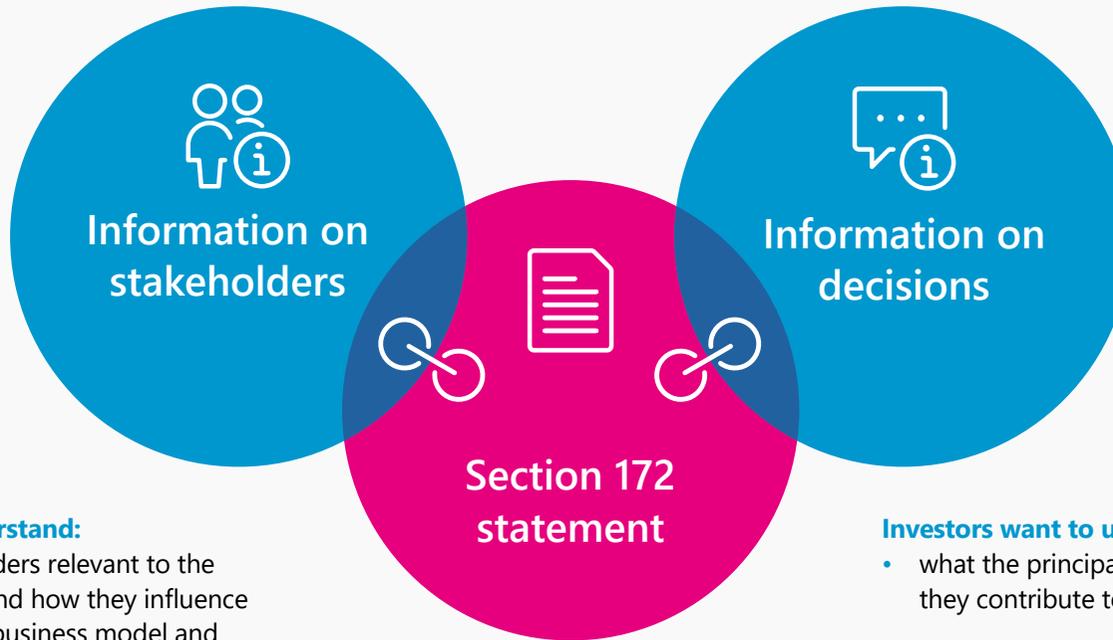


Information that investors need in order to understand how a company is progressing towards its purpose and long-term success includes:



Investors want to understand:

- who are the stakeholders relevant to the company's success, and how they influence the operation of the business model and delivery of strategy
- how the company builds and maintains strong relationships with its stakeholders and understands their interests, needs and concerns to enable it to pursue long-term success
- what could affect the company's relationships with its stakeholders, and how these relationships could affect the company's pursuit of success
- what is measured, monitored and managed in relation to stakeholders to understand the strength of the company's relationships with its stakeholders and how they are contributing to the company's success

Investors want Section 172 statements that bridge information on stakeholders and decisions, and reflect how the company is progressing in its pursuit of its purpose and long-term success

Investors want to understand:

- what the principal decisions were and how they contribute to the company's success
- how and why the board and management reached those decisions
- how stakeholders were considered in those decisions
- difficulties and challenges in making the decisions
- the expected and/or actual outcomes of the decisions



To help investors understand who are the stakeholders relevant to the company's success and how they influence the operation of the business model and delivery of strategy, companies should ask themselves:

Who are the company's key stakeholders?

- On which stakeholder groups does the business model depend?
- Are there different relevant stakeholders for different business units, segments or locations?
- Are there stakeholders who become more relevant over a longer time horizon?
- Who makes up each stakeholder group and where are they located?
- How does the company identify its key stakeholders and is this appropriate?
- How often are key stakeholders reviewed, including consideration of whether new stakeholders have emerged or will become key?

Why are these stakeholders important?

- How does the business model depend on these stakeholders?
- What role do these stakeholders play in enabling the company to achieve its strategy?
- How does the continuity and strength of the relationship affect the company's ability to deliver on its strategy?
- How are these stakeholders considered strategically?
- What value is created for the company through the stakeholder relationship?
- Which stakeholders could detract value from the company?

What is important to the company's key stakeholders?

- What value does the company create for its key stakeholders?
- What encourages or discourages the stakeholder group in maintaining its relationship with the company?

To help investors understand how the company builds and maintains strong relationships with its stakeholders and understands their interests, needs and concerns to enable it to pursue long-term success, companies should ask themselves:

What actions is the company taking to build and maintain strong relationships with its key stakeholders?

- How does the company engage with its key stakeholders?
- Does engagement differ across business units, segments or locations?
- What is the board's role in this engagement?
- Where the board does not engage directly, what information does the board receive about the stakeholders and the engagement with them?

- What feedback mechanisms are used?
- What was the feedback received from stakeholders?
- What are the outcomes of this engagement?
 - How did the company respond to feedback received?
 - What actions has the company taken to address the feedback or in response to other information about the stakeholder group?
 - Has the company made any changes to its strategy in response to stakeholder feedback?

- How do management and the board get comfort that appropriate and sufficient engagement is taking place and that the company is acting on feedback received?
- How do management and the board get comfort that appropriate policies around stakeholder relationships are in place and that these have been reliably followed?
- Has the company taken any actions to support stakeholders in view of difficult circumstances or other factors?

To help investors understand what could affect the company's relationships with its stakeholders and how these relationships could affect the company's pursuit of success, companies should ask themselves:

What could affect key stakeholders and how do they affect the company?

- How does the company, including the board, monitor what could affect its key stakeholders over different time horizons?
- What market factors and trends or regulatory changes have affected or could affect the company's key stakeholders?

- What are the risks that could affect the stakeholders and the company's relationship with them?
 - What risks do the stakeholder relationships give rise to?
 - What mitigating actions are being taken to address these risks?

- What are the opportunities that the key stakeholders give rise to that the company is considering strategically?

To help investors understand what is measured, monitored and managed in relation to stakeholders, as well as understand the strength of a company's relationships with its stakeholders and how they are contributing to the company's success, companies should ask themselves:

What are the metrics used by management, including risk management, to monitor and assess relationships with stakeholders?

What are the metrics presented to and reviewed by the board in order to understand the strength of stakeholder relationships and what may need changing or improving?

- Which metrics provide insight into the continuation of the stakeholder relationship into the future?
- Which metrics on stakeholders link to the achievement of strategic priorities and objectives?

For the metrics presented, consider:

- What affected the performance in the year? Is this a trend that is likely to continue? If it is not the desired performance, what steps are being taken to rectify the situation?
- Are the metrics representative of the whole company's performance? Should metrics by division be presented?
- Are there quantified targets against which to compare performance in the year?

- Are there industry or market measures or benchmarks against which to compare the company performance?
- Are there third-party data points or measures which can corroborate performance measured internally? Are these reviewed by the board?
- Are the metrics subject to assurance?
- Are there consistently-applied definitions for the metrics? Are prior-year comparatives, ideally presenting a 5-year trend, available?



To help investors understand what the company's principal decisions were and how they contribute to the company's success, companies should ask themselves:

What were the decisions of strategic significance during the year?

- How do they link to the company's purpose and strategic priorities?

For each principal decision:

How and why did the board or management reach the decision?

- What information did the board receive to make or approve that decision?
- What were the long-term considerations?
- How were the different aspects of Section 172 considered?

How were stakeholders considered in reaching the decision?

- How did stakeholder views from engagement activities feed into the decision?
- What are the impacts of the decision on different stakeholders?

What are the expected and/or actual outcomes of the decision?

- What are the long-term implications for the company?
- How are the outcomes of the decision being tracked?

What were the difficulties or challenges in making the decision?

- How were the different needs or concerns of different stakeholders balanced?
- Are there any short-term negative consequences which are offset by long-term benefits?



Investors want Section 172 statements that bridge information on stakeholders and decisions, and reflect how the company is progressing in its pursuit of its purpose and long-term success

Better Section 172 statements, which are more useful to investors:

- Do not only focus on stakeholder engagement, but consider the other aspects of Section 172;
- Discuss principal decisions (linking to long-term success of the company) and how stakeholders and other factors were considered in making those decisions;

- Bridge information on stakeholders and decisions by considering them in a two-way approach, and incorporate both in the statement even if by cross-referencing;
- Can be a standalone source of information which are still concise if cross-referencing is used well; and

- Fit into a connected narrative linking to business model, strategy and how business is done (through consideration of governance and culture) demonstrating how the company is progressing in its pursuit of its purpose and long-term success.