

The background of the entire page is a black and white photograph of a curved, ribbed structure, likely a dome or a large skylight, with a grid of dark lines and small circular fasteners. A solid red horizontal band is positioned across the middle of the image, containing the title text.

# The state of sustainability report assurance in the ASX 100

This report is part of a series of research projects carried out by the Net Balance Foundation in collaboration with ACCA.

The series analyses disclosures on areas of non-financial performance by companies listed on the Australian Securities Exchange (ASX).

#### **OTHER REPORTS BY ACCA AND NET BALANCE FOUNDATION**

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*Adoption of Integrated Reporting by the ASX50, 2011*

*Disclosures on Supply Chain Sustainability, 2011.*

*Disclosures on Managing Human Rights Risks, 2011*

*Disclosures on Water, 2010*

*Disclosures on Social Investment, 2010*

*Disclosures on Corporate Governance, 2009*

*Anti-bribery and Corruption Reporting Disclosures, 2008*

*Disclosures on Human Capital Management, 2008.*

*Disclosures on Climate Change, 2007*

*Disclosures on Stakeholder Engagement, 2007*

**[www.accaglobal.com/sustainabilityreporting](http://www.accaglobal.com/sustainabilityreporting)**

**[www.netbalance.com/insights/reports](http://www.netbalance.com/insights/reports)**

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Researching publicly available sustainability reports published by the ASX 100 provided data that were used to determine the extent of assurance of public sustainability disclosures, by whom, and to which, if any, assurance standard.

This report also provides insights into assurance trends within industry groups and the types of sustainability data being assured.

#### **ACKNOWLEDGEMENTS**

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This report was produced by the following team:

Elaine Gardiner (Net Balance Foundation), Rachel Jackson (ACCA), Kirsten Simpson (Net Balance Foundation) and Nadia Woodhouse (Net Balance Foundation).

The authors also wish to acknowledge the following for their contribution to the report:

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 CorporateRegister.com

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## Executive summary

This report is one of ten disclosure benchmarking studies on Australian Securities Exchange (ASX) companies undertaken by the Net Balance Foundation in partnership with ACCA. These studies have investigated disclosure trends in the sustainability reporting of large listed Australian companies. CAER (Corporate Analysis, Enhanced Responsibility) and CorporateRegister.com provided some of the research data for this report.

The focus of this report is an essential area that is directly related to the quality and reliability of sustainability reporting – that of assurance. Although the financial performance of listed companies is routinely assured by independent third parties, the same cannot be said for sustainability reporting.

Researching publicly available sustainability reports published by the ASX 100 provided data that were used to determine the extent of assurance of public sustainability disclosures, by whom, and to which, if any, assurance standard. In addition to presenting the state of sustainability assurance in the ASX 100 in 2011, this report provides some insights into assurance trends within industry groups and the types of sustainability data being assured.

The results of the analysis undertaken can be summarised as follows.

- While the application of sustainability report assurance in the ASX 100 is generally low, this trend is reflected globally. In Australia, which is within the top 10 countries for report assurance, only half the ASX 100 companies obtain assurance over sustainability reports. This reflects the current voluntary nature of reporting.
- Of the five largest industry groups in the ASX 100, the Banking and Telecommunications groups had the highest take up of assurance while the Commercial and Professional Services group lagged behind the average of the index.
- The authoring of assurance statements was evenly spread between accounting firms and specialist consultancies.
- The most commonly used standard for assurance was ISAE3000/ASAE3000 (44%) followed by the AA1000AS (21%). In 15% of assurance statements the two standards were used in conjunction with each other.
- The most common level of assurance provided was 'moderate' or 'limited' rather than a 'high' or 'reasonable' level (including statements with mixed levels of assurance for varying subject matter), which was only attained by 18% of companies that sought assurance.
- Recommendations on how companies can improve performance were provided in approximately 30% of statements. The most common themes were improvements in systems and processes and improvements in the identification of material issues selected for reporting.

# 2011 state of sustainability report assurance in the ASX100

**scope**  
Just how many firms of assurance companies covered a comprehensive set of sustainability performance indicators?

**recommendations**  
How many firms of assurance companies covered a comprehensive set of sustainability performance indicators?

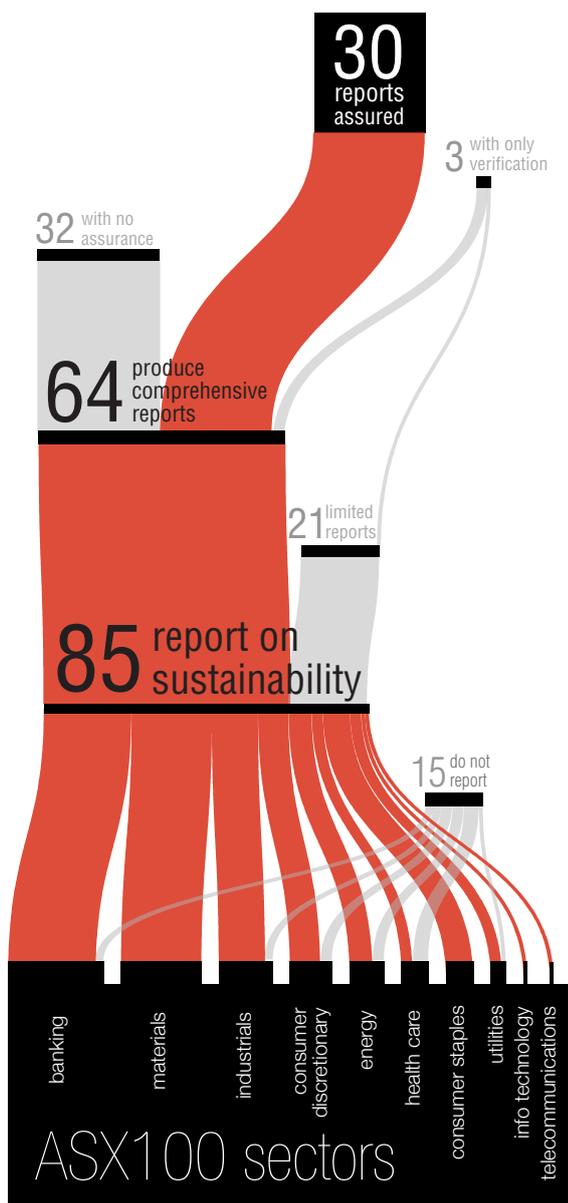
**level**  
How many firms of assurance companies covered a comprehensive set of sustainability performance indicators?

**standards**  
How many firms of assurance companies covered a comprehensive set of sustainability performance indicators?

**providers**  
How many firms of assurance companies covered a comprehensive set of sustainability performance indicators?

**trends**  
How many firms of assurance companies covered a comprehensive set of sustainability performance indicators?

**coverage**  
How many firms of assurance companies covered a comprehensive set of sustainability performance indicators?



# 1. Introduction

Assurance has long been the exclusive domain of accountancy firms that audit financial statements. With the relatively recent uptake of sustainability reporting, however, a market has grown for the provision of assurance over non-financial reports. Globally, the past decade has seen a growth in the number of companies reporting and assuring their sustainability performance, in addition to their financial performance (KPMG 2011). This trend has also been followed in Australia where there has been a parallel rise in sustainability reporting and assurance provision (Frost and Martinov-Bennie 2010; ACSI 2011).

Unlike financial reporting, sustainability reporting is not currently mandatory for Australian Securities Exchange (ASX) listed companies (ASX 2012). Sustainability reporting is undertaken on a voluntary basis, which has led to a slow take up of the practice. The assurance of sustainability reports is also undertaken on a voluntary basis and, consequently, a relatively small proportion of those reports produced each year are assured by independent third parties.

Where companies do choose to engage an independent third party to assure their sustainability reporting, it results in the provision of an independent statement of assurance for that report. Those companies who undertake assurance of their sustainability reports do so for a variety of reasons (O'Dwyer and Owen 2007; CorporateRegister.com 2008; Frost and Martinov-Bennie 2010) including:

- to improve the credibility of the reporting among their stakeholders (including investors)
- to ensure that what is addressed in the report is responding to the issues that are important and relevant
- to improve the quality and reliability of their reported information
- to identify areas where internal and external sustainability management systems could be improved, and
- to improve operational and risk-management practices.

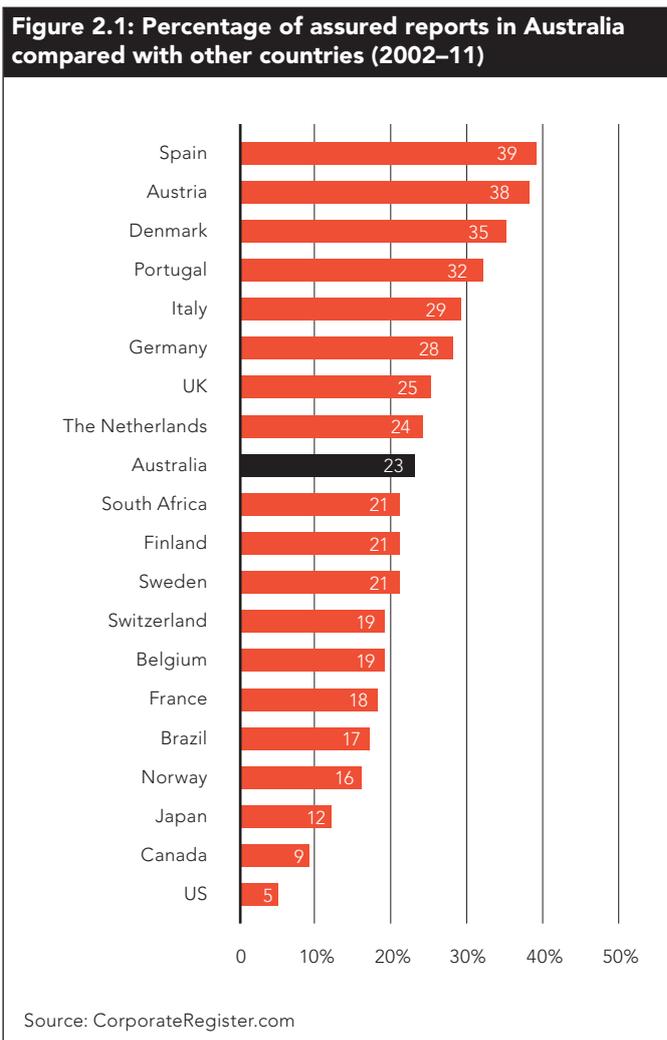
It is likely that certain stakeholders and authorities will continue to place increased pressure on companies to publicly report on and assure their non-financial performance. At an international level, the Corporate Sustainability Reporting Coalition (which represents US\$2 trillion in assets) helped achieve the inclusion of paragraph 47 in the Rio+20 document; this encourages companies, where appropriate, especially publicly listed and large companies, to consider integrating sustainability information into their reporting cycle (UNCSD 2012).

Within Australia there is a working group of ASX 200 companies discussing the need for more formal disclosure of non-financial performance data (ACCA and Net Balance Foundation 2011a). In addition, there has been a drive to ensure that reporting on sustainability performance is integrated with a company's financial performance through integrated reporting. This is a move that will have implications for how assurance will be undertaken in the future (Mammatt 2009; McCuaig 2010).

## 2. Global trends in sustainability reporting and assurance

Globally, sustainability reporting, and, more broadly, corporate responsibility reporting has grown over the last decade, with 95% of the world's 250 largest companies reporting on their corporate responsibility activities. The number of companies within the consumer markets, pharmaceuticals and construction industries reporting on corporate responsibility more than doubled, although this trend has not been reflected in the retail and transportation industries (KPMG 2011).

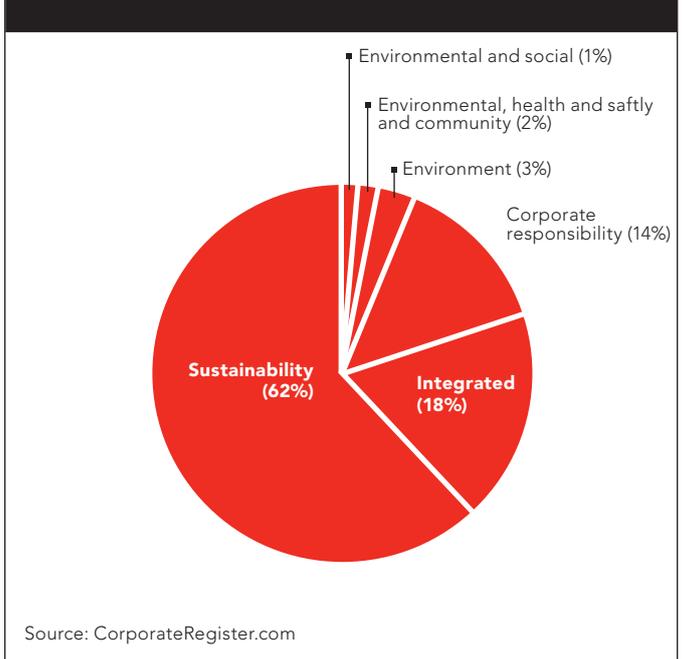
Likewise, sustainability report assurance has also increased, with Spain, Austria and Denmark leading in terms of percentage of assured reports over the period 2002–11, see Figure 2.1.



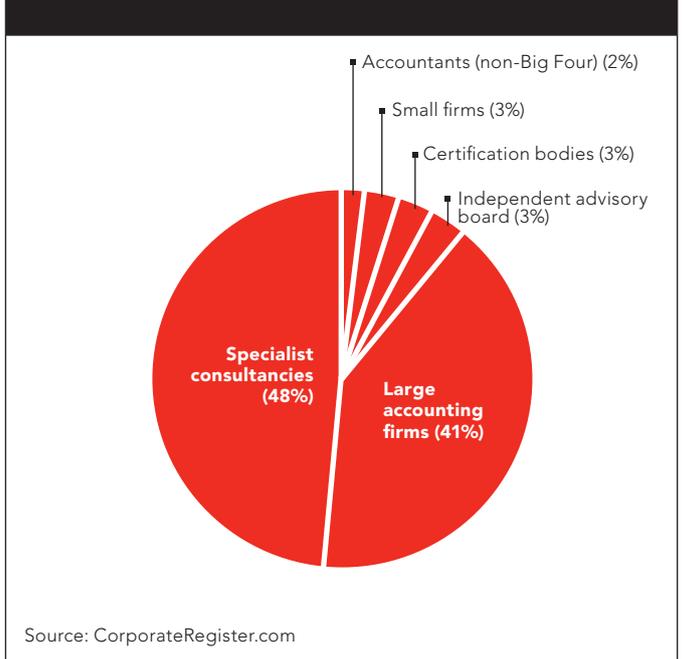
In 2011, the scope of assurance globally was concentrated on sustainability reports but assurance has also been provided for integrated reports and corporate responsibility reports.

Globally, assurance providers are most likely to be from specialist consultancies and large accountancy firms, as shown in Figure 2.3.

**Figure 2.2: Assurance by report type (2011)**



**Figure 2.3: Assurance by provider type (2011)**



### 3. Research methodology

In order to gather information, a survey of publicly available sustainability performance disclosures of the largest 100 companies in Australia was undertaken. The company sample list was compiled in early 2012 using the ASX Top 100 index.<sup>1</sup> Publicly available annual reports, sustainability reports and company websites were reviewed to identify which companies had reported sustainability information that included both environmental and social elements. Where companies had reported, independent assurance statements relating to their disclosures were analysed. The research was conducted between January and March 2012 and focused on disclosures reported in the 2010/11 financial year. The following section describes the criteria used for analysing each of the identified assurance statements.

#### REPORTING LEVEL

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Companies were split into two groups: those that reported sustainability information, and those that did not. There is no single definition of what constitutes sustainability reporting, and therefore identifying which companies 'report' was highly subjective. For this research the definition was kept purposefully wide, to ensure that as many assurance statements as possible were captured. For example, sustainability reporting did not necessarily have to be in the form of a standalone report, it was also captured through website disclosures, or as a chapter in a company's annual report. In section 4, reports have been further analysed to determine whether 'comprehensive' sustainability information has been provided.

In all cases the disclosures were publicly available. Since some companies report sustainability performance on a calendar year rather than financial year basis, reports for the calendar year ending December 2010 were also included.

#### INDUSTRY GROUP

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Each of the ASX 100 companies was categorised into one of 24 industry groups (as defined by the Global Industry Classification Standard, GICS (S&P 2012)), to identify any differences in approach to sustainability assurance between different industries. Companies within the ASX 100 fell into 19 of the 24 GICS industries. Since the split by industry group is not evenly weighted across the ASX 100, the data in this report have been reported as percentages of the industry group rather than absolute numbers.

#### ASSURANCE STATEMENTS

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Assurance statements were included for analysis when they were published in the sustainability report, annual report or website and specifically related to sustainability disclosures. Assurance statements with the title 'Verification Statement' were also included in the analysis (even though verification generally is not performed to a published standard, the statement still provides an opinion and is generally independent). In some cases, companies sought assurance from a number of providers for different parts of their sustainability reporting (for example, greenhouse gases versus social indicators). Where this is the case they have been separated as individual statements when presenting the standard used, and the scope of assurance.

#### ASSURANCE STANDARDS

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Assurance providers use a number of standards to provide assurance, and in some cases do not use a standard at all. The types of assurance referred to in the assurance provider's statements can be categorised in four ways.

##### 1. AA1000 Assurance Standard (2008) (AA1000AS).

The AA1000AS is a standard issued by AccountAbility that evaluates the adherence of an organisation to the AccountAbility Principles (2008) of Inclusivity, Materiality and Responsiveness (Type 1 assurance) and the reliability of associated performance information (Type 2 assurance). The first edition of the AA1000AS was the world's first assurance standard focusing specifically on sustainability (AccountAbility 2012).

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1. As recorded on 16 January 2012.

## 2. International Standard on Assurance Engagements (ISAE3000/ASAE3000).

The ISAE3000 (and the Australian version, ASAE3000) is a standard for the provision of assurance on non-financial matters, which includes sustainability reporting. This standard is managed by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

## 3. Combination of both AA1000AS and ISAE3000/ASAE3000.

In some cases both the above standards were used. For example, assurance may have been provided under the former standard for the alignment of an organisation's reporting to the AccountAbility Principles, and under the latter standard for reported performance data.

## 4. Other

There are also cases where an assurance provider does not use a standard, but still performs assurance-like or verification procedures over sustainability disclosures.

## ASSURANCE LEVELS

The levels of assurance provided were split into categories according to Table 3.1.

**Table 3.1: Categories for level of assurance**

AA1000AS (2008)	ISAE3000/ASAE3000
High	Reasonable
Moderate	Limited

Under the AA1000AS (2008) standard, a 'High' level of assurance requires the assurance provider to obtain sufficient (extensive) evidence to support their statement about disclosures, such that the risk that their conclusion will be in error is very low but not zero. Conversely a 'Moderate' level of assurance requires less extensive procedures to be undertaken to support a statement about disclosures, such that the risk of error in the assurance provider's conclusion is reduced, but not reduced to very low or zero. A high level of assurance results in a conclusion on the reliability of the information provided, while a moderate level will result in a conclusion on reliability based on the limited procedures undertaken.

Under the ISAE3000/ASAE3000 standard, a reasonable level of assurance requires an assurance provider to obtain sufficient appropriate evidence such that a conclusion can be provided in a positive form of expression (eg 'the performance information is not materially misstated'). Reasonable assurance means a high, but not absolute, level of assurance. Likewise, limited assurance allows a reduction in assurance procedures to support a negative form of expression of the assurance practitioner's conclusion (eg 'nothing has come to our attention, on the basis of the procedures undertaken, to indicate that the sustainability disclosures are misstated') (Auditing and Assurance Standards Board 2007).

In this research, a high level of assurance under the AA1000AS (2008) is equated to a reasonable level of assurance for the ISAE3000/ASAE3000. Similarly, a moderate level of assurance in the former is equated to a limited level of assurance in the latter.

## ASSURANCE COVERAGE

Significant variation can exist between assurance statements because of each company's flexibility for determining the scope of reporting, and similarly, the scope of assurance (when operating outside the AA1000AS). It was therefore necessary to identify some specific topics against which the coverage of assurance statements could be analysed. As a widely recognised framework for sustainability reporting, the Global Reporting Initiative (GRI) framework performance indicator categories (GRI 2011) were used to analyse the scope of each assurance statement:

- Environment
- Human rights
- Labour practices and decent work
- Society
- Product responsibility
- Economic.

## 4. Results

### SUSTAINABILITY REPORTING TRENDS IN THE ASX 100

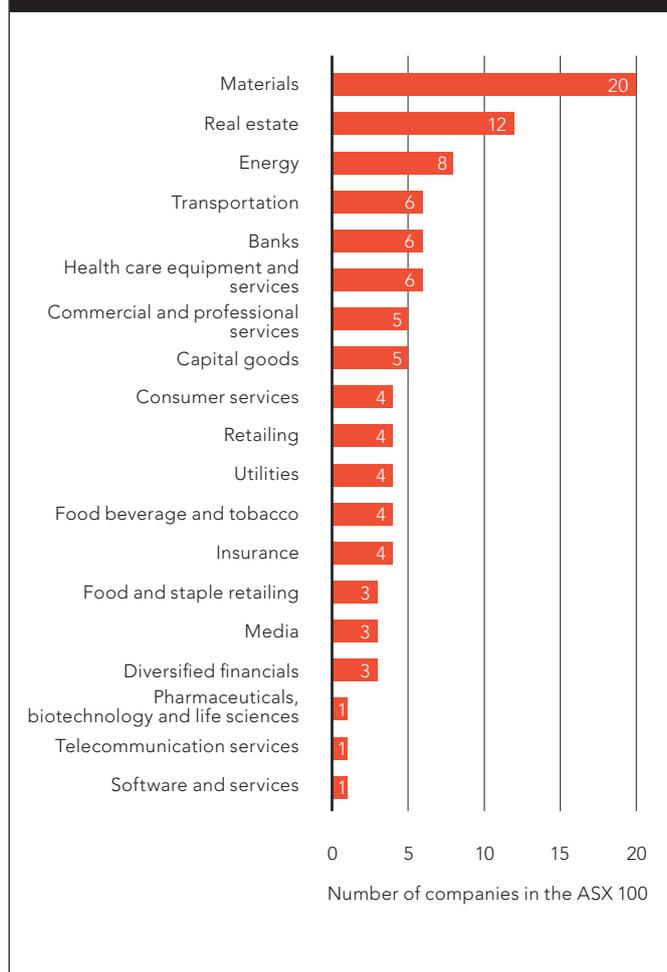
The ASX 100 covers 19 industry groups and is dominated at present by the Materials sector, owing to the significance of mining and construction to the Australian economy (ABS 2011), followed by the Real Estate and Energy groups (Figure 4.1).

Of the ASX 100 sample analysed:

- 85% published sustainability disclosures during the period
- the disclosures were presented across a mix of sustainability reports, annual reports and website content
- approximately 65% presented a comprehensive overview of sustainability information in either a stand-alone sustainability report (published in print or web-based) or as a section within an annual report
- a further 20% presented sustainability information over limited topics mentioned briefly in their annual report or on their website
- 43% of ASX 100 companies with published sustainability disclosures use the GRI guidelines as the primary framework for reporting.

In the majority of industries a high percentage of companies disclosed sustainability performance, with a few exceptions such as health care and media.

Figure 4.1: Profile of ASX 100 by industry group

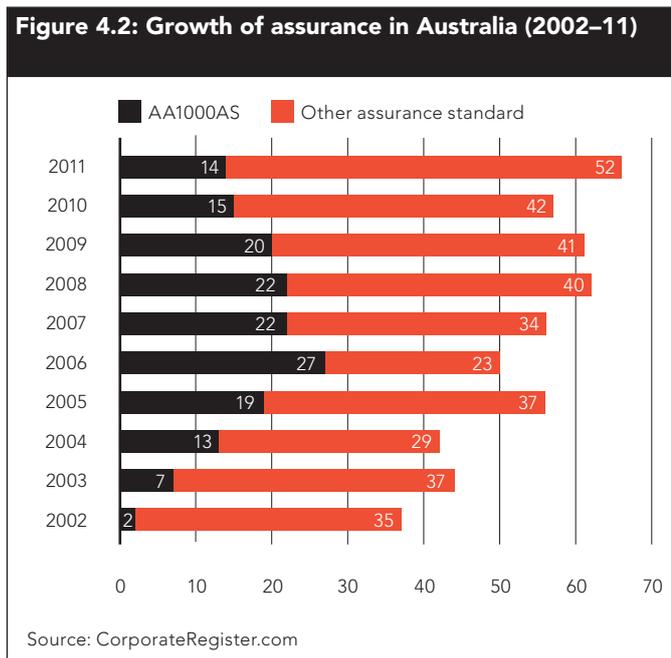


## ASSURANCE OF SUSTAINABILITY REPORTING

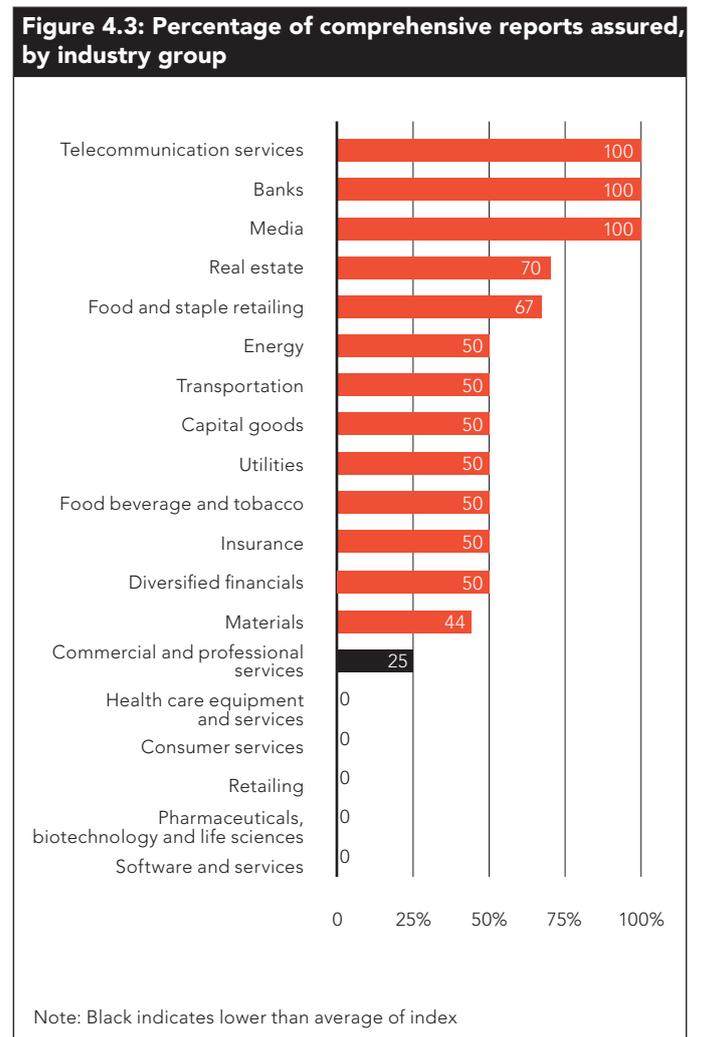
The information presented in this section reflects the number of independent assurance statements identified and does not reflect the range of the scope of the various statements. These trends are discussed separately in sections to follow.

Of the 65% companies in the ASX 100 that publicly and comprehensively report on their sustainability performance, approximately half had part of or all their sustainability disclosures reporting assured or verified. This equates to one-third of the ASX as a whole.

When comparing the state of sustainability assurance with that of previous years, it can be seen that the number of companies seeking assurance for their sustainability reporting has increased in comparison. Figure 4.2 shows assurance undertaken for all sustainability disclosures, and not just for companies that report comprehensively.



The Materials and Real Estate groups had the highest number of assurance statements included within their reports. Despite this, when the number of reports produced was compared with the number of these that were assured in each industry group, it was found that the Banks, Telecommunications and Media sectors demonstrated better performance. All the reports produced in these sectors were assured. This does not, however, take into account those companies that are not reporting or that are undertaking a low level of reporting within these industry groups. Taking into account this factor, the Materials group fell below the full index average (Figure 4.3).

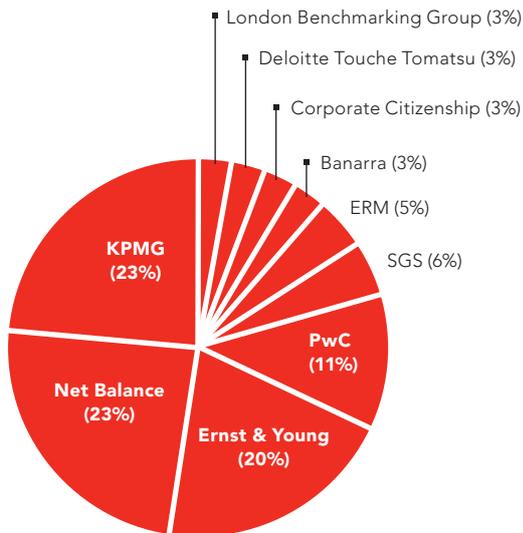


## ASSURANCE PROVIDERS

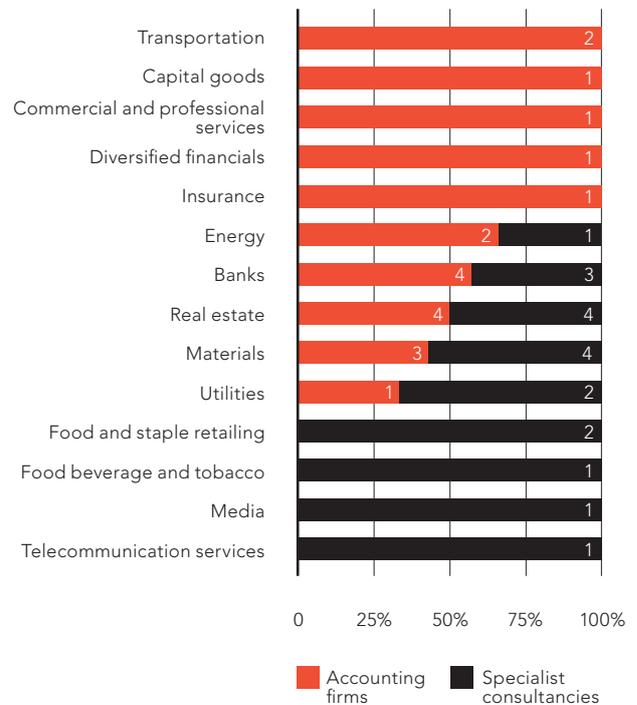
Accounting firms have expanded their traditional roles in financial auditing to include sustainability assurance, and there are also a significant number of specialist consultancies providing a similar service.

Accounting firms produced just over half (51%) of the assurance statements issued during the research period. Figure 4.5 shows the distribution of accounting firms and specialist consultancies providing engagements, by industry group. While many of the larger industry groups, such as Materials or Real Estate, use a variety of assurance providers, other industry groups show a preference for one type of assurance provider over another.

**Figure 4.4: Sustainability assurance providers in the ASX 100**



**Figure 4.5 Assurance providers split by industry group**

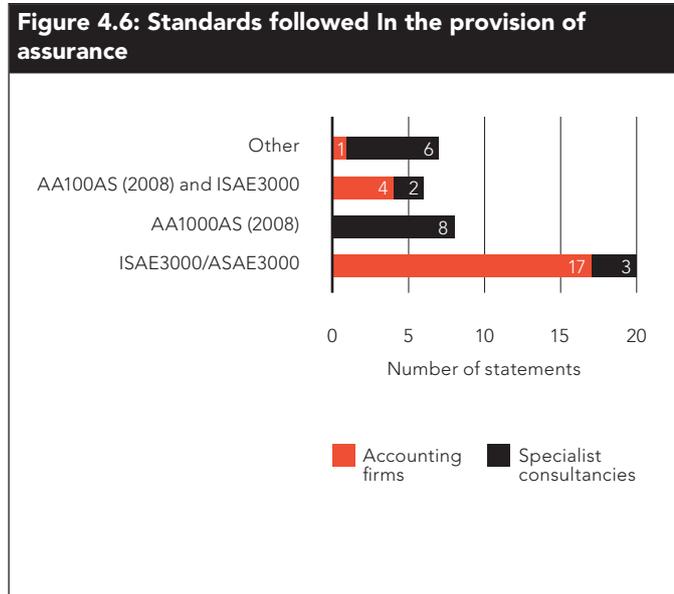


## ASSURANCE STANDARDS

As well as an increase in sustainability assurance, there has been an increase in the uptake of assurance standards compared with that found in previous studies, in which a number of statements made no reference to an assurance standard (Frost and Martinov-Bennie 2010). The analysis shows that the majority of statements considered in the present study refer to an assurance standard. The exception to this are Verification Statements, which do not refer to a specific standard.

The analysis shows that the standard for assurance most commonly used among the reports studied was ISAE3000/ASAE3000 (44%) followed by the AA1000AS (21%). In 15% of assurance statements the two standards were used in conjunction with each other.

This combined approach demonstrates that the AA1000AS was designed to be used with or without ISAE3000. The data also show that the use of particular standards can be highly dependent on the assurance provider, with accounting providers using ISAE3000/ASAE3000 almost exclusively and specialist consultancies predominantly using AA1000AS (Figure 4.6).

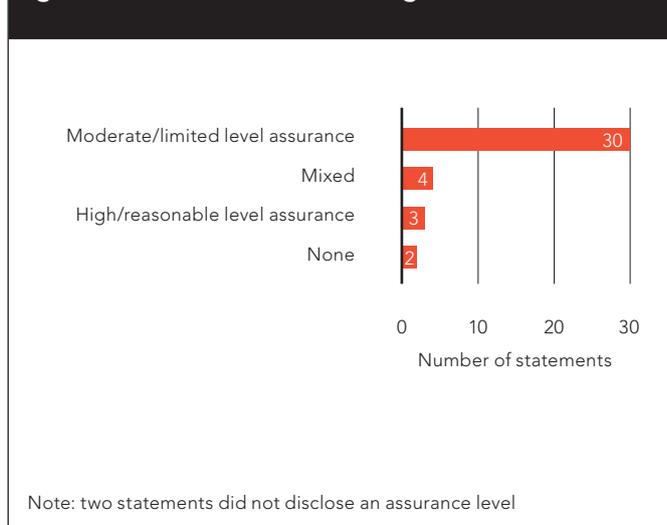


## ASSURANCE LEVEL

Both AA1000AS and ISAE3000/ASAE3000 standards include scope for different levels of assurance to be undertaken depending on the needs of the client. In the assurance statements analysed, it was found that in only three instances was a high or reasonable level of assurance given, with the majority (30 instances) of statements providing moderate or limited level of assurance (Figure 4.7).

This is in contrast to the reasonable level of assurance that is expected of financial reporting (ASX 2012).

Figure 4.7: Level of assurance sought\*



## SCOPE OF ASSURANCE

In addition to specifying which standards are used for assurance, if the ISAE/ASAE3000 standard is used, companies can also specify which sustainability performance disclosures they would like to have assured. Assurance may cover the whole report or specific data points within the report. To understand what information was assured by the ASX 100, report coverage was defined on the basis of the six GRI performance indicator categories: economic, environment, human rights, labour practices and decent work, product responsibility, and society.

Environmental indicators, including energy use and greenhouse gas emissions, were the most common indicators to be assured. This may reflect a regulatory change in greenhouse gas and energy reporting requirements through the Australian government's National Greenhouse and Energy Reporting Act (2007). A large number of companies within the ASX 100 are subject to these reporting requirements. As this is a regulatory mechanism that requires credible data, many companies subject their energy and greenhouse gas data to assurance.

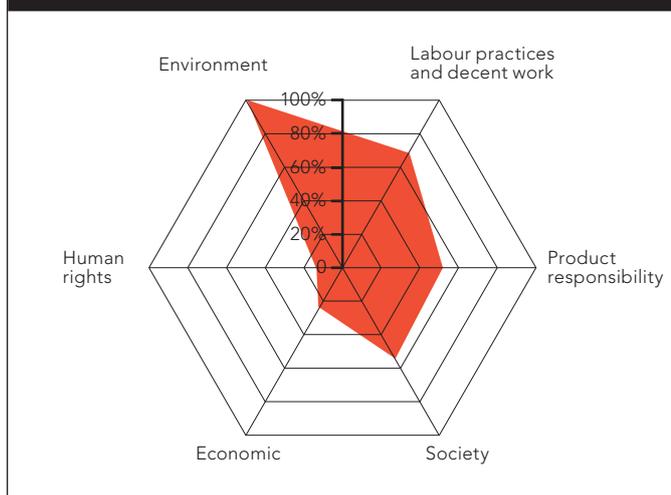
Assurance of human rights disclosures was only clearly identified in 10% of the statements reviewed. With the increased emphasis on supply chain reporting (ACCA and Net Balance Foundation 2011b), this is a key area for improvement in assurance coverage. For example, the GRI

(G4) is currently being developed which includes an assessment of value chain – requiring companies to understand their biggest upstream and downstream impacts, and to adjust their reporting boundary accordingly. This will affect the way that sustainability reports are framed and how assurance is undertaken in the future. While many reporters use the GRI guidelines to shape what is included in their sustainability reports, currently not all assurance engagements cover all six GRI performance indicator categories.

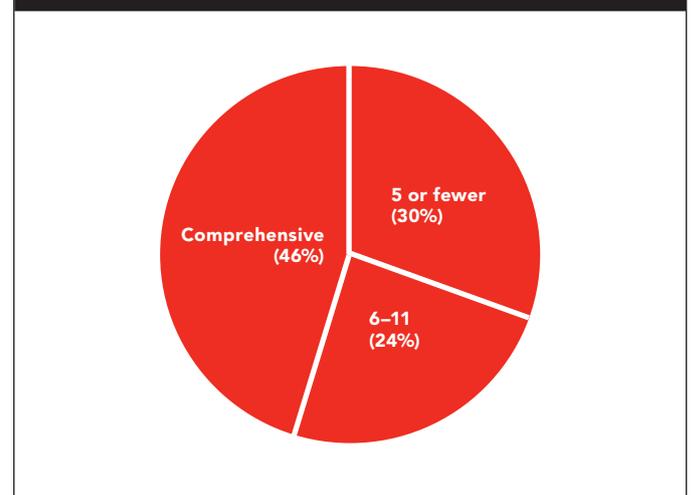
In addition to analysing the categories being assured, a count of the number of indicators (or separate datasets) being assured was undertaken. Just over one-third of statements make it clear that the assurance scope covers sustainability performance disclosures comprehensively – and in the majority of these cases, the AA1000AS was used. Less than one-third provide assurance of between 6 and 11 indicators, and the final third provide assurance of five indicators or fewer (see Figure 4.9).

This lack of coverage indicates that the scope of current sustainability assurance practices is often defined by what companies are reporting, and further, by what they wish to have assured. Further research is required on the number of GRI indicators reported in comparison with indicators subject to assurance. This research would help to reveal the percentage of material disclosures assured within the report.

**Figure 4.8: Number of datasets or items of performance information assured**



**Figure 4.9: Number of datasets or items of performance information assured**



## RECOMMENDATIONS

Recommendations in an assurance statement highlight areas of disclosure and performance that require improvement. If assurance has been undertaken over a number of consecutive years, the content of recommendations can be used as indicators of progress. AA1000AS requires the inclusion of recommendations within the assurance statement, while accounting standards such as ASAE3000 require the assurer, within the statement, only to bring certain matters of emphasis to the attention of the client, stakeholders and indeed external stakeholders.

This study reviewed assurance statements to determine the number and range of recommendations provided in assurance statements. It was found that recommendations were included in approximately 30% of assurance statements and that those recommendations were written exclusively by specialist consultancies. Assurance statements issued using the ISAE3000/ASAE3000 standard did not contain recommendations.

The recommendations identified were split into categories to provide a summary of the issues most commonly highlighted. Although there were a wide range of recommendations reflecting the differing approaches of companies, the most prevalent were improving systems and processes, improving disclosure around human rights, and identifying material issues selected for reporting. Additional recommendation categories are highlighted in Table 4.1.

**Table 4.1: Areas identified for improvement in Assurance Statement**

Area	No. of statements
Systems and processes	9
Human rights	9
Identification of material issues and indicators	6
Stakeholder engagement	4
Communication of outcomes	4
Data definition	4
Consistency in approach to reporting across organisation	4
Staff engagement and capacity building	2
Data Integrity and transparency	2
Governance	2
Setting of targets	1

Note that multiple recommendations about the same issue (for example, improvements to a number of systems and processes) were counted as one issue.

## 5. The way forward

The practice of independent assurance increases confidence in an organisation's performance data and reporting processes. It helps an organisation to report disclosures that reflect actual performance, and in so doing to build trust with their stakeholders (including employees, shareholders and the wider stakeholder community).

The analysis performed shows that in Australia there is room for improvement in the assurance of sustainability reports and performance disclosures. The number and type of disclosures that are covered by assurance statements are generally limited to environment and labour force disclosures. Additionally, firms that do seek assurance are targeting a moderate or limited level of assurance and a narrow scope, compared with the high level of assurance and coverage usually provided for financial disclosures. This lack of coverage has the potential to affect the credibility and reputation of sustainability assurance. Further research is required on the number of GRI indicators reported in comparison with indicators subject to assurance. This research would help to reveal the percentage of material disclosures assured within the report. While stakeholders may believe that an assurance statement lends credibility to sustainability reporting this may be misleading when in reality only a small proportion of publicly disclosed performance data have been independently assured.

As companies move towards a more integrated approach to reporting in which financial and sustainability disclosures are more closely linked, this gap between the level of assurance sought for sustainability disclosures versus that for financial data will need to be addressed. Further research would be warranted here to understand the reasons why companies are reluctant to seek higher levels of assurance for their sustainability disclosures and how this should be addressed as integrated reporting develops.

## Appendix 1: ASX 100 company list as of 16 January 2012

Company	Industry Group	Company	Industry Group
AGL Energy Ltd	Utilities	Lend Lease Group	Real Estate
Alumina Ltd	Materials	Lynas Corporation Limited	Materials
Amtcor Ltd	Materials	Macquarie Group Ltd	Diversified Financials
AMP Ltd	Insurance	Metcash Ltd	Food & Staples Retailing
Ansell Ltd	Health Care Eqpt & Services	Mirvac Group	Real Estate
ANZ Banking Group	Banks	Monadelphous Group Ltd	Capital Goods
APA Group	Utilities	Myer Holdings Ltd	Retailing
Aquarius Platinum (Bermuda)	Materials	National Australia Bank Ltd	Banks
Asciano Ltd	Transportation	Newcrest Mining Ltd	Materials
ASX Limited	Diversified Financials	News Corporation Ltd	Media
Atlas Iron Limited	Materials	Oil Search Ltd	Energy
Bank of Queensland Ltd	Banks	OneSteel Ltd	Materials
Bendigo and Adelaide Bank Ltd	Banks	Orica Ltd	Materials
BHP Billiton Ltd	Materials	Origin Energy Ltd	Energy
Bluescope Steel Ltd	Materials	OZ Minerals Limited	Materials
Boart Longyear Limited	Capital Goods	Paladin Energy Ltd.	Energy
Boral Ltd	Materials	PanAust Ltd	Materials
Brambles Industries Ltd	Commercial & Professional Svcs	Perseus Mining Limited	Materials
Caltex Australia Ltd	Energy	Primary Health Care Ltd	Health Care Eqpt & Services
Campbell Brothers Ltd	Commercial & Professional Svcs	Qantas Airways Ltd	Transportation
CFS Retail Property Trust	Real Estate	QBE Insurance Group Ltd	Insurance
Challenger Limited	Diversified Financials	QR National Ltd	Transportation
Charter Hall Office REIT	Real Estate	Ramsay Health Care Ltd	Health Care Eqpt & Services
Coca-Cola Amatil Ltd	Food Beverage & Tobacco	ResMed Inc	Health Care Eqpt & Services
Cochlear Ltd	Health Care Eqpt & Services	Rio Tinto Ltd	Materials
Commonwealth Bank Australia	Banks	Santos Ltd	Energy
Commonwealth Property Office	Real Estate	Seek Ltd	Commercial & Professional Svcs
Computershare Ltd	Software & Services	Seven West Media Ltd	Media
Crown Limited	Consumer Services	Sims Metal Management Ltd	Materials
CSL Ltd	Pharm, Biotech & Life Sciences	Sonic Healthcare Ltd	Health Care Eqpt & Services
CSR Ltd	Capital Goods	Spark Infrastructure Trust	Utilities

Company	Industry Group	Company	Industry Group
David Jones Ltd	Retailing	Stockland	Real Estate
Dexus Property Group	Real Estate	Suncorp Group Ltd	Insurance
Downer EDI Ltd	Commercial & Professional Svcs	Sydney Airport	Transportation
Duet Group	Utilities	Tabcorp Hldgs Ltd	Consumer Services
Echo Entertainment Group	Consumer Services	Tatts Group Limited	Consumer Services
Fairfax Media Ltd	Media	Telstra Corp Ltd	Telecommunication Services
Fortescue Metals Group	Materials	Toll Hldgs Ltd	Transportation
Goodman Fielder	Food Beverage & Tobacco	Transfield Services Ltd	Commercial & Professional Svcs
Goodman Group	Real Estate	Transurban Group NPV	Transportation
GPT Group	Real Estate	Treasury Wine Estates	Food Beverage & Tobacco
Graincorp Ltd A	Food Beverage & Tobacco	UGL Ltd	Capital Goods
Harvey Norman Hldgs Ltd	Retailing	Wesfarmers Ltd	Food & Staples Retailing
Iluka Resources Ltd	Materials	Westfield Group	Real Estate
Incitec Pivot	Materials	Westfield Retail Trust	Real Estate
Insurance Australia Group Ltd	Insurance	Westpac Banking Corp	Banks
Investa Office Fund	Real Estate	Whitehaven Coal Ltd	Energy
James Hardie Industries SE	Materials	Woodside Petroleum Ltd	Energy
Jb Hi-Fi	Retailing	Woolworths Ltd	Food & Staples Retailing
Leighton Hldgs Ltd	Capital Goods	WorleyParsons Ltd	Energy

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## About the authors

### ACCA

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ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants. We aim to offer business-relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management. We support our 154,000 members and 432,000 students in 170 countries, helping them to develop successful careers in accounting and business, with the skills needed by employers. We work through a network of over 80 offices and centres and more than 8,400 Approved Employers worldwide, who provide high standards of employee learning and development.

ACCA has for many years been considered a leader in sustainability-related issues, including reporting, assurance, research and corporate governance. For over two decades ACCA has championed the business case for greater corporate accountability and transparency, and has been closely involved with GRI, A4S and IIRC since each were initiated. ACCA has focused programmes of work on carbon accounting and environmental accountability, and has worked in partnership with many organisations including FTSE4Good, WWF, CERES, AccountAbility, Transparency International and KPMG.

[www.accaglobal.com/sustainability](http://www.accaglobal.com/sustainability)

### NET BALANCE FOUNDATION

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Net Balance Foundation Limited is a not-for-profit think-tank set up specifically to work with small to medium enterprises, research groups, industry groups, professional associations and other not-for-profit groups in the pursuit of sustainable business. The Foundation also undertakes research and consultancy projects on a not-for-profit basis, with the caveat that any research conducted will be made publicly available for the public good. The Foundation's view is that the fundamental purpose of business is to increase shareholder value by providing goods and services that reflect market and community needs at affordable prices that reflect actual values, incorporating environmental and social costs and benefits. The Foundation also believes that this approach will contribute to stakeholder-value creation in business, thereby reducing reputational risk and preserving the licence to operate. More importantly, externalising such costs may contribute to a loss of competitive advantage over the longer term. Net Balance Foundation draws its resources from Net Balance Management Group ([www.netbalance.com](http://www.netbalance.com)), a sustainability advisory and assurance firm.

[www.netbalance.com](http://www.netbalance.com)

Note: Net Balance has been engaged by members of the ASX 100 (over the past five years, including AGL Energy Limited, Amcor, Boral, Dexus, Downer, Goodman Fielder, GPT Group, IAG, Mirvac, OZ Minerals, Transurban Group, Santos, Stockland, Wesfarmers and Woolworths) to provide external assurance or verification for previous sustainability reporting.

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