2021

Sustainability Report 2021

SCA

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About SCA

Southern Cross Austereo is one of Australia's leading media companies reaching more than 95% of the Australian population through its radio, television, and digital assets. Under the Triple M and Hit network brands, SCA owns 99 stations across FM, AM, and DAB+ radio.

SCA provides national sales representation for 23 regional radio stations. SCA broadcasts 94 free to air TV signals across regional Australia, reaching 4.4 million people a week, with Network 10 programming and advertising representation across Australia's East Coast, Seven Network programming in Tasmania and Darwin, and Seven, Nine and Network 10 programming in Spencer Gulf.

SCA operates LiSTNR, Australia's free, personalised audio destination for consumers featuring radio, podcasts, music, and news. SCA also provides Australian sales representation for global open audio platform SoundCloud and Sonos Radio.

SCA's premium brands are supported by social media, live events and digital platforms that deliver national and local entertainment and news content.
https://www.southerncrossaustereo.com.au/

Proudly national and fiercely local, SCA's mission is to Entertain, Inform, and Inspire Australians. Anytime. Anywhere.

CEO Message

Welcome to our first Sustainability Report.

At SCA, sustainability is about creating enduring value for our clients, audiences, people, communities and shareholders. This means using our assets to help our clients to succeed; entertaining, informing and inspiring our audiences; providing a safe and inclusive workplace for our people to thrive; being a positive influence in the many metropolitan, regional and rural locations in which we operate; and managing SCA's impact on the environment and the environment's impact on SCA's operations.

This report covers a period during which sustainability has been at the forefront of our thoughts and actions. I am tremendously proud of the way SCA's people have responded to the challenges of the last 18 months. We made changes to our business to create a leaner and more efficient operating model and asked our people to work in new and agile ways. Through this disruption, our people's passion and commitment to support each other, engage our audiences, contribute to our communities, and deliver value to our clients has never wavered.

Recognising the strategic imperative to expand beyond linear broadcasting to digital and on-demand audio platforms and products, we strengthened the foundations of our business for the future. Ensuring we build and evolve the right skills, capabilities, and resources to deliver our strategy will be key ongoing sustainability challenges.

Proudly National and Fiercely Local, SCA's mission is to Entertain, Inform, and Inspire Australians. Anytime. Anywhere.

Through a sustainability lens, highlights included the effectiveness of our business continuity arrangements that enabled our people to work remotely from our highly collaborative office and studio environments, and the strengthening of our cyber security resources. We enhanced our workplace flexibility policies, continued progress toward our gender diversity targets, and promoted innovation.

Since 2016, we have worked with Human Synergistics, a global organisational development consultancy, to measure our culture. Human Synergistics recognised our survey results in April 2021 with its Culture Sustainability Award for maintaining and growing a highly constructive culture that outperforms our peers. Considering the challenges faced by our people and our organisation over the past 18 months, these results are testament to the strength of our culture at SCA.

We continue to be delighted by the positive impact of our SCA Embrace program which helped the work of our national charity partners – Beyond Blue and The Smith Family and engendered a feeling of pride in our people. We have expanded this program into our regional markets in 2021.

We are conscious of our impact on the environment and this report includes information about initiatives under way to reduce our impact. We have not yet progressed to calculation of our environmental impact but intend to do so in coming periods and look forward to reporting in more detail in future years.

Thank you for your interest in SCA and our approach to sustainability. We would welcome your feedback via our mailbox CompanySecretary@sca.com.au.

Grant Blackley
Managing Director and Chief Executive Officer

Earning Trust

Trust is central to SCA's approach to sustainability. To create enduring value for our clients, audiences, people, communities and shareholders we must earn and maintain their trust. We do this through our values and a range of policies and practices.

Acting with integrity

At SCA, we believe we will earn trust by doing what's right and acting transparently and honestly within SCA and in our dealings with others. This goes beyond compliance with the law. These expectations are confirmed in our Code of Conduct.

Compliance risks

A minimum requirement for doing what's right is to ensure we conduct our business in line with applicable laws and broadcast industry codes of practice.

Our policy suite and induction and annual compliance training cover ethics, our broadcasting responsibilities, privacy, copyright, use of social media, working with children, equal employment opportunity, and workplace health and safety including matters relating to bullying and harassment. Our online training includes quizzes to check employees' understanding and to monitor completion of the training. When we present training in-person, we keep records of participation by employees.

Privacy

Our audiences more and more want to discover and organise their favourite audio content and listen to it where and when it suits them. Our advertisers want to know more about the audience for their messages. To meet and balance these requirements, SCA tracks and collects information about the characteristics and behaviour of our audiences. This includes demographic information directly provided by our listeners, as well as other information we infer from their behaviour when they use our apps and websites or enter our competitions. We're growing our ability to collect and interpret this information to enhance and personalise the services we provide to our listeners and to optimise returns on investment for our advertisers.

We understand the legal and ethical responsibility that comes with collection and use of this information. Our privacy policy sets out clearly the information we collect, how we use it, and how we disclose it.

Like cyber security, privacy is at the core of the design of our apps and websites. We're building our data analytics capability to optimise the value we can create from the information we collect while minimising the volume of information we need to collect and ensuring we keep it securely.

Modern slavery

SCA publishes an annual Modern Slavery Statement under the Modern Slavery Act 2018. SCA's Supplier Code of Conduct is also available on the SCA website. Major suppliers and suppliers operating in high risk areas are asked to complete a questionnaire or to provide other evidence of their awareness and management of modern slavery risks. During FY21, SCA provided all employees with a detailed fact sheet explaining the risks and indicators of modern slavery in SCA's supply chain. We have assessed there to be a low risk of SCA's operations directly resulting in modern slavery practices. However, there is a higher risk that SCA could be linked to modern slavery practices through the activities of other entities with which we have a business relationship. For example, SCA could purchase equipment manufactured by an entity using forced or child labour. Our review during FY21 did not identify any serious risk of modern slavery in SCA's current supply chains.

Payment times reporting

In September 2021, SCA will report for the first time under the Payment Times Reporting Act 2020.

SCA conducts business with many small and medium sized business around Australia. This is especially the case in our regional and rural locations. Many of those businesses are also advertisers on our radio, television, or digital platforms. Small suppliers covered by the payment times legislation make up 22% of SCA procurement by value and 50% by number of invoices. These small suppliers stipulate a range of payment terms from zero to 30 days, with seven days being the most common.

We aim to pay our suppliers within a reasonable period after goods or services have been delivered. That philosophy predated the payment times legislation coming into effect, but we have had to make a range of changes to systems and processes to be able to report under the new legislation.

We have established targets to pay within 20 days on average 85% of invoices from small suppliers by value and 90% of invoices from small suppliers by volume.

Tax governance

SCA is committed to paying the right amount of tax, complying with taxation laws and earning a "justified trust" assessment from the Australian Taxation Office. Specifically, our Taxation Risk and Governance Policy confirms our commitments:

- to file all returns and pay all taxes on time and in accordance with applicable legislation
- to make decisions based on a reasonably arguable position on all tax matters where judgement is used to make calculations and seek professional advice where appropriate
- to consider taxation implications when making significant business decisions.
- not to enter into artificial structures or transactions for the sole or dominant purpose of reducing its tax burden
- to maintain a professional and constructive relationship with tax authorities.

Since 2019, SCA has voluntarily published a Tax Transparency Report. Our Tax Transparency Report in 2021 discloses SCA paid a net tax contribution of $50 million. This included a total of $25 million in income, payroll and fringe benefit taxes with an effective income tax rate of 31.4%. As a large employer, SCA collected $65 million of PAYG withholding tax and GST. Offsetting these tax payments in FY21, SCA received a total of $40 million from the federal government's JobKeeper wage subsidy and Public Interest News Gathering fund.

Speak Up

Supporting our commitment to high standards of behaviour, SCA's Speak Up program and Whistleblower Policy encourages, and protects responsible reporting of wrongdoing including fraud, corrupt conduct, or other illegal, unethical or inappropriate conduct.

The Whistleblower Policy sets out how to make a report and the steps SCA will take to keep the report confidential to protect the whistleblower and to investigate and resolve the report. SCA has appointed and trained workplace protection officers to handle whistleblower reports. Alternatively, reports can be made confidentially by telephone or online through an independent whistleblower service.

Reports received under the Whistleblower Policy or in relation to our Code of Conduct are discussed with the Board's Audit & Risk Committee.

SCA also has detailed grievance procedures for reporting, investigation, and resolution of issues that arise in the workplace. Our People and Culture team is trained in conducting workplace investigations.

Staying On Air 24 Hours A Day 7 Days A Week

Ensuring compliance with the conditions of SCA's broadcast service licences and related regulatory requirements and industry Codes is critical to the sustainability of our business.

Broadcast industry regulation

SCA holds a licence under the Broadcasting Services Act 1992 (BSA) for each of its radio and television stations around Australia. The Australian Communications and Media Authority (ACMA) issues standards and other guidelines under the BSA relating to a range of matters including minimum requirements for broadcast of local content on regional radio and television stations and for broadcast of Australian and children's content on television stations. Our peak industry bodies, Commercial Radio Australia (CRA) and Free TV Australia (Free TV), have published Codes of Practice that also have regulatory standing under the BSA. These Codes provide mechanisms for our audiences to complain if they believe our content breaches the Codes, and the ACMA has power to investigate suspected breaches of the Codes or ACMA's standards. If it finds that a breach has occurred, the ACMA has power to impose conditions on our licences or to suspend or cancel them.

We have detailed policies and processes about our broadcasting responsibilities. We provide training on induction and annually to on-air, production and other employees and contractors.

SCA is also an active contributor to CRA and Free TV and their various regulatory, technical, and commercial committees. Our CEO, Grant Blakley is currently Chair of CRA. As broadcast media business models – especially in regional television markets – adapt to newer technologies and audience requirements, these industry bodies play an important role in representing the interests of their members to government, regulators and other stakeholders. In 2020, submissions by CRA and Free TV to the ACCC's Digital Platforms Inquiry influenced the form of the Mandatory Media Bargaining Code which aims to sustain public interest journalism in Australia. Earlier this year, both Free TV and regional television broadcasters including SCA made significant submissions to the federal government's Media Reform Green Paper on Modernising Television Regulation in Australia. These submissions highlighted the important role free-to-air television plays in Australian life and the regulatory conditions required to enable television businesses to adapt to technological change and sustain their role in Australian life. SCA will continue to participate in public debate and consultations as the federal government develops its policies on regulation of commercial radio and television in Australia.

Complaints handling

We also have comprehensive internal procedures to ensure complaints about broadcast material are properly investigated and responded to and, where necessary, to ensure corrective action is taken. We report six monthly to our Board's Audit & Risk Committee on the number and categories of complaints received and whether any have been investigated by the ACMA.

As an affiliate television broadcaster, we obtain substantially all of our television broadcast content from our metropolitan program suppliers and have no practical opportunity to monitor or control the content of their programming. If we receive a complaint about the television content broadcast on our licences, we work with our program suppliers to investigate and respond to the complaint.

The table below shows the number of complaints received by SCA under the Commercial Radio Code of Practice and the Commercial Television Code of Practice. SCA investigated and responded to all complaints within the period required by the Codes.

Complaints received		
Six months ending	Radio	Television
30 Jun 2021	112	91
31 Dec 2020	90	74
30 Jun 2020	74	68
31 Dec 2019	90	74

Investigations by the ACMA

During the last two years, the ACMA found that SCA had breached the Commercial Radio Code of Practice on just one occasion. This occurred in May 2019 during a syndicated broadcast of The Ray Hadley Morning Show on Triple M 105.1 Central West in Orange, New South Wales. The ACMA found comments by Mr Hadley in which he allegedly made threats of physical assault against a social media user breached generally accepted standards of decency. The ACMA did not impose any sanctions, accepting that Mr Hadley's home station, 2GB, had counselled Mr Hadley and both 2GB and Triple M 105.1 Central West will ensure its legal compliance training will refer to the broadcast and breach findings.

Syndicated live programming poses particular risks because SCA does not have a practical ability to monitor or intervene in the live program. From 1 July 2021, SCA has ceased to syndicate The Ray Hadley Morning Show and has replaced it in regional New South Wales markets with SCA's own Australia Today with Steve Price.

The ACMA also found during 2020 that SCA had not complied with regional radio local requirements and Australian, children's and local television content requirements under the BSA. In all cases, these breaches were caused by the impacts of COVID-19 on content production and supply chains and the ACMA exercised regulatory forbearance not to take any enforcement action. SCA was also temporarily unable to comply with local television content requirements in regional Queensland, southern New South Wales and regional Queensland for several weeks in March and April 2021. This was due to a cyber-attack on the Nine Network's computer systems which affected Nine's ability to deliver regional news services to SCA. Both Nine and SCA disclosed these impacts to the ACMA. The cyber-attack did not directly affect SCA's computer systems.

Music Licensing

While not a regulatory obligation, maintaining our relationships with the music industry is another critical sustainability factor for our business.

SCA's broadcast radio formats are music-based, and we have created many music-based livestreams and programs on our new LiSTNR app. Supported by consumer research, our music content teams are expert in curating playlists that appeal to our Triple M, Hit Network, and LiSTNR audiences with nuances for our radio stations in different cities or regions.

We respect the rights of songwriters, composers, performers, and their record labels who help us to entertain, inform and inspire our audiences. We couldn't do it without them.

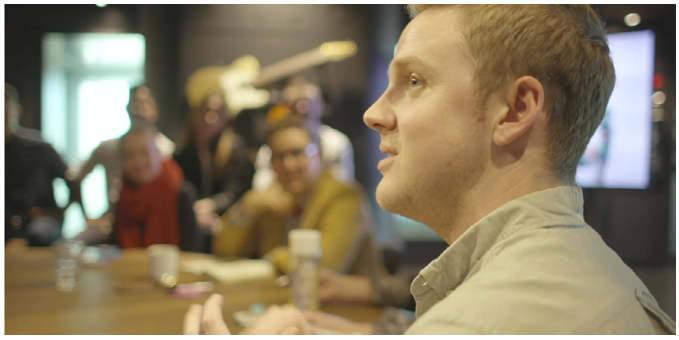
In Australia, most popular music is licensed by two organisations that represent music rights holders. APRA AMCOS grants licences for the live performance, broadcast, communication, public playing or reproduction of its members' musical works. The Phonographic Performance Company of Australia Ltd. (PPCA) grants licences for the broadcast, communication or public playing of recorded music (such as CDs, records and digital downloads or streams) or music videos.

SCA holds licences from APRA AMCOS and PPCA covering the broadcast, livestreaming, and other uses of popular music on our radio and television stations and on our websites, LiSTNR and other apps. We pay licence fees to APRA AMCOS and the PPCA based on a percentage of revenue related to our music use and in some cases based on the number of times each song is livestreamed. We maintain specialised software to monitor and report to these agencies on our use of popular music and to ensure timely and accurate payment of licence fees.

SCA also licenses music for other uses important to our business including:

- to organise concerts and other events
- to play our radio stations in our offices and for on-hold music on our telephone systems
- to incorporate "production music" such as jingles and sonic logos on our radio stations or in radio, television, or online commercials.

Looking After Our People



Looking after our people – their wellbeing and their development – makes us a more productive, sustainable business. This belief has been crucial in supporting our people as we and they continue to navigate the challenges of the COVID-19 pandemic.

Our belief starts with our values and the importance we place on our culture. These fundamentals are constant. They inform our people's behaviours and decisions every day and are not affected by short term factors, even significant factors like the COVID-19 pandemic.

As outlined in this section, we also place great importance on promoting inclusion and diversity among our workforce, workplace health and safety, and providing our people with opportunities for them to learn and develop their skills and careers with SCA.

Our Values

Our five values represent our people's expectations for themselves and each other and guide our day-to-day decisions and behaviour.

- **We COLLABORATE: We work as a team. Together, we deliver our best.**
- **Take INITIATIVE: Each of us is responsible for exceeding expectations. We go the extra mile.**
- **Maximise CREATIVITY: We lead with fresh thinking. We create winning ideas.**
- **Have COURAGE: We always show strength and spirit. We stand up for our beliefs and each other.**
- **Act with INTEGRITY: We do what's right and act with transparency and honesty. We deliver on our promises**

Our Culture

For SCA, culture is "the way we do things around here".

SCA aims to be the place where the best talent, both on- and off-air, want to work to deliver great content for our audiences and sustainable financial returns for our clients and shareholders. To achieve these aims, we are committed to cultivating and sustaining a constructive organisational culture where our people can thrive and perform at their best.

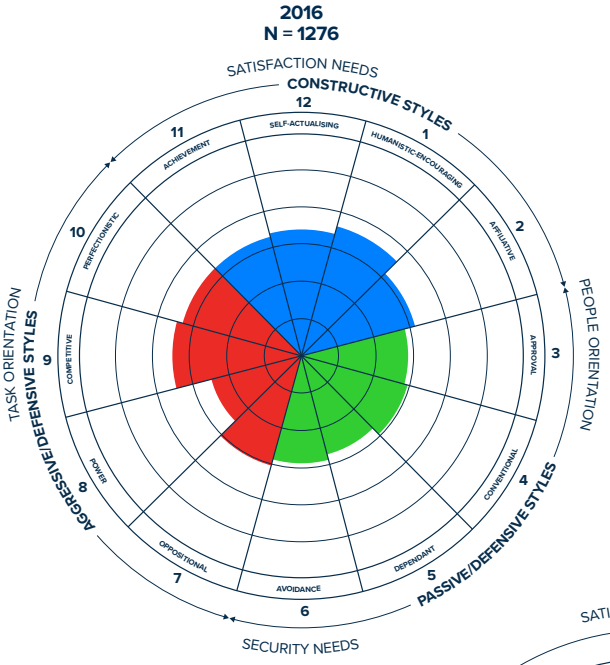
Since 2016, we have worked with Human Synergistics, a global organisational development consultancy, to measure our culture. Human Synergistics conducts Organisational Culture Inventory (OCI) surveys to assess inherent behaviours and styles that govern the way people interact and work with each other. The results are represented in a graphical tool called a "circumplex" that provides a common language to demonstrate causal relationships between behaviours or styles of leaders and the success of individuals, teams and the organisation overall. The circumplex also allows individuals, teams and the organisation to compare results to those of thousands of organisations around the world researched by Human Synergistics.

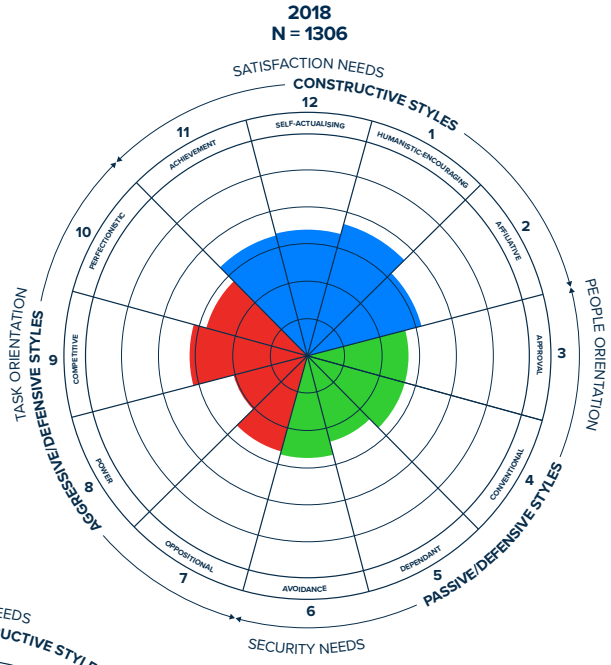
The 12 styles in the circumplex are grouped as constructive (blue), aggressive/defensive (red), and passive/defensive (green). Organisations aim to grow and sustain constructive styles, which indicate a culture that encourages attainment of goals through teamwork and developing people and enhance individual, team, and organisational adaptability and effectiveness.

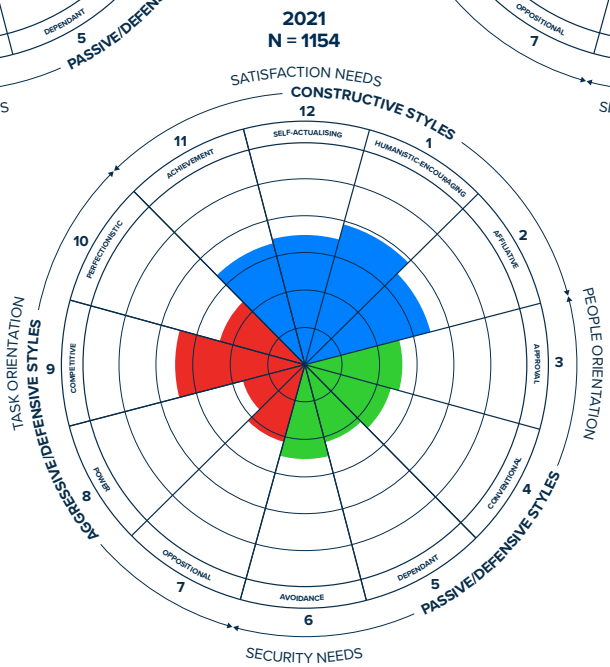
SCA has participated in OCI surveys in 2016, 2018 and April 2021. Each survey has provided valuable information about our strengths and areas in which SCA or individual offices or teams fall short of global benchmarks for high performing organisations.

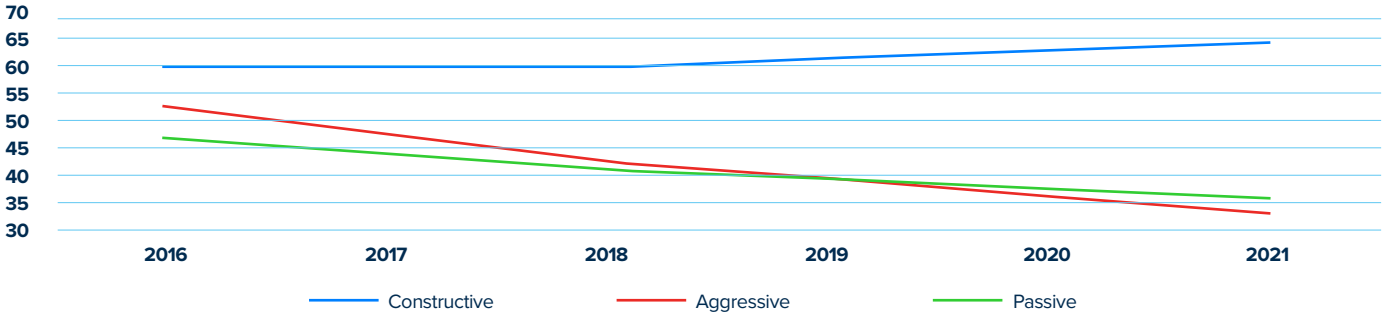
Looking After Our People

Seventy three percent of our employees participated in our 2021 OCI survey. The results demonstrated ongoing growth in constructive styles – above the global average – and reduced defensive styles. This is illustrated in the circumplexes and graph below.









Considering the challenges faced by our people and our organisation due to the impacts of the COVID-19 pandemic since March 2020, these results demonstrated the strength of SCA's culture. So much so that Human Synergistics recognised our results with its Culture Sustainability Award for maintaining and growing a highly constructive culture that outperforms our peers.

Looking After Our People

SCA YourWay – a culture of flexibility

Never waste a crisis! SCA used the opportunity presented by the business impacts of COVID-19 to enhance our approach to workplace flexibility with a new framework called SCA YourWay. This framework focuses on achieving work outcomes, rather than on how or where our people perform their work. SCA YourWay is designed to ensure SCA will lead the way as an always-on media organisation that supports employee wellbeing while delivering exceptional outcomes for our audiences, clients and shareholders.

Over 100 teams around our 57 offices negotiated and agreed on their own way of working to achieve corporate, team and individual goals. Individual team charters set out agreed expectations about attendance in the office and use of technology to enable remote and flexible working.

A common framework helps to ensure we provide consistent experiences for our people wherever they're located, while accommodating individual circumstances to reap the social and economic benefits of flexible work. These benefits include better ability to attract, engage and retain and provide meaningful career paths for diverse talent pools, enhancing return-to-work experiences after parental leave and other extended absences, supporting employees' physical and mental health, and fostering innovation and productivity

Diversity and inclusion

We believe business performance is enhanced by a diverse workforce in which all employees are treated with respect and fairness and have equal access to opportunities. We aim to create a living, creative organisation that understands the diversity of our audiences and advertisers.

Supporting this belief, the Board has adopted a Diversity Policy and receives regular reports from management about diversity and inclusion initiatives. One of the Board's non-executive directors, Glen Boreham, is a founding member of Male Champions of Change (http://malechampionsofchange.com). Another, Melanie Willis, has recently completed her term as a non-executive director of Chief Executive Women (https://cew.org.au/).

The gender composition of SCA's Board and workforce, and Board targets for 2022 and 2024 are summarised below.

Gender composition within SCA on 30 June 2021

	Females at		Board targets for females	
Category	31 July 2020	30 June 2021	30 June 2022	30 June 2024
Board (non-executive)	33%	43%	40%	40%
Board (all)	28%	38%	40%	40%
Senior leadership team	14%	14%	14%	25%
Senior management*	40%	40%	45%	50%
Middle management	60%	53%	50%	50%
Workforce	55%	51%	50%	50%

*Senior management refers to SCA's National Executive Team (excluding the senior leadership team), comprising 38 employees on 30 June 2020 and 37 employees on 30 June 2021. Middle management roles refer to all other roles with "manager" in their title.

In accordance with the requirements of the Workplace Gender Equality Act 2012 SCA has lodged its annual 2021 compliance report with the Workplace Gender Equality Agency. A copy of the report is available on SCA's website under the Investors tab.

The results achieved to date reflect programs introduced in recent years to encourage flexible work practices such as working from home, job sharing, late start and early finish working hours and time off for school and other events. These have helped our people – both men and women – to successfully manage their career and family life through a practical work-life balance.

Looking After Our People

Workplace health, safety, and wellbeing

SCA actively manages workplace health and safety risks. Local managers monitor risks at their workplaces, ensuring risks are identified, assessed and managed proactively. For example, after a spike in 2019 in motor vehicle claims involving reversing, we implemented driver education programs and installed reversing cameras in all SCA vehicles.

The Board receives regular reports on SCA's management of workplace health and safety risks, as well as briefings on the responsibility of directors and officers in relation to these matters.

SCA has recorded the following lost hours due to workplace injuries in the past four years:

Year ended 30 June	2017	2018	2019	2020	2021
Total hours lost due to workplace injury (percentage of total hours worked)	0.07%	0.016%	0.021%	0.065%	0.0034%

In FY21, SCA recorded a lost time injury frequency rate (LTIFR) of 0.68 days lost per million hours worked (FY20: 1.48). This compares to the broadcasting industry benchmark of 1.4 published by SafeWork Australia.

Key risks managed on a day-to-day basis include security arrangements for high profile performers and on-air announcers and conducting "stunts" for on-air radio content. Measures have been implemented in all of our locations to educate our people about workplace risks associated with COVID-19 and to manage those risks in our workplaces. These measures have included provision of sanitiser and hygiene products, regular and deep cleaning of high risk areas, social distancing, and restrictions on visitors and deliveries. Many of our offices have closed for substantial periods during the pandemic to ensure compliance with government requirements and to manage relevant risks.

During FY20, we outsourced television playout operations and broadcast transmission services to specialist service providers. Among other things, an important effect of these transactions has been to reduce the range of workplace risks for which SCA is directly responsible. Risks relating to engineers travelling in remote areas and working in remote areas and at heights on high voltage transmission or other electrical equipment, and managing asbestos in old office buildings and equipment shelters in regional areas are now managed directly by SCA's specialist service providers.

In consultation with our national charity partner, Beyond Blue, we developed a Mental Health Strategy to help monitor and support the mental health and wellbeing of our people. The strategy recognises that the "always-on" and highly public nature of a media business carries particular challenges for mental health. Our People and Culture team therefore provides annual training for our managers on how to manage mental health in the workplace. We use the Suicide Risk Intervention Framework published by the Centre for Corporate Health as a guide to proactively identifying and managing high-risk mental health impacts.

Other initiatives to promote the health and wellbeing of our people include the following which, in recent times, have been tailored and complemented to deal specifically with the circumstances and impacts of COVID-19:

- an employee assistance program (EAP) and counselling services available 24/7 for our employees
- a wellbeing portal on the company intranet
- partnering with Beyond Blue to provide talks about mental health to our people
- access to financial management advice and counselling.

In addition to ensuring a safe workplace through workplace health and safety processes, SCA encourages employees to raise concerns regarding their wellbeing with management or the People and Culture team. Any concerns, whether raised formally or informally, are taken seriously and addressed in a timely manner.

Preventing sexual harassment

Listener events and client entertainment, as well as celebrations of our own successes, are key drivers of revenue for a media business like SCA. Many of our people also socialise together after or outside work hours. These occasions often involve consumption of alcohol and heightened risk of inappropriate behaviour.

SCA has been proactive in ensuring our people – and our managers in particular – understand our obligations to ensure our workplace is safe and free from discrimination and harassment. In 2021, we engaged an external consultant to conduct a series of bespoke workshops to provide our people with a clear and common understanding in relation to harassment, consent and sexual crimes. Our people have actively engaged in these workshops and have continued conversations with their teams afterwards.

Developing our people

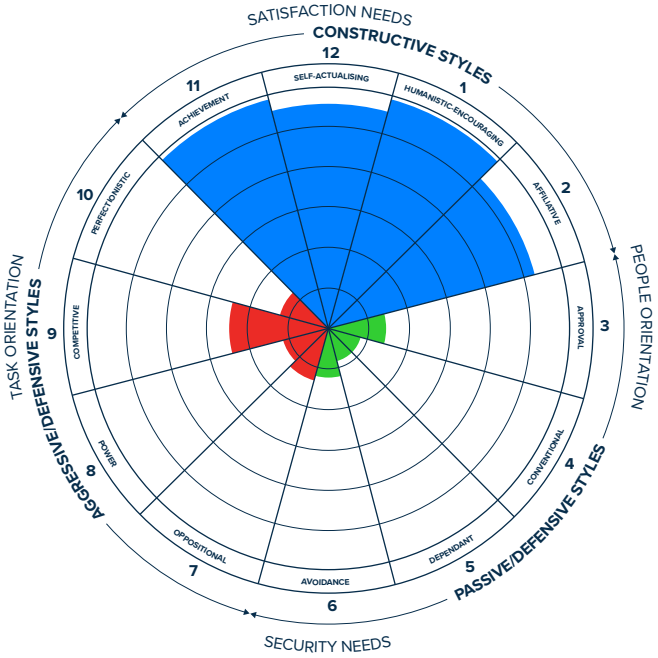
We aim for our organisational structure to have the right number of employees with the right skills in the right places at the right time working in the right way to deliver our strategy.

In FY19, we introduced a national operating model to align nationwide our core business functions of Operations, Content, Sales, Finance, and Technology. This change streamlined processes, communication flows and decision-making to support our offices around the country to deliver consistent, high-quality services to our people, audiences, advertisers and communities. Introduction of this national operating model, and subsequent decisions to outsource "back-of-house" functions such as television playout and broadcast transmission services, have affected the roles of many employees. Our workforce has reduced from around 2500 to 1600 today.

We continue to evolve our operating model to take advantage of key consumer trends towards mobile, personalised and on-demand audio content and to satisfy advertisers' expectations for more timely and accurate information about our audiences. Those trends are at the core of our corporate strategy to create compelling content and to distribute and monetise it in the most efficient and effective ways for our audiences and clients. As a result, we are investing in developing our people and attracting new people to ensure SCA will have the capabilities and resources to deliver our strategy.

Looking After Our People

Since beginning our partnership with Human Synergistics in 2016, SCA's development programs have been designed to build leadership capability within our business, focusing on our National Executive Team. This acknowledges the significant impact of constructive leadership on organisational culture. The success of these programs is demonstrated by the organisation-level results of our most recent culture survey described above. However, it was also notable that the most outstanding results of that survey were in our National Executive Team, which includes around 40 executives from around Australia.



We will continue to invest in the National Executive Team, but now see our greatest opportunity for future growth in our middle management cohort of about 320.

SCA's learning strategy is designed to provide our people with tailored learning to match their functional responsibilities and development pathways.

- **Leadership:** We aim to give our leaders strategies and skills to engage and motivate employees, create a constructive culture, raise performance standards, and retain high achievers. Programs for our Senior Leadership and National Executive Teams in the year ahead will build their capacity to create, drive and support high-performing teams. We measure our leaders' growth through Human Synergistics' Lifestyles Inventory (LSI) tool and support their development through associated coaching programs. Leaders who complete the LSI this year will receive coaching over six months from a qualified executive coach to help them develop their personal effectiveness and leadership capability.
- **Middle managers:** In FY22, this highly operational group will participate in a bespoke six-month program designed to enhance their core management skills, to manage through change, and develop, engage and retain their staff.
- **Women in leadership:** SCA has given scholarships to 10 female leaders around our business to enable them to participate in the seven-month intensive Executive Ready program conducted by Women and Leadership Australia.
- **Sales learning programs:** We have appointed a Sales Capability and Organisational Development Manager to develop an extensive syllabus to equip our sales teams to build their confidence and optimise their performance. These courses provide detailed knowledge about SCA's products including our growing suite of digital audio products, fundamental skills for effective selling, critical thinking, and tools for motivating, coaching and performing as part of a team.
- **Mentoring program:** Fifty mentees from around our business will be assigned a mentor from our senior leaders in a structured six month program to facilitate knowledge sharing, cross-functional collaboration, and learning.
- **Content teams:** SCA's Content teams are the creative heart of our business. The majority have honed their skills in our broadcast radio business. Programs for our Content teams will focus on the new approaches required to support and sustain SCA's transition to a digital-first operating model.

Leadership Behaviours Framework

SCA's learning strategy is informed by the Leadership Behaviours Framework designed to grow constructive behaviours and leadership capability consistent with our values.

We COLLABORATE

COLLABORATIVE leaders break down walls and silos and build close cross-functional relationships based on trust and communication. They have strong relationship skills and a great deal of influence to be able to lead a team.

Have COURAGE

COURAGEOUS leaders can push through uncomfortable situations. They are willing to make difficult decisions and do not back down when things get too hard.

Act with INTEGRITY

INTEGRITY in leaders refers to being honest, trustworthy, and reliable. Leaders with integrity act in accordance with their words. They foster open communication. They practice what they preach and own up to their mistakes, as opposed to hiding them, blaming their team, or making excuses.

Maximise CREATIVITY

CREATIVE leaders are people who come up with ideas and bring them to life, and create safe spaces where their teams can do the same. It is not just about the leader's creativity, but tapping into the creativity of the team and encouraging new ways of changing and doing things better. Creative leaders focus and prioritise diversity and identify strengths and weaknesses in their team to maximise effectiveness. They trust their people, embrace failure, embrace change, encourage debate and champion ideas. These leaders make ideas come to reality.

Take INITIATIVE

INITIATIVE distinguishes a leader because they don't wait for others to tell them what to do and how to do it. They are forward-thinkers, they take the initiative to lead and take complete ownership of their actions and the actions of their teams, be it failure or success.

Connecting And Supporting Communities

Proudly National, Fiercely Local

As a local media organisation, SCA is part of the fabric of regional and rural communities. Helping local communities around Australia to sustain themselves is important to SCA. We are Proudly National, Fiercely Local.

Just over half of our 1600 permanent employees are located in our regional markets.

Many small and medium businesses in regional and rural communities use our radio and television assets to promote their products and services. Many local charities and other community organisations use our assets to communicate their messages.

SCA's local news services on radio and television keep communities up to date on the issues that matter to them, as well as providing local skilled jobs, promoting local events, supporting local businesses, providing local advertising opportunities and supporting local charities and community initiatives. SCA produces nightly news bulletins for its Seven television service in Tasmania, and local television news updates in regional Victoria, southern New South Wales, regional Queensland and other regional television markets.

In times of trouble – like storms, floods, and bushfires our teams are often among the first to get involved in recovery efforts, whether it be working with local authorities and emergency services organisations to keep communities informed about emergency warnings, helping to distribute food and clothing to affected households, or helping to organise concerts and other events to support fundraising initiatives or to put a smile back on people's faces.

SCA Embrace

SCA Embrace is SCA's national charity program. Over two-year cycles, SCA works with selected national charities to help their work, while engaging our own people to build stronger communities. SCA provides support through radio and television advertising; digital, social and research support; event and meeting spaces; brainstorming sessions; concert and sporting tickets; on-air interviews; and staff volunteering.

In July 2021, we expanded SCA Embrace to partnerships with local charities in our regional and rural locations. Each of our local offices will choose a local community-focused charity to support over a one- or two-year period. As with our national charity program, will support their chosen charity with in-kind advertising, digital, social and research support.

SCA's national charity partners until 30 June 2021 were Beyond Blue and The Smith Family. Our traditional two-year partnership was extended by six months due to the COVID-19 pandemic. Over two and a half years, we provided these charities with more than $110 million in-kind radio and television advertising, along with digital, social, creative and research support.

Both charities played important nationwide roles during our partnership, particularly during the country's bushfires, floods, and COVID-19. Our support enabled them to deliver information on the importance of mental health and children's education during this challenging period, along with significant research developments for the not-for-profit sector. We were proud of how our people embraced the relationships through various experiences.

SCA will announce its 2022 national charity partnerships later this year.

Connecting And Supporting Communities

Beyond Blue

SCA's people were actively involved in content creation and promotional activations, including Triple M's No Talk Day, which encourages men to talk about mental health, and coverage of the NRL and AFL Beyond Blue Cups. Ten teams of SCA employees also took part in Beyond Blue's Coastrek major fundraising initiative.

NO TALK DAY.

Thursday 1 July 2021 was Triple M's third No Talk Day when every Triple M radio station around Australia was dedicated to conversations about mental health. From 6am to 6pm, there were no radio shows, no ads, no news and no traffic reports. Just personal stories, information and advice on talking to a mate about mental health.

Men can be intimidated when it comes to having conversations about mental health, especially with their mates. Encouraging them to open up is one of the most important things you can do to support someone in your life who might be struggling.

Beyond Blue CEO, Georgie Harman, said the partnership with SCA had made a significant positive impact across Australia.

"We have been overwhelmed with the support we have received from SCA over the past two and a half years through the SCA Embrace program," she said.

"The $55 million advertising support exceeded all expectations and has helped us massively amplify our mental health and suicide prevention services, campaigns and information to people and places. SCA's support meant we could redirect expenditure into services to the community.

"When we commenced our partnership in 2019, we didn't realise then what would lie ahead and how much our collective mental health and wellbeing would be challenged.

"We have partnered through drought, bushfires, floods, and a global pandemic, and through our partnership we have been able to respond in a timely and targeted way to meet community need.

"We also saw firsthand SCA's own commitment to the mental health of their community with the creation of Triple M's No Talk Day, a day dedicated to supporting men's mental health.

"Our research has shown a marked increase in SCA listeners' awareness of Beyond Blue, how we can support them, and the likelihood of them using or recommending our services over the past two years. We know that this partnership has made a significant difference in the lives of people in Australia, and we can't thank SCA enough for embracing Beyond Blue and supporting the community during this time."

The Smith Family

SCA team members volunteered at charitable events, including The Smith Family's Annual Toy and Book Appeal nationwide, as well as providing work experience programs and participating in mental health sessions.

Some of the most impactful connections between SCA and The Smith Family included students on the charity's Learning for Life program gaining real-life access to the world of work to inspire their career pathways. The Smith Family and SCA also co-created the charity's Breaking Poverty podcast, which examined the state of child poverty in Australia and how education breaks the cycle of disadvantage.

The Smith Family Acting CEO, Judy Barraclough, said the organisation was grateful for SCA's support.

"The Smith Family is committed to improving the long-term educational outcomes of young Australians living in disadvantage. And thanks to SCA's donation of more than $55 million of in-kind advertising support across its radio, television, and digital networks, they have helped us increase awareness of child poverty in Australia and raise much-needed funds for young people in need," she said.

"SCA's tremendous generosity went beyond in-kind advertising support too. They also allowed us to work with their radio talent, creating pro-bono commercials, and provided numerous opportunities for on-air interviews, among other contributions.

"Our vision is to create a better future for young Australians experiencing disadvantage, and thanks to SCA's generous in-kind support, many more Australians understand how critical this work is – for young people today and for generations to come. It also meant our organisation could focus more resources on our core work – reaching more children in need with our life-changing educational support."

Give me Five for Kids

With expansion of SCA Embrace to our regional office, SCA wound up its annual Give Me 5 for Kids campaign this year. Beginning as a simple coin drive on the New South Wales Central Coast more than 20 years ago, the campaign raised more than$20 million nationally and benefited more than 40 paediatric wards in local hospitals. Local health services used these funds to improve outcomes for young patients, including acquiring vital equipment.

Innovation

SCA's mission is to entertain, inform and inspire Australians. Anytime. Anywhere. To achieve our mission, we need capabilities, structures and a culture that support identification and nurturing of new ideas. It's therefore critical that we foster a culture of innovation within our workplace.

We believe innovation is any concept, process, product, service, or business that creates value for SCA. This definition confirms that innovation may come from anywhere in our business and may be internal (such as a quicker, more secure, or more effective process) or external (such as a new product or service that delivers or demonstrates value for our clients, audiences, or communities).

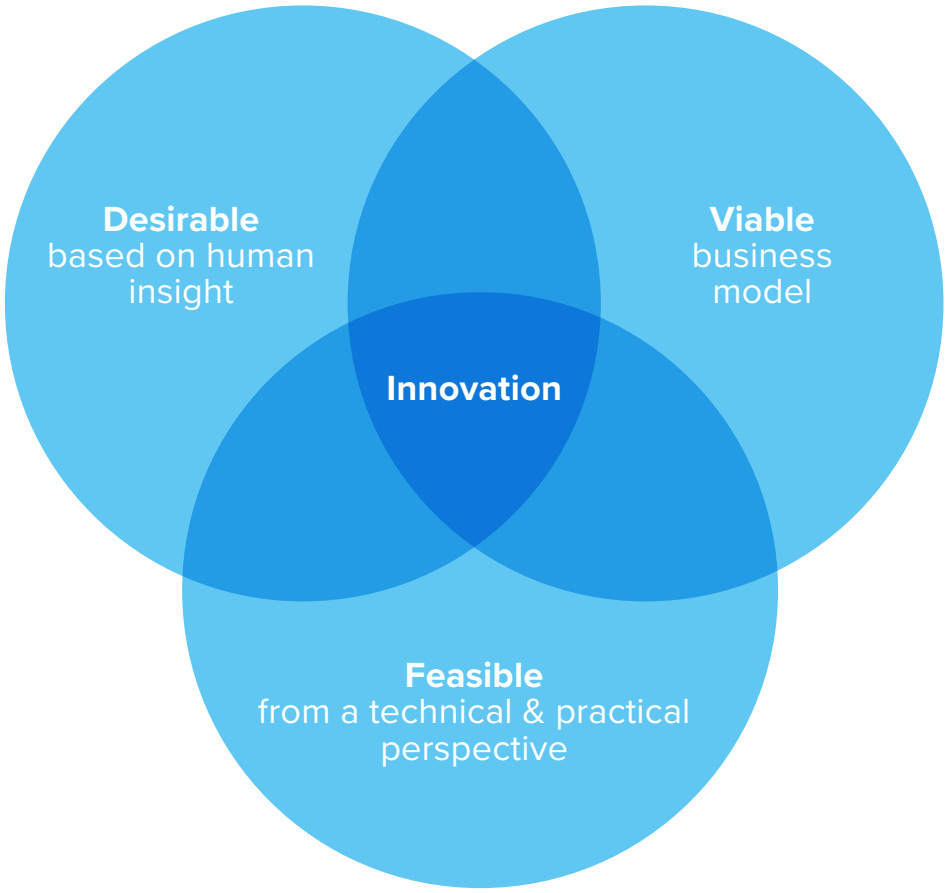
The LAB at SCA

In 2019, we created The LAB at SCA as a central resource to support innovation. With help from expert consultants, we appointed innovation champions in 13 locations and rolled out education and structured brainstorming sessions around Australia.

The LAB at SCA includes an online portal enabling our people to submit ideas. Ideas submitted through The LAB portal are assessed against the criteria of being desirable, viable and feasible. Our innovation champions are trained and available to mentor colleagues as they test their proposals, supporting them through the development and implementation phases.

We've held two contests through The LAB at SCA. In November 2019, we asked our people to submit ideas on how SCA can deliver a higher return on investment to clients. Supported by SCA's innovation champions, 140 people from 29 different locations submitted ideas. The top eight ideas were formally presented to a judging panel. Prizes were awarded and we have implemented four of these ideas as business as usual workflows.

This year, we asked our people how we can make LiSTNR the most engaging audio destination for Australians. Illustrating how innovation has become part of our culture at SCA, more than 400 of our people submitted entries from 40 of our offices around Australia. After pitches from a selected group, our judging panel anointed three winners whose ideas are being developed for testing on LiSTNR. Two winners are based in Brisbane and one in Griffith and their ideas cover product enhancements, content concepts, and localism. Another six ideas were also earmarked for further investigation.



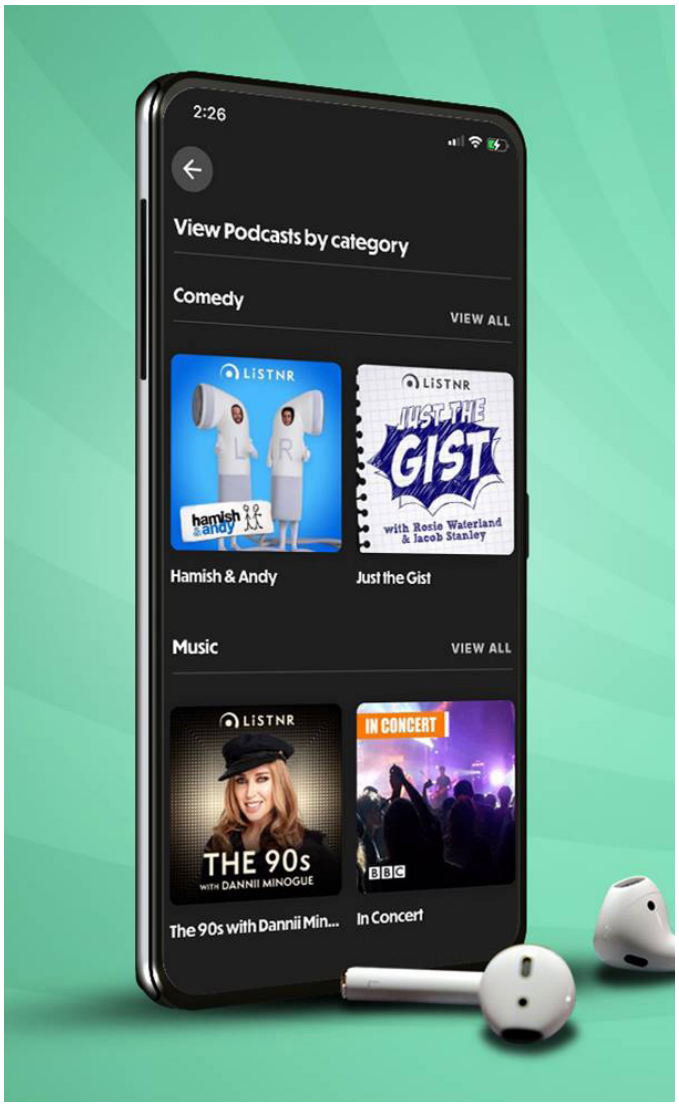
Innovation

LiSTNR

SCA launched a new digital audio platform, LiSTNR, in February 2021. LiSTNR is a curated and personalised, free audio entertainment app offering live radio, premium original podcasts, radio podcasts, livestreaming music channels, news and information. Developed exclusively in-house after three years of research and development, LiSTNR is at the core of SCA's digital-first operating model, efficiently deploying smart technology to create, distribute and commercialise SCA's pre-existing digital audio content with a wide range of live and on-demand global, national and local content.

Over three years, more than 90 people in 16 of SCA's offices around Australia contributed to research, development and launch of LiSTNR.

As we develop our data analytics capabilities, LiSTNR will combine transparent audience measurement with real time insights about listener routines, needs and preferences. This will enable SCA to serve the growing demand for digital audio and help advertisers connect to addressable and targeted audiences at scale.



Digital audio sales tools

In 2020, SCA announced two innovative digital audio campaign attribution products.

SCA Footsteps provides advertisers with rich insights from listeners who have heard an audio ad and then gone to a specific location, retailer or precinct within a measured timeframe. This enables advertisers to measure return on investment from an audio ad campaign by tracking consumer responses to the campaign.

SCA Soundcheck uses technology to identify listeners who heard a digital audio ad and retargets them with a campaign study questionnaire, allowing comparison to a control group of internet users who have not heard the ad. This provides valuable information for advertisers about overall campaign effectiveness including increased consideration, ad recall and purchase intent.

Innovation

The Papa Project

The first initiative launched out of the LAB at SCA during 2019 was The Papa Project, a support network for dads working at SCA to discuss everything from nappies to nap time. It included a monthly forum, with guest speakers and support from charities like Beyond Blue, covering the issues confronting modern-day dads.

Hubble

Hubble was launched in February 2018 as SCA's on-air and audio talent development hub: https://www.hubbletalentsearch.com/. Hubble has a database of over 1,000 performers including current and former SCA employees, television and online personalities, and media-trained expert commentators in a wide range of fields.

SCA has trialed many performers identified and assessed through Hubble, and several have landed regular shifts on SCA's metro and regional radio network. These include Elliott Lovejoy, the host of the Breakfast show on Triple M in Cairns.

As SCA moves to a digital audio first operating model, Hubble continues as an incubator for new original podcasts on LiSTNR.

Boomtown

National advertisers have traditionally under-invested in regional Australia.

Led by SCA, since 2019 a collective of regional media businesses have partnered in a joint marketing campaign to change perceptions about regional Australia and to increase advertising investment in regional media. Now in its third year, the campaign is called Boomtown.

Representing 8.8 million people living in regional Australia, Boomtown includes major business and population centres like the Gold Coast, Newcastle, New South Wales Central Coast, Townsville, Hobart, Bunbury and Canberra. The residents of Boomtown – who make up 36% of Australia's population - have disposable incomes and travel, shopping and spending patterns comparable to those of Australia's capital city residents. And yet only 10% of national media budgets are spent regionally. Boomtown has started to close that gap.

In FY21, Boomtown collaborated with the Media Federation of Australia to conduct an education series to educate media agencies about regional media, and also created an online portal providing industry updates, consumer insights, and a platform for agencies to locate the coverage areas of the Boomtown partners.

Despite the COVID-19 driven contraction in radio and television advertising markets during FY21, SCA's national radio and television revenues actually grew during the year. The Boomtown campaign was a significant reason for this growth.

More information is available on the Boomtown website: https://boomtown.media/.

Cyber Security

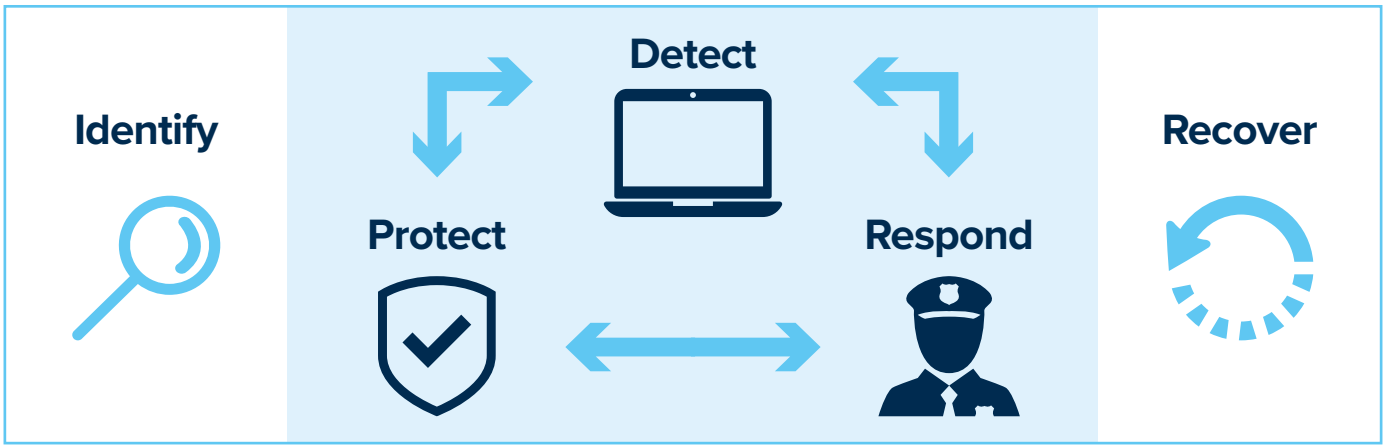
SCA has comprehensive measures in place to provide an effective, secure and resilient technology environment for employees, clients, audiences, suppliers and other parties who engage with our business. A commitment to continuous improvement is central to our approach to cyber security.

In FY21, we appointed a new Head of Information Security with responsibility for information security policies and governance to ensure a rigorous and nationally consistent approach to management of information security risks.

Early actions have included review and updating of SCA's information security governance framework, refreshing the IT and Engineering risk register, enhancing the framework for assessing the information security processes of major outsourced service providers, and starting the transition to the internationally recognised NIST (National Institute of Standards and Technology) cybersecurity framework to benchmark our cybersecurity controls and prioritise areas for future improvement and investment.

SCA's cyber security approach

SCA's approach to cyber security operations aligns with the five NIST pillars:



Cyber Security

Identify

Understand the cybersecurity risks to systems, people, assets, data, and the capabilities and business context of the resources that support critical functions

Security is at the core of design, procurement, deployment, administration, maintenance, and decommissioning of our business systems and applications. We maintain key data security requirements and scrutinise the credentials and cyber security posture of external parties who need access or provide interfaces to our systems and applications. And we regularly engage external security consultants to audit and perform penetration testing on our systems, applications, and operational environment.

Protect

Provide appropriate safeguards to ensure delivery of critical infrastructure, systems, and services

SCA is a partner of the Joint Cyber Security Centre (JCSC) program, and a member of several other industry bodies and associations. SCA's cyber security and other information systems professionals regularly attend seminars and briefings.

We empower our people to make good security decisions in their day-to-day business activities. With the increasing threat of ransomware in the media industry and wider cyber landscape, SCA has implemented tools to build our people's awareness of cyber risks in their daily activities, with specific additional controls and requirements for employees in high risk roles and core processes.

Detect

Conduct ongoing automated and manual activities to identify a cyber security event in timely manner

Monitoring and alerting functions are continually evolving and being tuned to detect and respond to potential weaknesses, ensuring an ongoing process of improvement across SCA's security posture. Areas of key focus include vulnerability management, patch maintenance, and user awareness.

This is combined with a best-of-breed technical security stack, supported by close vendor relationships providing effective value and seamless integration.

Respond

Take appropriate actions on detecting an actual or potential cyber security incident

SCA's cyber security posture enables a defence-in-depth approach to respond and defend against SCA's key risks and threat vectors.

Detailed cyber incident and data breach response plans are in place and are regularly reviewed. These plans define the key steps and actions to be taken if a cyber security incident is suspected or detected and assigns responsibilities for each of those steps and actions

SCA has implemented a multi-vendor multi-layered security model, combining and aligning technologies at differing threat vectors to protect SCA's systems, data, and people against potential threats.

The data breach response plan aligns with recommendations and requirements of the Office of the Australian Information Commissioner.

CONTAIN > ASSESS > NOTIFY > REVIEW

Recover

Have and test comprehensive plans for resilience and to restore capabilities and services impaired by a cyber security incident

SCA has not experienced a serious information security breach. However, cyber-attacks occur regularly, and we therefore plan for the possibility that a breach will happen at some point.

Response to PageUp incident

On 1 June 2018, cloud-based talent management provider, PageUp, notified its global customers including SCA of a data breach potentially affecting people who had applied for a job with SCA.

Although it was ultimately confirmed that the personal information of SCA job applicants had not been compromised, SCA quickly implemented its data breach response plan to notify job applicants of the risk and inform them about steps they could take to protect their personal information

Our disaster recovery, business continuity, and data breach response plans and related insurance policies focus on actions required to identify and contain immediate impacts and then to recover core systems as quickly as possible, including necessary interactions with affected individuals, external service providers and regulators.

These plans have been reviewed and updated during the past year. In the year ahead, we will provide relevant employees with refresher training and will continue to test and refine the effectiveness and efficiency of these plans.

Meeting and protecting our future needs

SCA's approach to cyber security is continually evolving in line with regulation, client and community expectations and SCA's business requirements. These business requirements include increasing consumption of our audio products and services by digital means and more of our people collaborating remotely and using new ways of working.

SCA's cyber-security practice provides critical assurance of SCA's reputation, fortifies and optimises commercial operations, and is a key enabler of our digital growth opportunities.

Environment

SCA does not have any material environmental risks and is not required to report under the National Greenhouse and Energy Reporting (NGER) scheme. During FY21, SCA did not receive notice of any environmental breaches, improvement notices, fines or non-compliance notices from any regulatory bodies. There were no environmental accidents because of SCA's business operations.

Broadcast transmission operations

SCA outsourced its broadcast transmission operations to BAI Communications (BAI) in September 2019. BAI has stated goals to minimise harm to the environment, to maximise sustainability, to help its customers to reduce their environmental impact, and an ultimate goal to be carbon neutral at all its broadcast sites. BAI's Broadcast Services division has achieved the Australia/New Zealand Standard and ISO Standard 14001 for environmental management.

Together with BAI, SCA monitors the environmental impact of our broadcast operations and expects that impact will reduce over time through improvements in maintenance and replacement of end-of-life transmission equipment with more energy efficient units. For example, during FY21, BAI upgraded an SCA high power digital television transmitter at Mt Ulandra in southern News South Wales, reducing transmission power consumption by 35%.

Through its holding company, Frequency Infrastructure Australia Holdings Pty Ltd, BAI reports under the NGER scheme in October each year. Based on BAI's estimate of the proportion of BAI's annual reported electricity consumption represented by services provided to SCA, BAI has provided the following estimates for greenhouse gas emissions from SCA's broadcast transmission operations during FY20:

Emissions category	Greenhouse gas emissions ($CO2_e$ tonnes)
	FY20*
Scope 1[2]	191
Scope 2[3]	8,687
Total	8,878

* Data is for the 10 months beginning 1 September 2019 when BAI commenced providing transmission services to SCA.
[1] https://www.baicommunications.com/about-us/giving-back/sustainability/.
[2] Scope 1 emissions are emissions produced as a direct result of an activity, such as fuel used in driving vehicles to a site.
[3] Scope 2 emissions are emissions released from indirect consumption of electricity or another energy commodity.

Office and studio operations

Energy efficiency is an important factor for SCA in selecting equipment and systems to be installed in new or refurbished offices. These factors will be considered in relocation and fit out of our Melbourne studios and offices during 2022.

SCA also encourages local offices to pursue environmental initiatives, such as minimising printing of documents, greater use of electronic signing and storage of documents, and recycling office supplies and consumables.

SCA is pleased to have played a leading role in collaborating with the commercial radio industry to launch the RadioMATRIX advertising buying platform in 2017. RadioMATRIX is provided by AudioNET.

RadioMATRIX provides a virtual and paperless platform on which media agencies can book advertising on commercial radio stations around Australia. In addition to improving the efficiency of communications between commercial radio sales teams and media agencies, RadioMATRIX has significantly reduced the use of paper in the process for buying commercial radio advertising in Australia. In fact, since launch in 2017, over 200 media agencies have used RadioMATRIX to process more than 2.1 billion items of radio inventory on 370 Australian commercial radio stations. SCA is the largest Australian commercial radio network, operating 99 AM, FM and DAB+ radio stations and providing sales representation services for another 23 AM and FM radio stations.

The commercial radio industry will continue to expand RadioMATRIX to provide a comprehensive workspace for media agencies to send out briefs, receive proposals and model audience reach, frequency and cost against real-time availability.

Research conducted by AudioNET in 2016 indicated that monthly transactions between each commercial radio network and each media agency on average generated a stack of paper 2.2 metres high. Four years later, with seven commercial radio sales networks dealing on average with 70 media agencies per month on RadioMATRIX, it's estimated the industry has saved a stack of paper about 49,500 metres tall. That's almost 60 times higher than the world's tallest building, the Burj Khalifa in Dubai.

Environment

Mitigating climate risks

SCA has offices and operations in locations subject to significant weather events, including storms, floods and bushfires. SCA has detailed and well-rehearsed plans to respond to and recover from events of this nature. Outsourcing our broadcast transmission services to BAI Communications has hardened our resilience to natural disasters. This was demonstrated during the 2019-2020 bushfire season when BAI was able to maintain or rapidly restore broadcast services at sites affected by bushfires because of the robust design of its asset protection and site infrastructure arrangements and its access to compatible antenna systems used by broadcasters at nearby sites. BAI provided case studies to the 2019-202 bushfires in its submission to the Royal Commission into National Natural Disaster Arrangements, including at Mt Wandera which provides SCA's broadcast radio and television services to the 55,000 residents of Batemans Bay and Moruya.

Helping communities respond to climate risks

SCA also plays a vital role supporting the resilience of local communities affected by natural disasters. SCA collaborates with emergency services agencies and maintains procedures to broadcast warnings and information from emergency services agencies where there is an existing or threatened emergency. Radio is a key source of up-to-date information for communities affected by emergency events, particularly if power and telecommunications infrastructure are affected by a natural disaster. Radio broadcast transmissions cover large geographical areas so that radio broadcast sites are often outside the immediate danger of a natural disaster hazard compared with other communication network alternatives. In addition, because radio broadcasts from different sites overlap, in most cases when a radio broadcast fails during a natural disaster, the public is able to pick up an alternative radio broadcast from a different broadcast site.

SCA