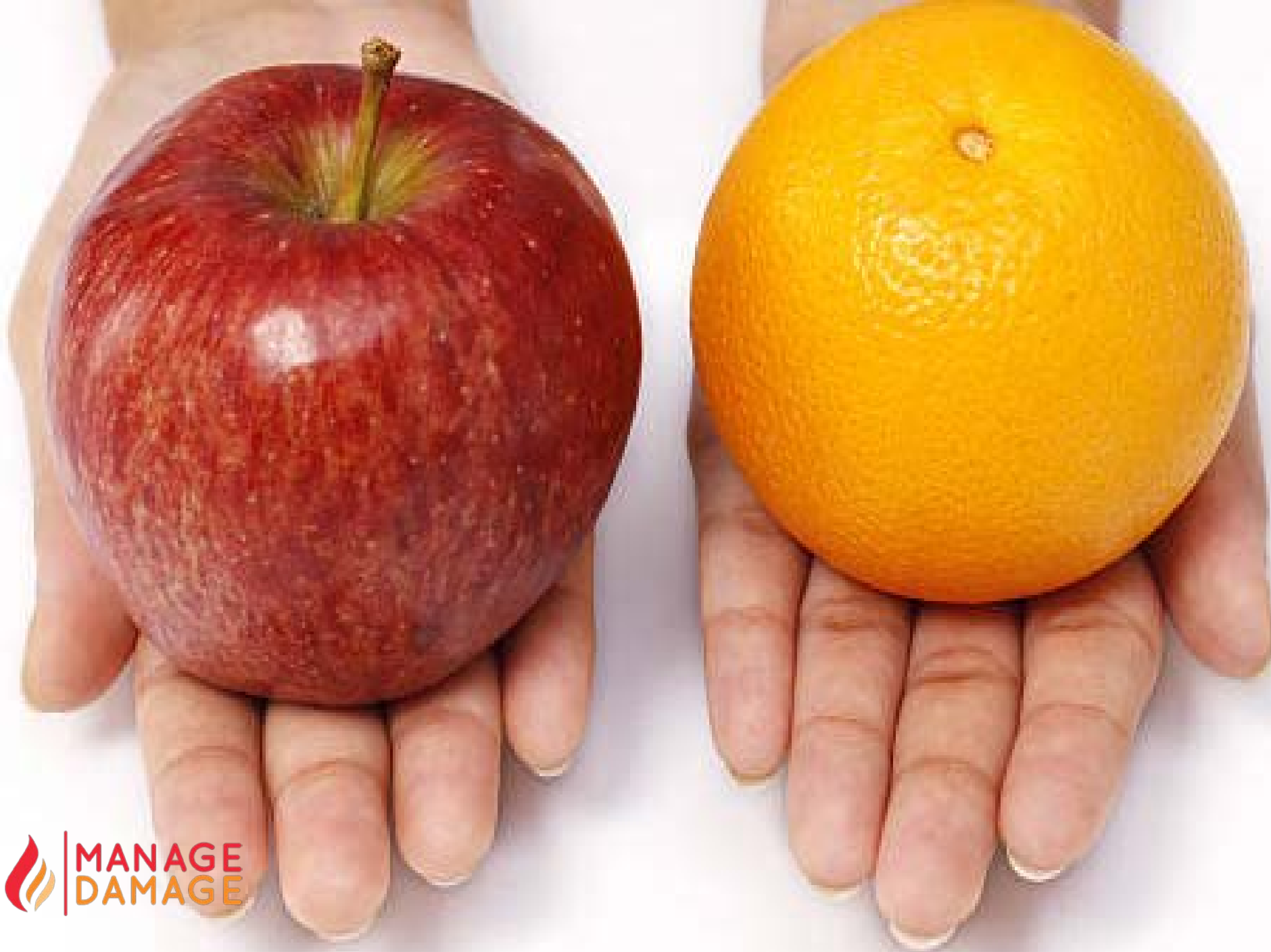
**People:  
Expanded  
metrics and  
disclosures**

Theme	People: Expanded metrics and disclosures	Sources
Health and well-being	<p><a href="#">Monetized impacts of work-related incidents on organization (#, \$)</a> By multiplying the number and type of occupational incidents by the direct costs for employees, employers per incident (including actions and/or fines from regulators, property damage, healthcare costs, compensation costs to employees).</p>	Adapted indicator based on European Commission, Safe Work Australia
	<p><a href="#">Employee well-being (#, %)</a></p> <ol style="list-style-type: none"> <li>1. The number of fatalities as a result of work-related ill-health, recordable work-related ill-health injuries, and the main types of work-related ill-health for all employees and workers.</li> <li>2. a) Percentage of employees participating in "best practice" health and well-being programmes, and b) Absentee rate (AR) of all employees.</li> </ol>	GRI:2018 403-10a&b, EPIC, Adapted from GRI:2016 403-2a
Theme	People: Core metrics and disclosures	Sources
Health and well-being	<p><a href="#">Health and safety (%)</a> The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked.</p> <p>An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.</p>	GRI:2018 403-9a&b, GRI:2018 403-6a

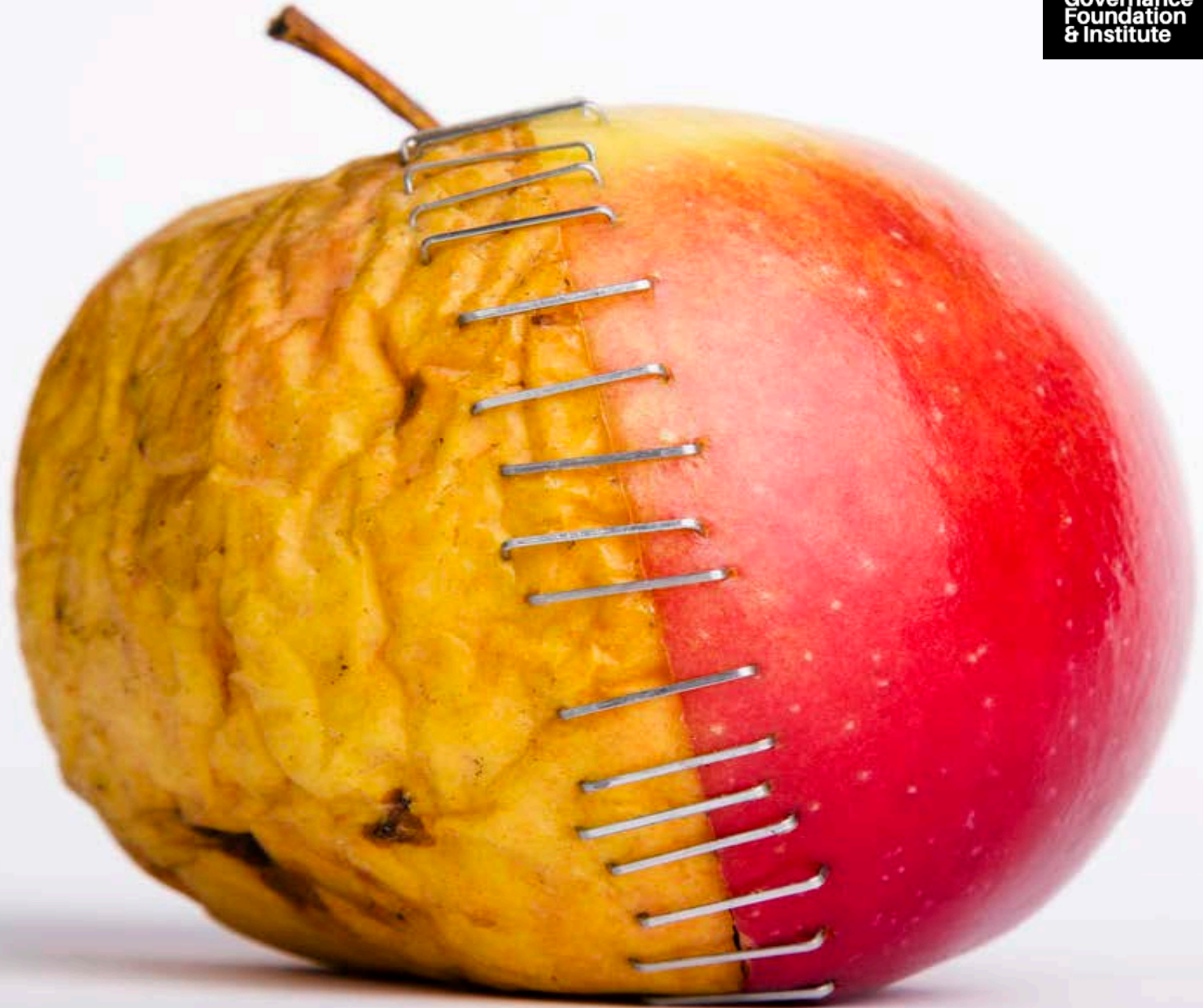


# Improved Data Sets w Gaps









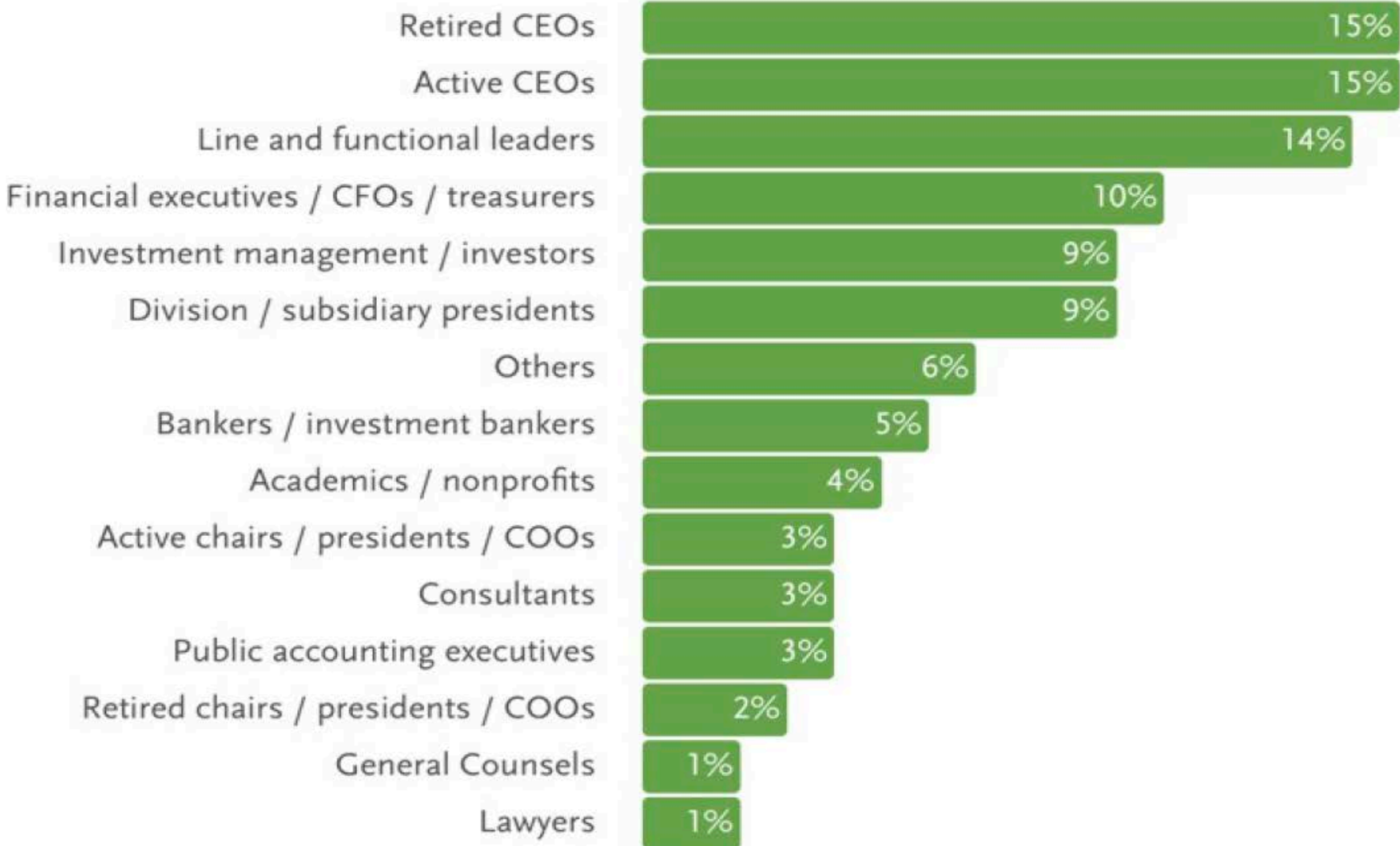
## Sustainability

Environmental, Social & Governance (ESG)	UN Global Compact	10 UN sustainability principles addressing broad sustainability issues which companies can voluntarily demonstrate alignment with.
	SDGs	17 UN environmental, social and economic goals with 169 associated targets that companies can voluntarily demonstrate that are contributing to.
	Ecovadis	An online sustainability framework that provides performance ratings for companies within global supply chains.
	GRI	An internationally recognised and extremely broad framework of standards for reporting on sustainability with requirements, recommendations and guidance on 900 sustainability topics.
Investor-led	TCFD	A set of recommendations to assist companies in better accounting for climate-related risks in their financial and mainstream disclosures. Many reporting frameworks are aligning to them.
	FTSE4Good	A published index of the top 100 companies who are scored highly on Environmental, Social and Governance issues.
	DJSI	Published indices of the top 10% of companies who respond to a questionnaire covering Economic, Environmental and Social issues.
	SASB	This sustainability framework, used by 50 SASB Alliance companies, is focused on industry-specific reporting standards and focused on financially material issues.
	CDP	One of the largest international, investor-led sustainability reporting frameworks focused around four Questionnaires. It is voluntary, but companies can be asked to respond by their stakeholders.
	CDSB	This includes two frameworks which are focused on preparing and presenting environmental information in mainstream reports for the benefits of investors.
	UN PRI	A framework specific to signatories of the Principles for Responsible Investment (PRI). It provides a framework of indicators on various ESG areas.
	European Green Taxonomy	A regulatory classification system under which companies may define which of their economic activities are environmentally sustainable.
Real Estate & Infrastructure	BREAAM	A voluntary sustainability assessment method and certification for buildings and infrastructure, which is increasingly a requirement for UK and EU local and government buildings.
	GRESB	A sustainability performance benchmark for real estate portfolios or assets which could be asked for by investors.
	LEED	A framework developed by the US Green Building Council that provides a globally recognised certification for best practice in sustainable buildings.





# New independent director professional backgrounds



**new**

**times  
message**





**BOOK  
NOW**

# **Safety Governance in Practice Program 2021**

**Practical Strategies for Managing  
Non-Financial Risk**

**Board Sessions  
Leader Foundation  
Masterclass**



# It's time for meaningful measuring tools for non-financial risk



Safety  
Governance  
Foundation  
& Institute



MANAGE  
DAMAGE



# Q&A

Over to you



# Get in touch

## ANTHONY GIBBS

Sentis CEO

Email: [Anthony.Gibbs@sentis.com.au](mailto:Anthony.Gibbs@sentis.com.au)

 [linkedin.com/in/anthony-gibbs](https://www.linkedin.com/in/anthony-gibbs)



[sentis.com.au](https://www.sentis.com.au)

1300 653 042