



Global Compact Network
Australia

2015

ANNUAL REPORT

Lead. Enable. Connect.

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Acknowledgement of country and traditional owners

The Global Compact Network Australia acknowledges Aboriginal and Torres Strait Islander Australians as the traditional owners and custodians of the land on which we work. We pay our respects to elders past, present and future.

Highlights

- Significant two-year partnership between the Global Compact Network Australia and the Department of Foreign Affairs and Trade (DFAT) launched by Foreign Minister, Julie Bishop MP, aimed at building business engagement in sustainable development and the Sustainable Development Goals (SDGs).
- New Sustainable Development Leadership Group launched, adding to the GCNA's existing engagement platforms, the Human Rights Leadership Group, Anti-Corruption Leadership Group and Environment Leadership Group.
- Continuing strong growth, with a number of new members including ANZ Bank, David Jones, Deloitte, EY, Fairtrade Australia & NZ, Intrepid Travel, National Australia Bank, Optus, Republic of Everyone, Stockland, Tata Consultancy Services, Visy Industries, Wesfarmers, Yarra Valley Water, Australia-Africa Mining Industry Group, Monash University and RMIT University.
- 18 events delivered during the year across all of the Global Compact's core areas of human rights, labour, environment, anti-corruption and sustainable development, engaging over 900 participants.
- Appointment of GCNA Executive Manager, Alice Cope, as regional representative to the UN Global Compact's Local Networks Advisory Group.

About the Global Compact

The **United Nations Global Compact** is the world's largest corporate sustainability initiative, with over 13,000 participating businesses and other organisations.

The UN Global Compact is both a practical framework for action and a platform for demonstrating commitment and leadership. The initiative calls on businesses to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action to advance societal goals including sustainable development.

The **Global Compact Network Australia (GCNA)** is the Australian, business-led network of the UN Global Compact.

The GCNA brings together signatories to the UN Global Compact – including a number of Australia's leading companies, non-profits and universities – to advance corporate sustainability and the private sector's contribution to sustainable development.

The GCNA does this through a platform for dialogue, learning and influence that is inclusive, practical and leading edge, supporting our companies' practical implementation efforts and bringing the UN Global Compact to life in the Australian context and wherever Australian companies operate. Through its activities, the GCNA provides a meeting point where organisations can build best practice around sustainability and connect with networks and experts within Australia and globally.

Since its launch in 2009, the GCNA has grown to become one of Australia's leading corporate sustainability initiatives.

Vision

The Global Compact Network Australia is the leading driver of effective business practices that deliver social, economic and environmental gains.

Mission

We lead, enable and connect business, government and civil society to practically apply the principles of the UN Global Compact.

OVER
13,000
PARTICIPATING
ORGANISATIONS
IN MORE THAN
170
COUNTRIES



The Ten Principles of the UN Global Compact

Human Rights

Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2 make sure that they are not complicit in human rights abuses.

Labour

Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4 the elimination of all forms of forced and compulsory labour;

Principle 5 the effective abolition of child labour; and

Principle 6 the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7 Businesses should support a precautionary approach to environmental challenges;

Principle 8 undertake initiatives to promote greater environmental responsibility; and

Principle 9 encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.



Member Benefits

The UN Global Compact provides a universal language for corporate responsibility, and provides a framework to guide all businesses regardless of size, complexity or location. Whether a company is already a global sustainability leader, or at the beginning of its sustainability journey, the UN Global Compact allows it to tell its sustainability story through an established, globally recognised, UN-backed framework.

Membership of the Global Compact Network Australia (GCNA) gives organisations in Australia the opportunity to actively engage in the UN Global Compact.

Align your sustainability approach with the world's largest – and only UN-backed – corporate sustainability framework

- Demonstrate leadership and manage risk by aligning with the world's leading corporate sustainability framework, founded in the moral authority, knowledge and experience of the United Nations.
- Leverage the UN's global reach and convening power with government, business, civil society and other stakeholders.
- Enhance your social licence to operate.
- Improve corporate and brand reputation, employee engagement, management of corporate sustainability risks and issues and enhance operational efficiencies.

Collaborate, learn and network

- Access global and Australian best and emerging practices for practical solutions to corporate sustainability challenges.
- Network with a strong and growing group of leading Australian corporates, together with SMEs, non-profits, universities and Government.
- Enjoy priority access to regular forums, workshops, dialogues and other events convened directly by the GCNA and in partnership with others. Registration at most GCNA events is complimentary for members.
- Access international events and forums.
- Access peer learning networks and opportunities to share knowledge and best practice, case studies, resources and experiences through the GCNA's Leadership and Working Groups.
- Access a network of professionals who can provide feedback and guidance on your corporate responsibility, citizenship and sustainability initiatives and challenges.

Demonstrate leadership and profile your achievements

- Demonstrate commitment and leadership on sustainability issues through the GCNA website, events and projects.
- Be recognised on the GCNA website with your corporate logo and profile.

Shape the conversation

- Be part of the conversation as the GCNA leads and shapes national and international dialogue on critical corporate sustainability issues, including business and human rights and the private sector's role in sustainable development.
- Collectively influence the corporate sustainability and responsibility agenda in Australia.

Access tools, resources and templates

- Access to tools, resources, templates and support for implementing and reporting on your organisation's progress in relation to the UN Global Compact principles.

Participate in governance

- Participate in the governance of the GCNA, by nominating representatives to Board, Leadership Group or Expert Advisor positions.

Connect globally

- Access the GCNA's support connecting with UN Global Compact networks, participants and experts in Australia, regionally and around the world.

Our Members

The GCNA continues to grow, with fifteen new organisations joining between July 2014 and the issue of this report: ANZ Bank, Australia-Africa Mining Industry Group, David Jones, Deloitte, EY, Fairtrade Australia & NZ, Intrepid Travel, Monash University, National Australia Bank, Optus, Republic of Everyone, RMIT University, Stockland, Tata Consultancy Services, Visy Industries, Wesfarmers and Yarra Valley Water.

Business

Accenture Australia
Allens
An Mea International
ANZ Bank
Australia Post
Australian Centre for Corporate Social Responsibility
Bank Australia
BHP Billiton
Brambles
Commonwealth Bank of Australia
David Jones
Deloitte
EY
Fortescue Metals Group
Futureye
Generation Alliance
GHD
Glencore Coal
Innovia Security
International SOS
Intrepid Travel
KPMG Australia
Landell
Lendlease
National Australia Bank
Nestle Australia
Oil Search
Optus
Paper Force (Oceania)
PwC Australia
RedR Australia
Republic of Everyone
Rio Tinto
Shell
SMEC Holdings
Solaris Paper
Stockland Corporation
Tata Consultancy Services
Telstra Corporation
The GPT Group
Transurban International
Visy Industries
Wesfarmers Limited
Westpac Banking Corporation
Woolworths
WorleyParsons
Yarra Valley Water

Business Associations

Australia-Africa Mining Industry Group (AAMIG)
Chartered Accountants Australia & New Zealand
CPA Australia

Non-Profit Organisations

BPW Australia
Centre for Equality
Diversity Council of Australia
Fairtrade Australia & NZ
Plan International
Transparency International Australia
WaterAid Australia
World Vision Australia

Academic Institutions

Deakin University
Griffith University
La Trobe University
Monash University
RMIT University
University of Melbourne

Chairperson's Report



A handwritten signature in black ink that reads "Catherine Hunter".

Catherine Hunter
Head of Corporate Citizenship
KPMG Australia
Director and Chairperson
Global Compact Network Australia

Welcome to the 2015 Annual Report of the Global Compact Network Australia (GCNA).

2015 marked the 15th anniversary of the UN Global Compact, providing a time to reflect on the initiative's achievements and opportunities for continued future impact.

In 1999, in a speech to business leaders at the World Economic Forum, then UN Secretary-General Kofi Annan proposed "a global compact of shared values and principles, which will give a human face to the global market". From the initiative's subsequent launch in 2000 with only a handful of companies, the UN Global Compact's journey to become the world's largest corporate sustainability initiative has been remarkable. The UN Global Compact now counts over 13,000 signatories, a range of engagement platforms driving business action, including Caring for Climate, the CEO Water Mandate and Women's Empowerment Principles, and sister initiatives that are driving change in related spheres including the Principles for Responsible Investment and Principles for Responsible Management Education.

Business is well placed to find opportunities for positive impact, and in this regard the opportunity now is significant. The Sustainable Development Goals – which set global development priorities for the next 15 years – identify a critical role for the private sector in implementing and financing action, and invite companies to partner with the UN, governments and civil society like never before. The SDGs provide a new framework, with local and global relevance, to guide the efforts in creating positive impact.

Over the past three years we have been *counting down* to the SDGs. Now we are *looking forward* to the vast opportunities that exist for business, government and civil society.

The SDGs have been adopted, but now the hard work begins to invest in and implement the agenda at an international, regional, national and local level – not just in developing countries, but in *all* countries.

The question facing the GCNA and our companies now is: how do we catalyse the market transformation we need to ensure an equitable future and healthy planet for the generations that are to come?

We stand at a critical point in time – a time at which we need business to take its place in finding solutions to the critical challenges facing Australia and the world, to take corporate sustainability to scale and to change markets from within.

The UN Global Compact has identified three critical pathways for making this shift:

- 1. Making sustainability the 'business of business'.** We need to engage more companies with the Global Compact, and challenge them to rethink their corporate purpose and recalibrate their goals.
- 2. Breaking down barriers and energising positive drivers.** Collaboration between business, government, civil society and academia is critical in scaling impact. The GCNA plays a key role in this regard, as a business-led, yet multi-stakeholder initiative, and through strategic partnerships such as that launched recently with DFAT.
- 3. Driving new thinking for a new reality.** The Global Compact's ultimate goal is to inspire new ways of thinking and catalyse transformative action. As a new generation of business leaders step up, we expect a focus not just on growth and profit, but on truly sustainable legacy.

What must not get lost is that first, business must act responsibly and 'do no harm' – and the UN Global Compact's core principles provide direction for this. Then, there is significant opportunity to create positive impact, and our engagement platforms locally and internationally provide opportunities to learn, share and collaborate in this regard.

Locally, the GCNA continues to enjoy strong growth, highlighting both the growing commitment of Australian businesses to lead on creating a sustainable future, and the Network's value as a platform for learning and engagement.

Our activities also continue to grow in number and reach, and our two-year partnership with DFAT, announced in August, further supports this. We thank the Australian Government for their commitment and welcome the future opportunities this will bring for our members. We are now well placed to achieve our vision of becoming Australia's leading initiative for corporate sustainability.

Beyond Australia, the GCNA plays an important role in the global family of country-based Global Compact local networks. This was recognised with Alice Cope, our Executive Manager, being elected as regional representative to the UN Global Compact's Local Networks Advisory Group. With this appointment, we will continue to build relationships across the region and around the world, bringing a stronger voice to the UN Global Compact in New York representing Australia and the region's interests.

I would like to acknowledge the contributions of our Directors who have retired this year. Richard Boele served on the GCNA Board for almost four years, fulfilling the roles of Director, Deputy Chair, Public Officer and Chair of the Finance, Risk and Audit Committee. Richard also made significant contributions to our Human Rights Leadership Group Steering Committee, and we highly value his continued involvement in that group.

Darragh Brennan was appointed as a Director at our 2014 AGM, but moved to a new company and so resigned his position in 2015. In addition to his contributions as a Director, Darragh was involved in our Environment Leadership Group Steering Committee for a number of years.

My deep thanks to my colleagues on the Board, for their time, insights, skills and commitment. We have a remarkable group of people who make significant time in their busy lives to advocate for the Global Compact.

To our Executive Manager, Alice Cope. We continue to benefit from your deep knowledge, drive and dedication. You lead the Network with passion and integrity and we are indebted to your commitment.

In closing, I would like to thank all of our members. The Network is only as strong as it is due to your many contributions and we greatly value your support and engagement.

The Global Compact is critically positioned to lead and drive the outcomes needed to create a better future for all. Never before has there been such a strong convergence of key sustainability issues, such as food security, water, gender equality and peace and justice, with key business risks and strategy. The Boardroom conversation is shifting – the momentum for action is building.

We look forward to working with you and showcasing your leadership in the year ahead.

Executive Manager's Report



A handwritten signature in black ink, appearing to read 'Alice Cope'.

Alice Cope
Executive Manager
Global Compact Network Australia

2015 has been a most significant one for the GCNA and the global corporate sustainability agenda.

The GCNA continues to show strong growth in terms of membership and broader engagement, demonstrating both the value of our platform and the desire from Australian businesses to proactively contribute to the sustainability agenda domestically and internationally. All signs point to this growth continuing to build as the GCNA emerges as Australia's leading hub for corporate sustainability.

An expanding area of work for the GCNA over the last year has been in relation to sustainable development and the Sustainable Development Goals (SDGs). The SDGs, launched in September, will shape global, regional and local development priorities until 2030.

The SDGs present an historic opportunity for businesses to align their strategies and activities with these global priorities, producing outcomes that advance societal goals and drive business success.

In February 2015, we convened with the Sustainable Development Solutions Network a significant multi-stakeholder workshop to bring companies up to speed with the global agenda, and highlight engagement opportunities.

On the policy front, the GCNA's submission to, and appearance before, the Joint Parliamentary Committee's inquiry into the role of the private sector in promoting economic growth and reducing poverty in the region, were well received, with the UN Global Compact being highlighted in the Committee's report as a key framework in this space.

We also achieved a significant milestone with the announcement by the **Hon. Julie Bishop MP**, Foreign Minister, of a two-year partnership between the GCNA and Department of Foreign Affairs and Trade. The partnership aims to promote the GCNA's mandate and bring more Australian companies into our network.

Through our partnership with DFAT, we have launched the Sustainable Development Leadership Group (SDLG) as a platform for business and stakeholders to engage in learning, dialogue and action around sustainable development and the SDGs. The SDLG adds to our existing engagement platforms – the Human Rights Leadership Group, Environment Leadership Group and Anti-Corruption Leadership Group.

Our strong relationship with DFAT and the new SDLG provide a unique channel for GCNA members to engage with the Australian Government around sustainability.

Executive Manager's Report continued

Our program of activities continues to be busy. We have been fortunate to hear from a number of leaders at our events during the year, including **Anthony Pratt**, Executive Chairman of Visy Industries, **Michael Andrew**, former Global Chairman of KPMG and co-chair of the Australian B20 Working Group on Anti-Corruption, **Mick Gooda**, Aboriginal and Torres Strait Islander Social Justice Commissioner, **Professor Marcia Langton AM**, **Bob Massie**, outgoing President and CEO of New Economy Coalition and co-founder and first chair of the Global Reporting Initiative and **John Morrison**, Executive Director, Institute for Human Rights and Business (UK), among others.

Human rights continues to be a hot topic for our companies, and remains a core focus area for the GCNA. Building on our inaugural Australian Dialogue on Business and Human Rights in 2014, we have recently concluded a second successful national multi-stakeholder dialogue, and continue to engage with business, government and civil society on moving the agenda forward.

Our Human Rights Leadership Group has also engaged with various partners around key topics of interest including supply chains and security and human rights. This has included launching our Security and Human Rights Community of Practice, providing a unique peer forum for senior security representatives from extractives companies to share experiences on providing security with respect for human rights in challenging contexts.

We continue to hear from our members that embedding sustainability in their organisations, and engaging colleagues from outside the sustainability team, remains challenging. To tackle this, our Environment Leadership Group has taken a new approach this year, designing events for sustainability practitioners to bring colleagues from other functions (risk, strategy, finance) to help them engage more effectively internally and facilitate cross-functional discussions on sustainability issues.

Our Anti-Corruption Leadership Group continues to provide a unique forum focused on peer learning. We continue to explore opportunities for the GCNA to drive national policy in this space and look forward to updating you on this as our thinking develops.

In closing, I would like to thank the GCNA Board members for their leadership and support during the year. Their significant contributions of time and energy have been critical to ensuring the GCNA goes from strength to strength.

Thanks also to our members for their continued support and drive to create a sustainable and inclusive future. I look forward to working with you over the coming year.

Our Board

The Board of Directors of the Global Compact Network Australia governs and oversees the strategies, operations and business plans of the organisation. As at the date of issue of this report, the GCNA Board comprised the following Directors.

Catherine Hunter
[Director, Chair and Australian Network Representative](#)

Head of Corporate Citizenship
KPMG Australia

Megan Christensen
[Director and Chair, Sustainable Development Leadership Group](#)

Group Manager Corporate Sustainability
Oil Search

Alison Ewings
[Director and Chair, Environment Leadership Group](#)

Executive Manager, Sustainability
Westpac

Rachel Nicolson
[Director and Chair, Anti-Corruption Leadership Group](#)

Partner
Allens

Vanessa Zimmerman
[Director and Chair, Human Rights Leadership Group](#)

Group Advisor Human Rights
Rio Tinto

Celia Reynolds
[Director](#)
Group Head of Internal Audit
Lendlease

Board Committees

Nominations and Governance Committee

Catherine Hunter
Megan Christensen
Alison Ewings
Vanessa Zimmerman

Finance, Risk & Audit Committee

Rachel Nicolson
Celia Reynolds

Additional information on the Board of Directors, including Board meetings held during the year, is set out in the Directors' Report on pages 28-30.

Retirements

Richard Boele, GCNA Board Director since 2012, retired from the Board in September 2015 following the merger of his consultancy, Banarra, with KPMG. As KPMG was already represented on the GCNA Board, Richard retired as Director in accordance with the GCNA's Constitution.

Darragh Brennan was appointed to the Board at the Annual General Meeting as a representative of GCNA member Solaris Paper. Darragh left Solaris Paper in May 2015 to take up a position at a new organisation, and so retired as Director of the GCNA in accordance with the GCNA's Constitution.

Leadership Groups

A key way for GCNA members to get involved is to be part of our Leadership Group Steering Committees, Advisory Groups or Working Groups. These Committees and Groups drive and shape our activities, and we thank members for their contributions over the last year.

Human Rights Leadership Group Steering Committee

Vanessa Zimmerman, Chair and Expert Advisor Human Rights
Group Advisor Human Rights
Rio Tinto

Richard Boele
Partner
KPMG Banarra

Note: The HRLG Steering Committee is currently being reviewed and will welcome new members by the end of 2015.

Advisory Group for the Australian Dialogues on Business and Human Rights

Vanessa Zimmerman (Chair)
(2014 & 2015)
Group Advisor Human Rights
Rio Tinto

Rachel Ball (2014)
Director of Advocacy and Campaigns
Human Rights Law Centre

Rosemary Bissett (2015)
Head of Sustainability Governance & Risk
National Australia Bank

Alexandra Guaqueta (2014)
UN Working Group on Business
and Human Rights

Emily Howie (2015)
Director of Advocacy and Research
Human Rights Law Centre

Armineh Mardirossian (2015)
Head of Corporate Responsibility
Woolworths

Sarah McGrath (2014 & 2015)
Advisor to the President
Australian Human Rights Commission

Justine Nolan (2014 & 2015)
Associate Professor, University of NSW
Deputy Director, Australian Human Rights
Centre

Kevin Playford (2014 & 2015)
Director, Human Rights and Indigenous
Issues Section
Department of Foreign Affairs and Trade

Elaine Prior (2015)
ESG Investment Analyst
Citi

Paul Redmond (2015)
Professor
University of Technology Sydney

Carolyn Seeger (2014 & 2015)
Senior Sustainability Advisor
Telstra

Melissa Stewart (2015)
Senior Advisor, Trafficking in Persons
World Vision Australia

Rita Sully (2015)
Social Performance Management Lead
Shell (Australia)

Environment Leadership Group Steering Committee

Alison Ewings, Chair
Executive Manager, Sustainability
Westpac

John Tomac
Partner
PwC Australia

Mark Thomas
Corporate Relations Manager
Wateraid

Hjalmar Philipp
Environment Performance Manager
Oil Search

Darragh Brennan*
Manager Corporate Affairs and
Sustainability
Solaris Paper

Anti-Corruption Leadership Group Steering Committee

Rachel Nicolson, Chair
Partner
Allens

Michael Ahrens
CEO
Transparency International Australia

Tim Robinson
Manager, Anti-Corruption and Trade
BHP Billiton Ltd

Kate Gordon
Executive Manager, Group Compliance
Strategy
Commonwealth Bank Australia

Gary Gill
Partner, Forensic
KPMG

Anna Hopley*
Acting Group Anti-Bribery & Corruption
Officer
Westpac

Sustainable Development Leadership Group Steering Committee

Megan Christensen, Chair
Group Manager Corporate Sustainability
Oil Search

Catherine Hunter
Head of Corporate Citizenship
KPMG

Sam Mostyn
President
ACFID

Simon Cramp
Director - Private Sector Development
Department of Foreign Affairs and Trade

James Ensor
Group Senior Manager Social Policy
BHP Billiton

Larry Jackson
CEO
Paperforce

Kate Chaney
Manager Sustainability and Community
Partnerships
Wesfarmers

Armineh Mardirossian
Head of Corporate Responsibility
Woolworths

Jane Nash
Head of Corporate Sustainability and
Financial Inclusion
ANZ Bank

Michael Parks
General Manager - Governance,
Integration and Reporting
Telstra

Lucy Roberts
General Manager Sustainable
Development
Glencore

Jelina Taylor
Sustainable Business Manager
Intrepid Travel

** Darragh and Anna left their GCNA member organisations during the year, and so the Steering Committees. We thank them for their contributions.*

Our Activities

The past year was the busiest to date for the GCNA. With unprecedented levels of engagement from our members and stakeholders, we delivered 18 events between July 2014 and July 2015, attended by more than 900 participants.

The activities included here are for the period 1 July 2014 to 19 October 2015 (the issue date of this report).

Photos clockwise from top left on next page: Michael Rose (Chief Executive Partner, Allens), Alice Cope (GCNA), Catherine Hunter (GCNA & KPMG), the Hon. Julie Bishop, Foreign Minister and Brian Hartzler (CEO, Westpac) at CEO Roundtable on Sustainable Development; Melissa Stewart (World Vision Australia) at 2015 Australian Dialogue on Business and Human Rights; Virginia Haus (Journalist, ABC), Elizabeth Broderick (Sex Discrimination Commissioner), Simon Rothery (CEO, Goldman Sachs Australia), Cassandra Kelly (CEO, Pottinger) and David Thodey (CEO, Telstra) at Women's Empowerment Principles event; Peter Botten (Managing Director, Oil Search) at CEO Roundtable on Sustainable Development; Sonya Rand (Coles), David Mullen (Simplot Australia), Dr Leeora Black (ACCSR) at 2015 Dialogue; John Morrison (Executive Director, Institute for Human Rights and Business) at 2015 Dialogue.



Social Sustainability and Human Rights

Leading the national dialogue on business and human rights

2014 Australian Dialogue on Business and Human Rights

In partnership with the Australian Human Rights Commission

Sponsored by Rio Tinto, KPMG and La Trobe University

July 2014, Sydney

In July 2014, the Global Compact Network Australia and the Australian Human Rights Commission convened over 100 representatives from business, government, civil society and academia at the Australian Dialogue on Business and Human Rights: Challenges and opportunities for Australian businesses at home and abroad. This was Australia's first national, multi-sector, multi-stakeholder dialogue on the issue and the GCNA's most significant event to date.

Participants heard from 27 experts across seven topics, including the corporate responsibility to respect human rights, the role of government, access to remedy and grievance mechanisms, bringing a human rights lens to Indigenous engagement and human rights in the supply chain.

Alexandra Guaqueta, then Chair of the UN Working Group on Business and

Human Rights, provided international perspectives on the day and provided a channel for Australian practice to be shared globally.

The Dialogue highlighted that the discussion had largely moved beyond "why" business should respect human rights, to practical questions around "how" to effectively do so.



Professor Gillian Triggs (President, Australian Human Rights Commission) at the 2015 Australian Dialogue on Business and Human Rights.

2015 Australian Dialogue on Business and Human Rights*

In partnership with the Australian Human Rights Commission

Sponsored by Allens

August 2015, Sydney

After the success of the inaugural Dialogue in 2014, the GCNA and Australian Human Rights Commission convened the second Australian Dialogue on Business and Human Rights: Moving from policy to practice in August 2015.

Again, over 100 representatives from business, government, civil society and academia came together to take the pulse on where the business and human rights agenda is at, and identify ways to move it forward.

International business and human rights expert **John Morrison**, Executive Director, Institute for Human Rights and Business joined us from the UK to deliver the keynote address, "Business and human rights – do we have the right incentives?"

Businesses and stakeholders explored challenges and successes in practically implementing the UN Guiding Principles on Business and Human Rights. Participants also identified areas where policy and practice can be strengthened, and how this could be achieved through stronger collaboration between business, government and civil society.

The GCNA also convened various side events with John Morrison, including a briefing for Australian investors on business and human rights and the new international human rights benchmark for Fortune 500 companies.

The GCNA will continue to engage with the Australian Government around policy development in this space.

* Event held after end of 2014/2015 financial year.

Social Sustainability and Human Rights continued

Building corporate capacity on human rights and the UN Guiding Principles on Business and Human Rights

Webinars: Introduction to the UN Guiding Principles on Business and Human Rights

July 2014 and August 2015*

In the lead up to the national dialogues, the GCNA hosted webinars to introduce the UN Guiding Principles on Business and Human Rights, including why human rights are relevant to business, human rights due diligence and access to remedy.

Speaker: **Vanessa Zimmerman**, GCNA Board Member and Chair, GCNA Human Rights Leadership Group.

Webinar: Global trends in human rights reporting and assurance

November 2014

This webinar explored global trends in human rights reporting and assurance, and what these developments mean for Australian business at home and abroad.

It also provided Australian businesses an opportunity to provide input into the global consultation process for the Shift Project's UN Guiding Principles Reporting Framework, which has since been launched.

Speakers: **Caroline Rees**, President, Shift and **Vanessa Zimmerman**, Group Advisor Human Rights, Rio Tinto and GCNA Board Member and Chair, GCNA Human Rights Leadership Group.

Webinar: Business and Human Rights in ASEAN and China: Trends, Risks and Practices*

Supported by the Global Business Initiative on Human Rights (GBI)

August 2015

This practical webinar explored the human rights context and challenges for multinational companies operating in ASEAN and China, and how companies operating in the region can identify and mitigate human right risks.

Speakers included: **Liang Xiaohui**, Peking University International Law Institute; **Michelle Staggs-Kelsall**, Human Rights Resource Centre for ASEAN; **Ron Popper**, Head of Corporate Responsibility, ABB, **Bruce Klafter**, Senior Director, Social and Environmental Responsibility, Flextronics, **Mark Hodge**, Executive Director, GBI and **Katryn Wright**, Programme Director, GBI.

* Event held after end of 2014/2015 financial year.

Participants at the 2015 Australian Dialogue on Business and Human Rights.



Social Sustainability and Human Rights continued

Promoting gender equality and the Women's Empowerment Principles

The GCNA was involved in convening two events focused on raising awareness of the Women's Empowerment Principles – a set of principles developed by the UN Global Compact and UN Women to guide business on empowering women in the workplace, marketplace and community.

Women's Empowerment Principles: Equality Means Business event

In partnership with the Australian Chamber of Commerce and Industry (ACCI), the Australian National Committee for UN Women and BPW Australia

July 2014, Sydney

Held alongside the B20 summit in July 2014, this event brought together over 160 business leaders and key stakeholders to discuss policy recommendations on the inclusion of women in key aspects of the B20 agenda, including financing growth, human capital, infrastructure and investment, trade and transparency.

Speakers included: **David Thodey**, then Chief Executive Officer and Executive Director, Telstra; **Kate Carnell AO**, Chief Executive Officer, Australian Chamber of Commerce and Industry; **Cassandra Kelly**, Chief Executive Officer, Pottinger; **Simon Rothery**, Chief Executive Officer, Goldman Sachs Australia; **Elizabeth Broderick**, Sex Discrimination Commissioner, Australian Human Rights Commission; **Brent Wilton**, Secretary-General, International Organisation of Employers; **Virginia Haus**, ABC journalist (Facilitator).

Women's Empowerment Principles Summit 2014

In partnership with the Australian National Committee for UN Women

Hosted by Commonwealth Bank Australia

October 2014, Sydney

Over 100 senior diversity practitioners from leading Australian businesses came together in October 2014 to explore best practices in advancing gender equality in the workplace, using the Women's Empowerment Principles as a framework to accelerate progress.

Speakers included: **Helen Conway**, Director, Workplace Gender Equality Agency; **Kathrina Bryen**, Vice President Human Resources, Organisational Capacity, Aurizon; **Troy Roderick**, Head of Diversity and Inclusion, Telstra; **Eileen Kim**, Unilever Australia; **Louise Fowler**, Head of Talent and Diversity, Lendlease.

Building an Australian Security and Human Rights Community of Practice

Security and Human Rights Workshops

Hosted by DFAT (Melbourne) and Allens (Perth)

July 2014, Melbourne and March 2015, Perth

In 2014, the GCNA launched its Security and Human Rights Community of Practice, as a peer forum for senior security representatives from extractives companies and their community relations colleagues, together with select security experts, to share and explore challenges and best practice in relation to security and human rights.

The Community of Practice also provides an opportunity for extractives companies to engage with the Australian Government around the Voluntary Principles on Security and Human Rights.

Since its launch, the GCNA has convened two Community of Practice workshops, one in Melbourne, and one in Perth, focused on practical challenges facing Australian extractive companies in relation to security and human rights. Deep dives on real life case studies,

focusing on challenging contexts were used to illustrate what did and, critically, did not work with company responses, and the value of the Voluntary Principles in challenging contexts.

The workshops also provided the Australian Government, which is a signatory to the Voluntary Principles on Security and Human Rights, an opportunity to understand the challenges facing companies on the ground, and what it can do to better support them.

The workshops also allowed companies to share views on the Government's implementation plan for the Voluntary Principles.

The GCNA, together with DFAT and AAMIG and sponsored by Woodside, also convened a Voluntary Principles side-event at Africa Down Under in Perth in September 2015.

Social Sustainability and Human Rights continued



Serena Lillywhite (Oxfam), Peter Colley (CFMEU), Jolyon Ford (Australian National University), Bill Turner (AAMIG); Margaret Stuart (Nestle) and Rachel Nicholson (GCNA and Allens); both photos at 2015 Australian Dialogue on Business and Human Rights.

Supporting business to understand, respect and advance Indigenous peoples' rights

Corporate Engagement and Indigenous Rights Workshop*

In partnership with the University of Melbourne

July 2015, Melbourne

In early 2014, the GCNA launched its Indigenous Engagement Working Group. During 2014, the IEWG discussed different rights set out in the UN Declaration on the Rights of Indigenous Peoples (the Declaration), their relevance to business and opportunities for business to advance the Declaration.

In 2015, the GCNA convened a workshop that brought corporate practitioners and a panel of Indigenous leaders together to discuss the "how to" of Australian businesses respecting and supporting Indigenous rights.

The workshop provided participants with insights into the history of Indigenous rights in Australia and the Declaration. The workshop also provided an opportunity to hear the perspectives of Indigenous leaders on Australian businesses' successes and challenges regarding the respect and support of Indigenous rights.

Key themes including engagement, governance and employment were explored. Corporate case studies were also shared and discussed, with the aim of identifying how business can more effectively contribute to the enjoyment of Indigenous rights in Australia.

Speakers included: **Mick Gooda**, Aboriginal & Torres Strait Islander Social Justice Commissioner, **Professor Marcia Langton AM**, Foundation Chair, Australian Indigenous Studies, University of Melbourne, **Robynne Quiggin**, Senior Advisor, Australian Indigenous Governance Institute, **Hope Perkins**, Indigenous Engagement Coordinator, University of Melbourne School of Engineering & IT and **Professor Ian Anderson**, Pro Vice Chancellor Engagement and Foundation Chair for Indigenous Higher Education, University of Melbourne (Facilitator).

* Event held after end of 2014/2015 financial year.

Environmental Sustainability

The Road to Paris: Encouraging business action on climate change

Australian Launch of Road to Paris and Science Based Targets Initiatives

In partnership with CDP, WWF Australia and the Balanced Enterprise Research Network (BERN) at the University of Sydney Business School

May 2015, Sydney

In May 2014, the GCNA, CDP and WWF Australia launch the Science Based Targets initiative, which aims to encourage businesses to set new, ambitious greenhouse gas (GHG) emission reduction targets consistent with climate science, ahead of COP21 in December 2015.

The event highlighted the central role businesses must assume in responding to climate concerns through the reduction of GHG emissions. An extensive debate was held on the changing global political context in the lead up to COP21, the increasingly marginalised position of Australia, as the world shifts towards carbon regulations and renewable energy, and how some companies are already adopting a long-term approach to climate change in their operations.

Speakers included: **Martijn Wilder**, Director, WWF Australia; **Amanda McKenzie**, CEO, Climate Council; **Alice Cope**, Executive Manager, Global Compact Network Australia; **James Day**, Director – Australia & NZ, CDP; **Emma Herd**, Executive Director, Emissions and Environment, Westpac; **Richard Wilson**, Sustainability Manager, Ikea Australia; and **Margaret Stuart**, Corporate and External Relations Manager, Nestlé Oceania.

Bob Massie on Global Climate Action: Realities and prospects

In partnership with and hosted by Chartered Accountants Australia and New Zealand

February 2015, Sydney

The GCNA together with Chartered Accountants Australia and New Zealand hosted a lunch with **Bob Massie**, outgoing President and CEO of New Economy Coalition, co-founder and first chair of the Global Reporting Initiative and initiator of the Investor Network on Climate Risk.

At this lunch, Bob shared an international view of how fast things are moving in the global climate policy space, including the potential for a global climate agreement, and what this means for business. He also explored the opportunities and challenges offered by the transition to a low carbon economy.

Webinar: Setting Science-Based Carbon Reduction Targets*

In partnership with CDP and WWF Australia

July 2015

Building on the interest generated at our launch of the Science Based Targets initiative, this webinar introduced target-setting methods, tools and resources.

Speakers included: **Nicole Labutong**, Technical Manager, CDP and **Paolo Delgado**, Business and Climate Outreach Coordinator, WWF.

* Event held after end of 2014/2015 financial year.

Webinar: The precautionary principle – what it means for your sustainability approach

November 2014

This webinar explored the Precautionary Principle – the internationally-recognised principle, which guides the management of environmental and social impacts and risk – and what it means for Australian businesses' sustainability approach.

The Global Compact's seventh principle states 'business should support a precautionary approach to environmental challenges'. At the heart of this is the idea that, from a business perspective, prevention is better than cure. This webinar delved into what the Precautionary Principle actually means in practice, how Australian businesses can take meaningful steps to manage environmental risks and how they can take a proactive approach to sustainability.

Speakers: **Meg Lee**, Managing Associate, Allens; **Darragh Brennan**, Sustainability and Communications Manager, Solaris Paper.

Anti-Corruption and Governance

Anti-Corruption Outcomes from the B20 and G20

Hosted by KPMG

July 2014, Sydney

Following the close of the 2014 G20 Summit, the GCNA convened a forum with business leaders key to the B20 Working Group on Anti-Corruption, providing a unique opportunity to hear an insider's view on the G20 and B20 anti-corruption discussions and outcomes.

The panel addressed what actions should be taken in global anti-corruption efforts, what the new G20 Anti-Corruption Action Plan for 2015-16 will entail and how it will impact Australian businesses.

Speakers included: **Michael Andrew**, former Global Chairman, KPMG; **Geoff Culbert**, President and Chief Executive, GE Australia and New Zealand and Papua New Guinea; **John Fast**, Joint Managing Director, Dragoman **Gary Gill**, Partner, KPMG; Facilitator: **Rachel Nicolson**, Partner, Allens and Director, Global Compact Network Australia.

Business for the Rule of Law Consultation Workshop

In partnership with LexisNexis

March 2015, Sydney

In September 2013, the UN Secretary-General announced an exciting new initiative to engage the business community in efforts to support the rule of law – Business for the Rule of Law (B4ROL).

The UN Global Compact worked closely with a number of actors across the UN, private sector and other stakeholder groups to develop a framework to provide guidance on how businesses globally can take voluntary action to support the rule of law in the regions in which they operate – particularly where the rule of law is not well established.

This workshop convened senior legal practitioners, primarily General Australian Counsel, to contribute to the draft B4ROL framework. Input from the Australian workshop – one of a number held globally – served as a critical resource in finalising the framework, which was launched in New York in June 2015.

Amanda Keogh, Wendy Tyrrell (Transparency International Australia) and Rachel Nicolson (GCNA and Allens) discuss governance and transparency at the Business of Sustainable Development forum.



Anti-Corruption and Governance continued

Panel: Federal regulators on their enforcement approach to anti-bribery laws

Hosted by Allens

April 2015, Perth

The GCNA convened a panel of representatives from the Australian Federal Police, the Federal Attorney-General's Department, the Office of Commonwealth Director of Public Prosecutions, and the Australian Securities and Investments Commission.

Australian regulators presented on their respective roles in administering these laws, their co-operative approach to enforcement and their priorities going forward. They provided practical advice for businesses in the event of a suspected or actual instance of corruption covering; when to approach the AFP; whether companies receive credit for cooperation; and risk of personal exposure for company directors.

Speakers included: **Linda Champion**, Manager Fraud and Anti-Corruption, Australian Federal Police; **Anthony Coles**, Assistant Secretary, Criminal Law and Law Enforcement Branch, Federal Attorney-General's Department; **Shane Kirne**, Deputy Director, Office of the Commonwealth Director of Public Prosecutions; **Chris Savundra**, Senior Executive Leader, Markets Enforcement, ASIC; **Peter Haig**, Partner, Allens (Facilitator).

Anti-Corruption Workshop: Key regulatory requirements and the elements of effective compliance programs

Hosted by Allens

June 2015, Melbourne and Sydney

These workshops provided an overview of key Australian and international laws related to corruption, bribery, and enforcement approaches being pursued by authorities domestically and internationally.

Through peer learning from leading Australian businesses, the workshops also explored the elements of effective anti-corruption policies and compliance programs (such as risk assessment, scope, engagement with third parties, embedding policies and compliance programs, monitoring and reporting), as well as how companies can develop these to manage risks and meet stakeholder expectations.

Speakers included: **Kate Hughes**, Chief Risk Officer, Telstra; **Geoff Bell**, Group Risk & Compliance Officer, Innovia Security; **Peter Janu**, General Counsel, WorleyParsons, **Toni Milis**, Group Executive, Lendlease; (Facilitator (Sydney)): **Peter Haig**, Partner, Allens and **Rachel Nicolson**, Partner, Allens and Director, GCNA (Facilitator (Melbourne)).

Sustainable Development

2015 has been a watershed year for the global sustainable development agenda. In September, the UN launched the Sustainable Development Goals (SDGs) that now set global development priorities to 2030 and apply to both developing and developed countries. As the primary driver of economic activity, business is critical to achieving this agenda.

Internationally, the UN Global Compact has played a key role in bringing business perspectives to the inter-governmental SDP negotiations.

In Australia, the GCNA has been building a platform to drive business engagement in sustainable development, leveraging the historic opportunity presented by the SDGs for business to align strategies and activities with global priorities.

Through our work in this space, we aim to help scale up corporate sustainability as a key contributor to broader development challenges in Australia and across the region. The appointment of GCNA Executive Manager, Alice Cope, as Regional Representative on the UN Global Compact's Local Networks Advisory Group complements this work, and enhances the GCNA's ability to provide links and foster collaboration across the region.

Our strong relationship with DFAT and the new SDLG provide a unique channel for GCNA members to engage with the Australian Government around sustainability.

> In 2014, GCNA Executive Manager, Alice Cope, appeared before the **Joint Parliament Committee on the role of the private sector in promoting economic growth and reducing poverty in the Indo-Pacific region**. The UN Global Compact, and one of its key platforms, the Women's Empowerment Principles, were highlighted as key frameworks in this space. Recommendations in the report included that DFAT ensure staff have an expert understanding of the UN Global Compact and are able to connect businesses in Australia and overseas to local Global Compact representatives.



Alice Cope (GCNA), the Hon. Julie Bishop MP, Foreign Minister and Catherine Hunter (GCNA and KPMG) launch the GCNA / DFAT partnership.

> In August 2015, the GCNA signed a significant two-year **partnership with the Department of Foreign Affairs and Trade (DFAT)**. The partnership, with funding of \$350,000 over two years, aims to promote GCNA's mandate and grow its Australian membership base. This will bring more Australian businesses into a network of organisations with shared beliefs that align with our interest in reducing poverty in the region. The partnership will strengthen and leverage the GCNA's convening power, strong network of companies and relationships with UN Global Compact networks in the region.

> As an early step under our DFAT partnership, **we have launched the GCNA's Sustainable Development Leadership Group (SDLG)**. The SDLG – being advised by a Steering Committee of business representatives, sustainability experts and DFAT representatives – provides a platform for business and stakeholders to engage in learning, dialogue and action around sustainable development and the SDGs. The SDLG will also provide an interface between business and DFAT, supporting the implementation of the Australian Government's new aid policy, which emphasises private sector engagement and development.

Sustainable Development continued

The Business of Sustainable Development: Building business engagement in sustainable development and the UN Sustainable Development Goals

In partnership with the UN Sustainable Development Solutions Network
Hosted by BHP Billiton
February 2015, Melbourne

The Global Compact Network Australia (GCNA) and the Sustainable Development Solutions Network Australia-Pacific (SDSN) convened over 80 representatives of business, government, NGOs and academia at a significant, multi-sector, multi-stakeholder workshop, *The Business of Sustainable Development*.

Participants heard from a number of business leaders and experts across six sessions. The workshop brought Australian businesses up to date with the global sustainable development agenda and the SDGs, and explored the role of business in relation to sustainable development.

It emphasised the importance of corporate engagement in sustainable development being underpinned by respect for fundamental principles of corporate responsibility such as those of the UN Global Compact.

The workshop also highlighted that there are already large-scale commitments from Australian companies to sustainable development and provided some useful models for potential business alignment with the SDGs.



Participants at the launch of DFAT's private sector engagement strategy and GCNA / DFAT partnership.

Partnering with DFAT

CEO Roundtable with the Hon. Julie Bishop MP*

August 2015

The GCNA convened an exclusive roundtable with the Foreign Minister, the Hon. Julie Bishop MP, for the CEOs of corporate members, ahead of the launch of DFAT's private sector engagement strategy.

In 2015, the GCNA convened a workshop that brought corporate practitioners and a panel of Indigenous leaders together to discuss the "how to" of Australian businesses respecting and supporting Indigenous rights.

This roundtable discussion provided a unique opportunity for GCNA member CEOs to share with the Minister their perspectives on sustainable development and how the Australian Government can most effectively partner with business to drive development outcomes in the Asia Pacific region.

Participants included: **Michael Rose**, Chief Executive Partner, Allens, **Iain Nairn**, CEO, David Jones, **Cindy Hook**, CEO, Deloitte, **Michael Gardner**, Managing Director, International SOS, **Darrell Wade**, CEO, Intrepid Travel, **Gary Wingrove**, CEO, KPMG, **Peter Botten**, Managing Director, Oil Search, **Phil Edmands**, Managing Director, Rio Tinto Australia, **Brian Hartzler**, CEO, Westpac, **Andrew Wood**, CEO, WorleyParsons, **the Hon. Julie Bishop MP**, Foreign Minister and **Peter Varghese**, Secretary, DFAT, **Catherine Hunter**, Chair, Global Compact Network Australia and **Alice Cope**, Executive Manager, Global Compact Network Australia.

Webinar: DFAT briefing for business ahead of UN Summit on the SDGs*

September 2015

This webinar provided an opportunity to hear from DFAT on the Government's perspectives and expectations on the sustainable development agenda and the SDG negotiations, what the agenda will mean for Australia and Australia's role in the region, and the Government's expectations and hopes for private sector contribution and engagement. It also provided an opportunity for businesses to share their perspectives on the agenda with DFAT.

* Events held after end of 2014/2015 financial year.

Sustainability Strategy and Embedding Sustainability

Megatrends: Linking sustainability strategy and risk

Hosted by Telstra

September 2014, Melbourne (Sydney via videoconference)

Global megatrends – such as climate change, resource stress, demographic changes, urbanisation, technology and shifts in economic power – are transforming societies and economies a rapid pace, creating both risks and opportunities for business. Responding to these megatrends provides a key opportunity to embed sustainability into core business activities and strategy.

The forum offered the opportunity to explore Australian thought leadership in this space, focusing on the relevance of megatrends to Australian businesses, the risks and opportunities megatrends give rise to, and how megatrends can be used to inform sustainability strategy and influence broader corporate strategy and risk approaches. Sustainability professionals were encouraged to bring strategy and risk colleagues.

Speakers: **Professor John Thwaites**, Chair, Monash Sustainability Institute and ClimateWorks, and Chair, National Sustainability Council; **Dr Stefan Hajkowitz**, Leader, CSIRO; **Chi Woo**, Partner, Climate Change and Sustainability, KPMG; **Liza Maimone**, Partner, Sustainability and Climate Change, PwC.

Webinar: From tactical to strategic: How Australian businesses create value from sustainability

January 2015

In December 2014, GRI Focal Point Australia, together with CPA Australia and KPMG Australia, launched research – *From Tactical to Strategic: How Australian businesses create value from sustainability* – on how ASX companies are recognising the impact of key global megafactors on their business over the next 20 years.

The research revealed how Australian businesses are (and are not) recognising, responding to, and creating value from these challenges. In particular, it highlighted that while companies broadly understand their own sustainability impacts, they do not yet fully understand how global sustainability trends are impacting their businesses.

This webinar provide a briefing on the research findings and key lessons for Australian businesses in understanding, and strategically responding to, the megafactors in ways that will create value in the short, medium and long terms.

Speaker: **Victoria Whitaker**, Head of Australia, Global Reporting Initiative.

Creating Transformational Change: Engaging employees to make business truly sustainable

Hosted by PwC

March 2015, Sydney

Engaging employees from all areas of a company's business is critical to creating truly sustainable organisations. Not only do employees increasingly want to work for sustainable companies, but the social and environmental challenges we face mean business needs to be done differently to ensure long-term success.

This workshop explored how sustainability teams take employee engagement beyond putting waste in the right bin to facilitating the business transformation required to create a truly sustainable company.

Participants were presented with a range of expert perspectives, on internal engagement and transformational change, and given practical tools to help drive sustainability engagement and sustainable change throughout their company.

Speakers included: **Cate Harris**, Sustainability Executive – Strategic Projects, Lendlease; **Lynette Nixon**, Innovation Director, PwC Australia; **Dr Chris Wright**, Professor of Organisational Studies, University of Sydney; **Matt Perry**, CEO, Conscious Capitalism and Chief Strategy Officer, Ikon Communications.

Being part of the conversation

In addition to convening its own activities, the GCNA has actively contributed to a range of other activities.

Some of the activities GCNA representatives participated in during the year include:

- Joint Standing Committee on Foreign Affairs, Defence and Trade's *Inquiry into the role of the private sector in promoting economic growth and reducing poverty in the Indo-Pacific region* (the GCNA made a submission, and Alice Cope, Executive Manager, GCNA appeared before the Committee)
- Australasian Reporting Awards (ARA) Sustainability Reporting Awards (Alice Cope, Executive Manager, GCNA participated as a member of the judging panel)
- Australian Human Rights Commission Human Rights Awards (Alice Cope, Executive Manager, GCNA participated as a member of the judging panel for the business award)
- *Indigenous Business, Enterprise and Corporations Conference* (Catherine Hunter, Chair and Alice Cope, Executive Manager, GCNA participated as panellists)
- The Monash Sustainability Institute and Sustainable Development Solutions Network's *National workshop on implementing the Sustainable Development Goals* (Alice Cope, Executive Manager, GCNA participated as a panellist)
- Sustainable Business Australia's *Road to Paris briefing* (Alice Cope, Executive Manager, GCNA participated as a speaker)
- Deloitte's launch of *Bribery and Corruption Survey 2015 (Australia and New Zealand)* (Rachel Nicolson, Director and Chair, Anti-Corruption Leadership Group participated as a panellist in Melbourne; Alice Cope, Executive Manager, GCNA participated as a panellist in Sydney)
- Australian Food and Grocery Council's *Traceability Forum* (Alison Ewings, Director and Chair, Environmental Leadership Group participated as a speaker)
- UN Global Compact's international *Launch Event for Business for the Rule of Law Framework and Guide for General Counsel on Corporate Sustainability* in New York (Alice Cope, Executive Manager, GCNA participated as a speaker)
- Australian Law Reform Commission's *Native Title Act Review* (Alice Cope, Executive Manager, GCNA participated as member of the ALRC's Advisory Committee)
- UN Annual Forum on Business and Human Rights in Geneva (Vanessa Zimmerman, Director and Chair, Human Rights Leadership Group presented on the GCNA's work)
- UN Global Compact's global Human Rights and Labour Working Group (Vanessa Zimmerman, Director and Chair, Human Rights Leadership Group is a member of the group and presented on the GCNA's work)
- Law Council of Australia's business and human rights working group (Alice Cope, Executive Manager, GCNA and Vanessa Zimmerman, Director and Chair, Human Rights Leadership Group are members of the group)
- Providing feedback on GCNA members' draft sustainability reports and policies
- Presentations to various university classes

We also continue to connect members into our global network of experts. Over the last year, we have arranged a number of meetings for members with UN Global Compact networks, participants and experts in New York, Europe and across Australia and the Asia Pacific region.

Clockwise from top left: Michael Rose (Chief Executive Partner, Allens) at 2015 Australian Dialogue on Business and Human Rights; Alice Cope (GCNA) speaks at the 2015 Social Good Summit; James Ensor (BHP Billiton) at the Business of Sustainable Development forum; Ewen McDonald (Deputy Secretary, DFAT), Harold Mitchell (Harold Mitchell Foundation), Sam Mostyn (President, ACFID), Anthony Pratt (Executive Chairman, Visy) and Ian Wood (BHP Billiton) at the Business of Sustainable Development forum; Participants at the 2015 Australian Dialogue on Business and Human Rights; Greg Pawson (General Manager, Westpac Pacific) and Darrell Wade (CEO, Intrepid Travel) at CEO Roundtable on Sustainable Development.



Financial Statements

For the Year Ended 30 June 2015

Global Compact Network Australia Limited

ABN 95 147 380 998

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Directors' Report | 30 June 2015

The directors present their report on Global Compact Network Australia Limited for the financial year ended 30 June 2015.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Catherine Hunter

Qualifications	Chair
Experience	Director since 3 February 2011 (incorporation)
Special responsibilities	Nominations and Governance Committee

Richard Boele

Qualifications	Deputy Chair
Experience	Director since 14 October 2011
Special responsibilities	Finance, Risk and Audit Committee

Rachel Nicolson

Qualifications	Director
Experience	Director since 3 February 2011 (incorporation)
Special responsibilities	Finance, Risk and Audit Committee

Megan Christensen (Saussey)

Qualifications	Director
Experience	Director since 29 October 2012
Special responsibilities	Nominations and Governance Committee

Alison Ewings

Qualifications	Director
Experience	Director since 27 February 2013
Special responsibilities	Nominations and Governance Committee

Vanessa Zimmerman

Qualifications	Director
Experience	Director since 27 November 2013
Special responsibilities	Nominations and Governance Committee

Celia Reynolds

Qualifications	Director
Experience	Director since 22 January 2015
Special responsibilities	Finance, Risk and Audit Committee

Darragh Brennan

Qualifications	Director
Experience	Director since 26 November 2014 Ceased 25 May 2015

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Directors' Report continued

Principal activities

The principal activity of Global Compact Network Australia Limited during the financial year was providing a platform through which companies can build capacity around corporate sustainability and implementing the principles of the UN Global Compact in the areas of human rights, labour, the environment and anti-corruption.

No significant changes in the nature of the Company's activity occurred during the financial year.

2. Operating results and review of operations for the year

Operating results

The loss of the Company after providing for income tax amounted to \$(11,697) (2014: \$14,995).

3. Other items

Company secretary

The following person held the position of Company secretary at the end of the financial year:

Richard Boele (Deputy Chair) has been the company secretary since 3 October 2013.

Meetings of directors

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Finance, Risk & Audit Committee		Nominations & Governance Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Catherine Hunter	7	6	–	–	4	4
Richard Boele	7	6	1	1	–	–
Rachel Nicolson	7	3	1	1	–	–
Megan Christensen (Saussey)	7	4	–	–	4	4
Alison Ewings	7	7	–	–	4	4
Vanessa Zimmerman	7	5	–	–	4	2
Celia Reynolds	3	3	1	1	–	–
Darragh Brennan	3	3	–	–	–	–

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2015, has been received and can be found on page 31 of this report.

Directors' Report continued

Signed in accordance with a resolution of the Board of Directors:

Director: 
Catherine Hunter

Director: 
Celia Reynolds

Dated this 19th day of October 2015


Auditor's Independence Declaration

Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001* to the Directors of Global Compact Network Australia Limited (ABN 95 147 380 998)

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

LWM Auditing Pty Limited



Matthew Moore
Registered Company Auditor

Level 1, 106 Erina Street GOSFORD NSW 2250

Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2015

	Note	2015 \$	2014 \$
Revenue	4	160,948	172,530
Employee benefits expense	5	(148,111)	(115,383)
Other expenses		(24,258)	(41,916)
Finance costs	5	(276)	(236)
Profit before income tax		(11,697)	14,995
Income tax expense		-	-
Profit from continuing operations		(11,697)	14,995
Profit for the year		(11,697)	14,995
Total comprehensive income for the year		(11,697)	14,995

The accompanying notes form part of these financial statements.

Statement of Financial Position | 30 June 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	554,232	103,366
Trade and other receivables	7	52,599	89,215
TOTAL CURRENT ASSETS		606,831	192,581
NON-CURRENT ASSETS			
TOTAL ASSETS		606,831	192,581
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	66,855	16,536
Other financial liabilities	9	288,629	143,001
TOTAL CURRENT LIABILITIES		355,484	159,537
NON-CURRENT LIABILITIES			
Other financial liabilities	9	230,000	–
TOTAL NON-CURRENT LIABILITIES		230,000	–
TOTAL LIABILITIES		585,484	159,537
NET ASSETS		21,347	33,044
EQUITY			
Retained earnings	10	21,347	33,044
		21,347	33,044
TOTAL EQUITY		21,347	33,044

The accompanying notes form part of these financial statements.

Statement of Changes in Equity For the Year Ended 30 June 2015

2015	Note	Retained Earnings \$	Total \$
Balance at 1 July 2014		33,044	33,044
Profit or loss attributable to members of the entity		(11,697)	(11,697)
Balance at 30 June 2015		21,347	21,347

2014	Note	Retained Earnings \$	Total \$
Balance at 1 July 2013		18,049	18,049
Profit or loss attributable to members of the parent entity		14,995	14,995
Balance at 30 June 2014		33,044	33,044

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		273,255	228,844
Payments to suppliers and employees		(172,760)	(157,535)
Interest received		371	296
Receipt from grants		350,000	–
Net cash provided by / (used in) operating activities		450,866	71,605
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net increase / (decrease) in cash and cash equivalents held		450,866	71,605
Cash and cash equivalents at beginning of year		103,366	31,761
Cash and cash equivalents at end of financial year	6	554,232	103,366

The accompanying notes form part of these financial statements.

Notes to the Financial Statements For the Year Ended 30 June 2015

The financial report covers Global Compact Network Australia Limited as an individual entity. Global Compact Network Australia Limited is a not for profit Company limited by guarantee incorporated and domiciled in Australia.

The functional and presentation currency of Global Compact Network Australia Limited is Australian dollars.

1. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

These financial statements and associated notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2. Summary of significant accounting policies

(a) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

Interest revenue

Interest is recognised using the effective interest method.

Membership subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

(b) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Notes to the Financial Statements

For the Year Ended 30 June 2015 continued

(c) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(d) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

3. Critical accounting estimates and judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates – receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

4. Revenue and other income

Revenue from continuing operations

Finance income includes all interest-related income, other than those arising from financial assets at fair value through profit or loss. The following amounts have been included in the finance income line in the statement of profit or loss and other comprehensive income for the reporting periods presented:

	2015 \$	2014 \$
Finance income		
– Bank deposits	371	296
Finance income	371	296
Other revenue		
– operating grants	5,121	–
– member subscriptions	149,976	123,943
– other trading revenue	5,480	48,291
	160,948	172,530
Total Revenue	160,948	172,530

Notes to the Financial Statements For the Year Ended 30 June 2015 continued

5. Result for the year

The result for the year was derived after charging / (crediting) the following items:

Finance cost includes all interest-related expenses, other than those arising from financial assets at fair value through profit or loss. The following amounts have been included in the finance costs line in the statement of profit or loss and other comprehensive income for the reporting periods presented:

	2015 \$	2014 \$
Finance Costs		
Financial liabilities measured at amortised cost:		
– Other finance costs	276	236
Total finance costs	276	236

The result for the year includes the following specific expenses:

	2015 \$	2014 \$
Other expenses:		
Employee benefits expense	148,111	115,383

6. Cash and cash equivalents

	2015 \$	2014 \$
Cash at bank and in hand	554,232	103,366
	554,232	103,366

Reconciliation of cash

Cash and cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2015 \$	2014 \$
Cash and cash equivalents	554,232	103,366

Notes to the Financial Statements For the Year Ended 30 June 2015 continued

7. Trade and other receivables

	2015 \$	2014 \$
CURRENT		
Term receivables	51,700	88,376
	51,700	88,376
Prepayments	899	839
Total current trade and other receivables	52,599	89,215

8. Trade and other payables

	2015 \$	2014 \$
CURRENT		
Unsecured liabilities		
Trade payables	444	189
GST payable	59,949	16,347
Employee benefits – Annual leave	6,462	–
	66,855	16,536
	66,855	16,536

9. Other financial liabilities

Members subscriptions and government grants have been taken up as other financial liabilities as these amounts have been received in advance in relation to later financial years.

(a) Current

	2015 \$	2014 \$
CURRENT		
Government Grants	114,879	–
Member Subscriptions	173,750	143,001
Total	288,629	143,001

(a) Non-Current

	2015 \$	2014 \$
NON-CURRENT		
Government Grants	230,000	–

Notes to the Financial Statements

For the Year Ended 30 June 2015 continued

10. Retained earnings

	2015 \$	2014 \$
Retained earnings (accumulated losses) at the beginning of the financial year	33,044	18,049
Net profit attributable to the members	(11,697)	14,995
Retained earnings at end of the financial year	21,347	33,044

11. Members' guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstandings and obligations of the Company. At 30 June 2015 the number of members was 52.

12. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2015 (30 June 2014: None).

13. Events occurring after the reporting date

The financial report was authorised for issue on 19 October 2015 by the board of directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

14. Company details

The registered office of the company is:

Global Compact Network Australia Limited
Deutsche Bank Place - Level 5
126-130 Phillip Street
SYDNEY NSW 2001

The principal place of business is:

Global Compact Network Australia Limited
Level 15
10 Shelley Street
SYDNEY NSW 2001

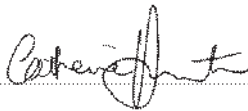
Directors' Declaration

The directors of the Company declare that:

1. the financial statements and notes for the year ended 30 June 2015 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards, which, as stated in accounting policy note 2 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position and performance of the Company;
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director:



Catherine Hunter

Director:



Celia Reynolds

Dated this 19th day of October 2015

Independent Audit Report to the members of Global Compact Network Australia Limited



Global Compact Network Australia Limited

ABN 95 147 380 998

Independent Audit Report to the members of Global Compact Network Australia Limited

Report on the Financial Report

We have audited the accompanying financial report of Global Compact Network Australia Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

www.lwm.com.au

LWM AUDITING
Pty Limited
ABN 42 164 294 184

LWM House
106 Erina St | PO Box 456
Gosford NSW 2250

Ph | 02 4324 2988
Fax | 02 4324 2418
audit@lwm.com.au

Directors: R.I. Lamont CA
M.R. Moore FCA



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Independent Audit Report to the members of Global Compact Network Australia Limited continued



Global Compact Network Australia Limited
ABN 95 147 380 998

Independent Audit Report to the members of Global Compact Network Australia Limited

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Global Compact Network Australia Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion the financial report of Global Compact Network Australia Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

LWM Auditing Pty Limited

Level 1, 106 Erina Street GOSFORD NSW 2250

Dated this 20TH day of OCTOBER 2015

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Acknowledgements

The GCNA gratefully acknowledges the valuable contributions of financial and in-kind support received during the past year from our members, signatories, partners and stakeholders.

We would like to thank all of our members and partners who have contributed so enthusiastically to our Leadership Groups and other activities this year, all of our facilitators and speakers, and our hosts **Allens**, **BHP Billiton**, **Chartered Accountants Australia and New Zealand**, **Commonwealth Bank of Australia**, **DFAT**, **KPMG**, **PwC**, **Telstra**, **University of Melbourne** and **University of Sydney**. Your support and assistance is greatly appreciated.

We would also like to acknowledge **KPMG's** support in hosting the GCNA Secretariat and providing regular meeting facilities; **Oil Search** for providing regular meeting facilities; **Allens** for providing pro bono Company Secretariat and legal support as well as meeting facilities and resourcing for a number of our activities; and **William Buck** for their generous pro bono tax support.



Global Compact Network
Australia

Global Compact Network Australia Limited

ABN 95 147 380 998

GPO Box 816
Sydney NSW 2001

T (02) 9346 5823

secretariat@unglobalcompact.org.au
www.unglobalcompact.org.au