ANNUAL REPORT

2019

Global Compact
Network Australia

CONTENTS

Reporting Period

This report was issued on October 2019. It includes reference to Global Compact Network Australia (GCNA) activities and financial information relating to the Australian Financial Year 2018-2019.

Acknowledgements

The GCNA gratefully acknowledges the valuable contributions and in-kind support received during the past year from our members, partners and stakeholders. We would like to thank all those who have contributed so enthusiastically to our Community of Practice groups and other activities, all of our facilitators and speakers, and our numerous event hosts and sponsors. Your support and assistance is greatly appreciated. We would also like to acknowledge the generous support of RMIT University in hosting the GCNA and Allens for their pro bono support and company secretariat assistance. The GCNA also acknowledges the substantial financial contribution and partnership provided by the Department of Foreign Affairs and Trade (DFAT).

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, in particular the Wurundjeri people of the Kulin Nation, on whose land our offices are located.
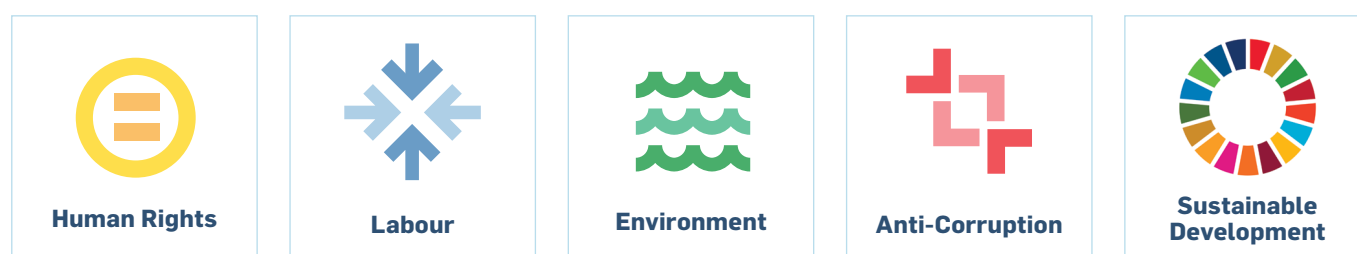
1. UN GLOBAL COMPACT AND GLOBAL COMPACT NETWORK AUSTRALIA

As a special initiative of the UN Secretary-General, the United Nations Global Compact is a call to companies everywhere to align their operations and strategies with ten universal principles in the areas of human rights, labour, environment and anti-corruption. Launched in 2000, the mandate of the UN Global Compact is to guide and support the global business community in advancing UN goals and values through responsible corporate practices. With more than 9,500 companies and 3,000 non-business signatories based in over 160 countries, and more than 70 Local Networks, it is the largest corporate sustainability initiative in the world.

In Australia, the business-led Global Compact Network Australia (GCNA) brings together participants to the UN Global Compact, including a number of Australia's leading companies, civil society organisations and universities in a platform for dialogue, learning, influence and action that is practical and leading edge. We guide businesses on how a principles-based approach to doing business by advancing the Ten Principles and the contributing to the UN Sustainable Development Goals (SDGs) drives long-term business success.

Through our significant partnership with the Department of Foreign Affairs and Trade (DFAT) and our broader relationship with the Australian Government on private sector engagement, we also provide a leading platform for business-government engagement on policy development in corporate sustainability.

Human Rights	Labour	Environment	Anti-Corruption	Sustainable Development

1.1. MEMBERSHIP BENEFITS

Leading Sustainability Framework

Align with an established and globally recognised framework backed by the United Nations for the management of environmental social and corporate governance (ESG) risks and the development, implementation, and disclosure of sustainability policies and practices.

Build Transparency and Trust

Strengthen your reputation, employee engagement, stakeholder relationships and social licence to operate, whilst shaping and influencing Australian and global dialogues on responsible business practices.

Access to Partnerships

Leverage your reach, convening power and networks to access partnerships and to engage with a range of stakeholders to share good practice and emerging solutions – including other businesses, government, civil society, academia and investors.

Enhance, Learn and Lead

Learn, share and build capacity through our specialised workstreams, forums, publications, workshops, dialogues, conference, communities of practice and other activities.

Tools, Resources and Training

Access global and local tools, resources, the Global Compact Academy and expertise to support the development, implementation and reporting on responsible business practices.

2. MESSAGE FROM THE CHAIR

Dr David Cooke
Director, Chair & Australian
Network Representative

In my capacity as the new Chair of the Global Compact Network Australia it gives me great pleasure to share a few insights with you for this year's annual report.

In September 2017 I joined the board of the GCNA, and was appointed as Chair in April 2019 following the resignation of Catherine Hunter in November 2018. Shortly before I joined the GCNA the strategy for 2017 to 2019 was agreed on and we set out to deliver a UN Global Compact Network with the key purpose to empower business to create a sustainable future. Reflecting upon this strategy, which came to a close in the 2019 financial year, it is clear to me that the GCNA is now recognised as a leading corporate sustainability initiative in Australia. Our membership in the past twelve months is testament to that – with 30 new members including a total of 23 ASX 100 companies.

We have also delivered a clear value proposition for our members, and those organisations seeking to understand more about sustainable business practices. This is particularly evident over the last twelve months where we have strengthened our focus on business and human rights and anti-corruption, continued to work with companies to assist them with contributing to the Sustainable Development Goals (SDGs) and added a stream of work on environment and climate change. This was also the year of the GCNA's inaugural conference. I was humbled by the 275 people who attended the conference and the amazing breadth of speakers who we had, including leaders in business and human rights like Gillian Triggs and Professor John Ruggie. It was also events, like the conference, that enabled the GCNA to feature more prominently in the media – a goal of our strategy. All of our activities and events assist businesses with acting more responsibly, contributing to societal goals, and in "lifting the ceiling" on the alignment between profit and purpose.

We do, however, acknowledge the room for growth, and the importance of that growth. The work of the UN Global Compact as the world's largest corporate sustainability initiative, and the work here locally of the GCNA has never been more critical to meeting the sustainability challenges facing the world today. We are at a tipping point. Issues such as climate change, the prevalence of various forms of human rights abuses, concerns regarding the lack of corporate governance and transparency, and inequality in all its forms demand action. And all of this set against a shifting political landscape nationally and globally.

Blueprints such as the 2030 Agenda for Sustainable Development, via SDGs, give us a framework and a focus through which to operate. All of the GCNA's work is tied to these Global Goals and all are critical to ensuring a sustainable future for our planet and for the prosperity of people globally. This is also why the SDGs are being considered as part of our 2019 to 2022 strategy, alongside committing to our goal to be Australia's leading business-led responsible business initiative. This will be coupled with improving our value proposition for members and ensuring that we are a well-regarded commentator and trusted adviser on responsible and sustainable business practices.

Finally, as Chair, I am also committed to ensuring that we have robust governance practices in place. This includes succession planning for future directors and continuing to work with our new Executive Director, Kylie Porter, and my fellow directors to enhance the effectiveness of the board. To this end, I would like to thank the GCNA directors who tendered their resignation over the last financial year: Catherine Hunter, Alice Cope, Celia Reynolds and Sally Moyle. I would also like to welcome Michael Vavakis to the Board who replaced Celia Reynolds, and officially acknowledge our Executive Director, Kylie, as a GCNA director.

Finally, I would like to personally thank all of our members, the GCNA staff and GCNA board for your ongoing support of the GCNA. I look forward to working with you all to further our collective impact and invite you to help broaden our reach by speaking to colleagues in other non-member organisations, and by inviting others within your own organisations, particularly senior decision makers, to participate in our activities.

My very best wishes

Dr David Cooke

3. MESSAGE FROM THE EXECUTIVE DIRECTOR

Kylie Porter
Executive Director

This year has been one of tremendous growth for the GCNA, and the UN Global Compact globally as we move closer to meeting the 'One Global Compact' strategy.

As the Australian corporate landscape continues to evolve in the aftermath of events such as the Hayne Royal Commission, the IPCC's Special Report on Global Warming of 1.5°C and regulatory and legislative developments, including a new Commonwealth Modern Slavery Act, the case for responsible business practice has never been more apparent.

In the past year, the GCNA has welcomed 30 new members, 27 of which have been businesses from across numerous sectors. The GCNA's growth and the national and global developments reflect the ever-increasing recognition that in order to engender a peaceful, prosperous, inclusive and sustainable world, the private sector must play a central role.

As the Australian arm of the world's largest corporate sustainability initiative, the GCNA has played a vital role in strengthening responsible business practices and providing a platform for learning, dialogue, collaboration and action for both business and non-business. The past twelve months have been bursting with GCNA events, speaking engagements, meeting new and prospective members, engaging at the international level and growing our small, but dedicated team. In between assisting our members with the practical implementation of the UN Global Compact's Ten Principles and operationalising the SDGs, the GCNA has welcomed numerous opportunities to contribute to the dialogue around legislative and regulatory changes in Australia. Fundamental to this work has been the ongoing promotion of a corporate culture that aligns purpose and profit to produce sustainable, long-term returns for business. I'm also proud of the significant increase in the depth and breadth of our work on the environment and climate change, an area which has been a considerable focus for the GCNA over the past year. This includes linking this work to our other workstreams so members are better equipped to avoid siloes in their own work. We have continued to go from strength to strength via our activities in the human rights space and have also delivered a number of leading-edge events in our anti-corruption and governance workstream.

Upon becoming Executive Director at the GCNA, I resolved that our organisation should become the leading responsible business initiative in Australia. A particular stand-out event for me on the road to this goal was the inaugural GCNA Conference 2019, convened under the theme 'Rebuilding Trust in Corporate Australia'. I was energised by the dialogue generated throughout the conference, which raised the bar on what responsible and ethical business decisions mean and highlighted the commitment from the private sector to work collaboratively to shift its practices to advance corporate sustainability.

Looking ahead, the GCNA will continue to build on our foundations, including growing our new work streams on the Science Based Target initiative and the 'Just Transition'. As we solidify our position as a leading Australian organisation in the business and human rights space, we look forward to building new partnerships as well as strengthening existing ones. Through our participation in the UN Global Compact's Action Platform on Peace, Justice and Strong Institutions (SDG16) and our localised activities, the GCNA will continue to increase awareness of anti-corruption and bribery and support good corporate governance and rule of law. We look forward to strengthening our focus on publications across our thematic areas as a respected source of thought leadership in Australia.

The GCNA's strength and success as Australia's leading corporate sustainability initiative is due in no small part to the commitment, support and engagement of our Board, and we thank them for their insights and dedication to our work. I would also like to take this opportunity to formally acknowledge the appointment of our new Chair, Dr David Cooke. Finally, I would like to thank the team at the GCNA, whose hard work and dedication have made the achievements of the past year possible.

Kylie Porter

4. THE YEAR IN REVIEW

Over the past twelve months the GCNA has run an extensive program of multi-stakeholder events, produced a number of thought leadership pieces, collaborated with a growing network of stakeholders across numerous partnerships, and helped shape the dialogue around key issues across the four broad pillars of the UN Global Compact – Human Rights, Labour Rights, Environmental Sustainability, and Anti-Corruption.

The GCNA has promoted a principles-based approach to corporate sustainability by facilitating member alignment with the Ten Principles. Furthermore, given the impossibility of achieving the SDGs without the participation of the private sector, the GCNA has worked extensively to enable business engagement with global challenges via the universal framework of the the SDGs, or Global Goals. Our activities have provided GCNA members and beyond with a space to understand international and Australian developments and trends, build capacity and share knowledge, challenges and solutions to the dynamic and complex societal issues facing the world today.

Sustainable Development

4.1. SUSTAINABLE DEVELOPMENT AND THE SDGS

Introduced in 2015, the SDGs provide a powerful agenda for sustainable development that tackles deeply entrenched economic, social and environmental challenges. The distillation of global challenges into seventeen goals makes them not only actionable for business, but provides a vital framework for investors to assess how companies are integrating inclusive economic growth into their business strategy and operations.

We have seen continued progress towards businesses contributing to sustainable development through the lens of the Global Goals, particularly as the SDGs become more mainstreamed as a framework for environmental, social governance (ESG). The ethical calling card for SDG engagement by business has become widely accepted, and the long-term social and economic value and benefits that are created as a result of this embedment have become more prominent through increasing pressure from investors to understand how business is aligning ESG principles across its strategies and operations.

2018

In 2018, Australia delivered its first Voluntary National Review (VNR) on the SDGs detailing Australia's progress towards the 2030 Agenda across sectors. The GCNA played a key role in the VNR process which was presented at the UN's 2018 High-Level Political Forum on Sustainable Development in July 2018.

Whilst the VNR reported broadly on Australia's contribution to the SDGs, the GCNA also witnessed an increase in the number of businesses integrating the SDGs into their strategies and operations. This was highlighted by, in September 2018, Greg Welsh – Director of Winya Indigenous Furniture and a GCNA member, being nominated by the UN Global Compact as one of ten SDG Pioneers for 2018. The award recognises the leadership displayed by Greg and Winya Furniture in contributing to the economic empowerment of Indigenous Peoples. This achievement was recognised globally at the UN General Assemby week in New York; acknowledging Greg's commitment to the Global Goals.

More broadly, engagement and progress by the private sector on embedding the Ten Principles and the 2030 Agenda was captured in the 'UN Global Compact Progress Report 2018'. The report found that businesses around the world are predominantly targeting Goal 3 (Good Health and Well-being), Goal 5 (Gender Equality) and Goal 8 (Decent Work and Economic Growth). Yet despite these advances, the report also noted the lack of progress on climate change, on building peaceful and just societies and reducing world hunger.

2019

In February 2019, the GCNA relaunched the Australian Sustainable Development Goals website (www.sdgs.org.au). The SDGs website caters to the Australian market and allows an ever-increasing cohort of organisations from across sectors to view what is taking place throughout Australia to achieve the SDGs, as well as review learning materials that pertain to a specific SDG or sector. The relaunched website features a new landing page, resources page and a contact us page. In addition to showcasing case studies on SDG action, the site brings together a growing number of tools and guides that are available to help corporates align their business and operations strategies with the 2030 Agenda.

SDG Senate Inquiry

As a key stakeholder in the actioning of the SDGs, the GCNA continued its contribution to the SDG Senate Foreign Affairs, Defence and Trade References Committee on the SDGs, including our Executive Director, Kylie Porter, providing evidence at the Committee Hearing on 2 November 2018.

In February 2019, the Committee released its Report on the SDGs. The Senate report called for, amongst other things, the publication of a national SDGs implementation plan including national priorities and regular reports of Australia's progress against the Goals. The GCNA welcomed the Senate Committee's findings, advocating for bipartisan support for the adoption and implementation of all 18 recommendations. Alongside the Australian Council for International Development (ACFID), the Australian Council of Social Service (ACOSS), the Sustainable Development Solutions Network (SDSN) and United Nations Association Australia (UNAA), the GCNA released a joint statement broadly supporting the report and further detailing the five most important actions the Australian Government needed to take to advance the SDGs. The report will be crucial in addressing some of the key challenges facing both Government and the private sector in regard to public disclosure and reporting on SDG action and impact.

Many of the GCNA's activities undertaken in the SDGs, and sustainable development more broadly, have been made possible by ongoing support from DFAT. The GCNA looks forward to continuing this partnership to support, broaden and deepen the action already being undertaken by business and civil society towards sustainable development and the 2030 agenda.

As international focus on the Goals sharpens, one thing that remains clear is that at both the domestic and international levels a much deeper, faster and more ambitious response from stakeholders is required to achieve the transformational change necessary to deliver on the Global Goals. The UN Climate and SDG summits being held in September 2019 will provide critical opportunities for multilateral collaboration and recognition of the progress that has been made, as well as that which is necessary to achieve the 2030 Agenda.

Human Rights

4.2. BUSINESS & HUMAN RIGHTS

Human rights remain high on the agenda of businesses as the regulatory environment continues to evolve and growing investor and public pressure requires increasing visibility of business partners' approach to human rights risk management, including suppliers.

Modern slavery continues to be a key touchstone human rights issue for Australian businesses. The discourse on business and human rights has strengthened over the past couple of years due in part to the Commonwealth Modern Slavery Act which was passed in December of 2018, and the introduction of a NSW Modern Slavery Act, which is currently under review. Echoing this regulatory development at an international level, a number of jurisdictions around the world including France and Switzerland have also either legislated or are moving towards legislating human rights due diligence for corporates, whilst others such as Germany are monitoring corporate human right due diligence efforts under their National Action Plan. As the United Kingdom enters the fourth year of the UK Modern Slavery Act, an Independent Inquiry into the Modern Slavery Act was announced in July 2018 to review the Act and highlight ways in which the legislation can be strengthened, noting the existing criticisms that the Act lacks enforcement mechanisms and tangible repercussions of corporate non-compliance. The 'Independent Review of the Modern Slavery Act 2015: Final Report' was released in May 2019 and included 80 recommendations to the Government. The UK Government's response is expected in early July.

4. THE YEAR IN REVIEW (CONT.)

Further developments in modern slavery include the upcoming release of a report by the Lichtenstein Initiative for a Financial Sector Commission on Modern Slavery and Human Trafficking which will detail the financial sector's efforts to end modern slavery and human trafficking. At the Australian consultation session for this initiative, the GCNA was represented by Chair, David Cooke and Director and Chair Human Rights, Vanessa Zimmerman. Over the two-day consultation, Vanessa briefed the Initiative's Commissioners on the advocacy process of addressing modern slavery and human trafficking. The final report will focus on the sector's approach to anti-slavery and anti-trafficking compliance, responsible investment and lending practices, and financial sector innovation to address modern slavery and human trafficking.

Other global developments include the release of the 'Zero Draft Treaty' and the 'Draft Optional Protocol' which are a result of the UN Human Rights Council's open-ended intergovernmental working group on transnational corporations and other business enterprises with respect to human rights (OEIWG). This first official draft of a binding business and human rights treaty will now be discussed by countries; however, the ongoing negotiations are likely to be drawn-out and contested. A revised draft is expected sometime later in 2019.

In the context of these international and domestic developments, the GCNA continued convening its Modern Slavery Community of Practice in addition to a number of business and human rights events in order to increase awareness and understanding of the Australian Modern Slavery Act, the UN Guiding Principles on Business and Human Rights (UNGPs) and other international human rights frameworks. In October 2018 the GCNA hosted a dinner with Justice Michael Kirby, a trailblazer on promoting and respecting human rights in Australia and globally.

We also hosted renowned former UN Special Representative on Business and Human Rights and Harvard Professor, John Ruggie, when he spoke at the inaugural 2019 GCNA Conference, alongside speaking at several roundtable events for investors, government officials and senior leaders and giving a public lecture. The GCNA continues to be a leading platform for dialogue and learning, and in 2018 alongside the Australian Human Rights Commission, convened the fifth consecutive Australian Dialogue on Business and Human Rights. The GCNA also delivered a Business and Human Rights 101 series in the form of workshops and webinars, as well as a webinar highlighting the key trends for business in the human rights space.

As a leading advocate for the Modern Slavery Bill, in September 2018 the GCNA alongside leaders across business, investor, civil society, academia and faith-based organisations published an open letter to the Prime Minister urging Parliamentarians to work collaboratively to see the Bill through to enactment.

Vanessa Zimmerman also represented the GCNA as a member of the Department of Home Affairs' (now Australian Border Force) Advisory Committee tasked with establishing the Draft Guidance for Reporting Entities who are subject to the Modern Slavery Act.

More broadly, in December 2018 Vanessa Zimmerman was appointed to the Australian National Contact Point (AusNCP) Governance and Advisory Board representing the GCNA, with GCNA Executive Director, Kylie Porter, appointed as her proxy. The Governance and Advisory Board (Board) provides advice and other support to the AusNCP and the Independent Examiner with the goal of ensuring the AusNCP is visible, accessible, transparent and accountable, in accordance with its obligations under the OECD Guidelines for Multinational Enterprises (the Guidelines). The Guidelines link closely to not only business and human rights issues, but the UN Global Compact Principles more broadly.

Following the release of the landmark Uluru Statement of the Heart in 2017, Indigenous constitutional recognition and support of the Statement more broadly was publicly announced

Environment

by a number of leading Australian organisations including numerous GCNA members in 2019. This is an important step in Australia's consideration of human rights. In the context of these developments, the GCNA hosted a number of events on Indigenous Economic Empowerment and the connection between reconciliation and trust, including an Indigenous Empowerment Breakfast Briefing in October 2018.

Our active participation in the UN Global Compact's Local Network Group on Business and Human Rights also enabled the GCNA to situate domestic developments within the broader international business and human rights sphere and contribute more broadly on the regional and international stage. Further engagement at the international level saw the GCNA represented by directors David Cooke and Vanessa Zimmerman at the 2018 UN Annual Forum on Business and Human Rights, convened under the central theme of 'Business respect for human rights – building on what works'. The annual Forum provides a lesson-sharing platform on efforts to move the UNGPs from paper to practice.

Business and human rights will continue to be a focus for the GCNA. A rise in shareholder resolutions regarding human rights coupled with investor pressure, civil society scrutiny and engagement, regulatory changes and increased corporate alignment with frameworks such as the UNGPs, will continue to shine a light on the need for businesses to demonstrate their responsibility to respect human rights.

Through its numerous partnerships with government, academia, civil society and business, the GCNA remains centrally positioned to continue to assist corporate Australia in implementing practical strategies to respect human rights domestically and abroad.

4.3. ENVIRONMENTAL SUSTAINABILITY

Climate change remains the most pressing environmental sustainability risk both globally and in Australia. Continued policy uncertainty and a lack of bipartisan support remain a barrier to meaningful, nation-wide policy advancement to mitigate the impacts of climate change within Australia. The trend continues internationally, highlighted by the release of the IPCC 'Special Report on Global Warming of 1.5°C' in 2018 which upgraded the international body's risk warning from previous reports, and warned that every fraction of additional warming would worsen the impact of climate change to a previously inconceivable extent. The report called for urgent and unprecedented changes in order to reach the Paris Agreement targets, a call that will be further echoed later in 2019 as government and business representatives from around the world gather at the UN Climate Action Summit taking place in New York in September 2019.

Mounting public pressure to address climate change also saw the first official declaration of a 'climate crisis' by the UK, followed quickly by France, Canada and Ireland. In Australia, 25 municipalities and the Australian Capital Territory Government have similarly declared formal climate emergencies, citing record breaking temperatures and extreme weather events as some of the local climate change induced pressures facing Australian communities. Linked to these declarations, public pressure on climate action has been highlighted by an international youth movement founded by Swedish climate activist Greta Thunberg that demands increased action by governments on climate change. Domestically, tens of thousands of young Australians joined the movement and protested around the nation, demonstrating the rising public awareness of climate change in the Australian context.

Recognition of environmental issues continues to grow as key economic risks within business strategy. The management and disclosure of climate risk in corporate Australia has become more mainstreamed with the growing uptake of voluntary reporting of climate risk against the Task Force on Climate-related Financial Disclosures (TCFD) framework. Business action in the environmental sustainability sphere has also been driven by the growing Science Based Targets initiative (SBTi). Internationally, over 650 companies have either set or committed to set targets under the SBTi. In order to support

4. THE YEAR IN REVIEW (CONT.)

the uptake of the initiative in Australia, the GCNA partnered with the WWF Australia to develop a Science Based Targets Community of Practice and deliver a number of events in the space.

The SBTi partnership is part of the GCNA's considerable work in supporting the transition to a low-carbon economy – a transition that is already underway and accelerating globally. Alongside the SBTi, the GCNA has developed a new workstream focused on the Just Transition. This workstream dissects what a transition to a low-carbon economy could look like for Australia and what policy mechanisms and collaboration between business, government, unions and communities are needed to continue to support economic growth and just livelihoods. As a trusted adviser to the business sector, combined with our unique expertise in convening multi-stakeholder forums, the GCNA is well placed to support business, government and communities in the transition to a decarbonised future.

Environmental sustainability is now a broad-reaching umbrella of issues that are targeted across innumerable initiatives, many of which intersect with other areas of the Ten Principles and the SDGs. The GCNA's activities help businesses to understand the extensive and interrelated levers and initiatives available to them to progress environmental sustainability by organising and making clear the interconnectedness of these global issues. Looking forward, the GCNA will continue to work across sectors and stakeholders to holistically approach global and local challenges to drive progress in all areas of the environmental sphere.

Anti-Corruption

4.4. ANTI-CORRUPTION AND GOVERNANCE

Developments continue in the Anti-Corruption and Governance space both in Australia and at the international level. The Crimes Legislation Amendment (Combatting Corporate Crime) Bill 2017 lapsed in the Senate when the last parliament was dissolved, but we understand that a very similar bill will be reintroduced to the current parliament around October 2019. Like the 2017 bill, we understand that the 2019 bill will introduce a new absolute liability offence for corporates of 'failure to prevent bribery of foreign public officials. As an absolute liability offence, prosecution will not be required to establish that a company intended to commit the offence and the barriers to prosecuting corporations for foreign bribery offences are likely to be significantly reduced should the bill pass into law. We also understand that the 2019 bill will provide for a Deferred Prosecution Agreement (DPA). This law would align Australia with a number of other jurisdictions that in 2018 introduced similar absolute liability offences for failure to prevent bribery such as India, Malaysia and Ireland. Further legislative advances saw the Treasury Laws Amendment (Enhancing Whistleblower Protections) Bill 2019 (Whistleblower Bill) passed by Parliament in February 2019. The Amendment harmonises the multitude of existing whistleblower regimes under federal law, enlarge existing protection and remedy mechanisms for whistleblowers, and create a whistleblower regime for tax-related misconduct and contraventions.

These developments are likely to lead to increased reporting of alleged corrupt conduct and greater enforcement activity. To support this expected rise in enforcement, both the Australian Federal Police (AFP) and the Commonwealth Director of Public Prosecutions (CDPP) have received increased funding to pursue corporate crime, as have other authorities such as the Australian Transaction Reports and Analysis Centre (AUSTRAC) and the Australian Securities and Investments Commission (ASIC), the latter of which in 2018 was earmarked for $6 million in Commonwealth funding to promote Australia as a leader in regulatory technology solutions. This reflects a global trend of increased resources and powers for regulators with jurisdiction over anti-corruption and bribery, as well as a growing focus on the power of technology to drive the efficiency and capacities of regulators.

The Final Report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry was released in February 2019 alongside the Government Response, drawing to a close the investigations of the Hayne Royal Commission. The GCNA welcomed the findings of the Royal Commission which confirmed that the loss of consumer trust is bad for business. In the aftermath of the Commission as well as APRA's CBA Prudential Inquiry Final Report, the finance industry was confronted with the irrefutable need to overhaul the industry's corporate culture and business practices in order to restore consumer confidence. As a leading platform for ethical and responsible business practices in Australia, the GCNA has and will continue to work towards rebuilding trust across corporate Australia.

Further developments in the corporate governance space saw the release of the Fourth Edition of ASX's Corporate Governance Principles and Recommendations in February 2019. The recommendations seek to address the ongoing issues around culture, values and trust amongst listed entities as well as more broadly within corporate Australia. The fourth edition will come into force for financial years commencing on or after 1 January 2020.

The GCNA has continued to convene forums on key anti-corruption and bribery compliance challenges, including risk assessments, compliance and governance levers.

With an increased focus on the relationship between corporate culture and the presence of bribery and corruption, the GCNA has been working with businesses, government, civil society and academia to more deeply understand the systemic challenges in anti-corruption and bribery, and the ways in which these can be overcome.

In addition to its program of capacity building events targeted towards business, the GCNA welcomed the opportunity in February 2019 to contribute to the Federal Government's proposal to establish a Commonwealth Integrity Commission (CIC). Within the context of public distrust in both Government and the corporate sector, the GCNA supported the establishment of an independent federal anti-corruption agency but also highlighted key areas of concern. Continuing our engagement in the public sector, the GCNA was represented at the Australian Federal Police's (AFP) Raising the Bar Design

Forum and convened under the theme enhancing detection, monitoring and reporting of foreign bribery and corruption.

As the landscape for anti-corruption and governance continues to evolve, managing corruption risk as well as corporate culture will remain a key area of concern for companies and boards to manage. Working with corporate Australia to stay abreast of ongoing regulatory and legislative changes and successfully navigate the aftermath of recent events including the Hayne Royal Commission has been and will remain a central focus for the GCNA.

5. HIGHLIGHTS

During the year, the GCNA convened a wide variety of events including the inaugural GCNA Conference in 2019 and a range of dialogues, workshops, webinars, roundtables, forums and breakfasts. Key highlights of the past year are outlined below, and an exhaustive list of events can be found in Appendix A.

Inaugural GCNA Conference 2019

The GCNA's inaugural conference 'Rebuilding Trust in Corporate Australia: Business as an Agent of Sustainable Change' was held across two days on 30 April and 1 May 2019, at the Arts Centre Melbourne, Victoria. The conference brought together 275 local and global leaders from business, civil society, academia and government in a total of thirteen sessions spread across two days, and featured numerous side events including a Women and Trust breakfast, an executive roundtable, two investor roundtables and a public lecture delivered by Professor John Ruggie.

The GCNA was honoured to host keynote speakers Professor Gillian Triggs (Emeritus Professor, Chair – Justice Connect, Vice Chancellor's Fellow – University of Melbourne, President – Asian Development Bank Tribunal and Former President – Australian Human Rights Commission), Professor John Ruggie (Berthold Beitz Professor in Human Rights and International Affairs – Harvard Kennedy School, Non-Executive Director – Arabesque and Chair – Shift) and Emmanuel Lulin (Senior Vice President and Chief Ethics Officer – L'Oréal), who shared their international expertise and insights into the roles and opportunities for businesses to lead the way in human rights, environmental social governance (ESG) and the challenges of navigating complex ethical dilemmas.

At the heart of the two-day discussions was the desire to present and build on the opportunity for companies to regain public trust through the development of responsible business practices and by instilling a corporate culture that considers the alignment of purpose and profit. This flagship conference was a keystone of the GCNA's 2018/2019 agenda in advancing corporate Australia by engendering ethical businesses with robust cultures that drive purpose and enable organisations to thrive.

2018 Australian Dialogue on Business and Human Rights

In partnership with the Australian Human Rights Commission (AHRC), the GCNA convened the fifth consecutive Australian Dialogue on Business and Human Rights under the theme 'Embedding Human Rights in Global Supply Chains: Modern Slavery and Beyond'. The Dialogue brought together leaders and experts from across sectors to explore how to prevent and address modern slavery in business operations and supply chains, and how to understand this work within the broader human rights framework. The Dialogue provided businesses with a unique platform to examine and influence the discourses surrounding Modern Slavery, build capacity in the human rights sphere, as well as offering an opportunity to network and build partnerships across the diverse and comprehensive networks of the GCNA and the AHRC. Additionally, the Dialogue provided considerable strategic insight for the GCNA and the AHRC to move forward in their respective programs of work.

Australian SDGs Website

The relaunch of the Australian SDGs Website in June 2019 by the GCNA in partnership with the Department of Foreign Affairs and Trade (DFAT) generated a high-level of interest and brought the Australian contribution to the 2030 Agenda to the fore. Upon its relaunch, the website attracted a total of 19,223 unique user views and collated over 292 individual resources, 171 case studies from more than 130 organisations and built a central repository for all SDG-related information and activities in the Australian context.

The SDGs website is a core action of the GCNA that has been driving awareness of the SDGs across Australia, showcasing actions taken by Australian organisations and featuring case studies and relevant resources that build capacity to implement the SDGs across a multitude of sectors and industries. The GCNA has developed a solid platform from which to continue to grow this website. The expectation across those who are now utilising this site is that this platform will continue to grow and become the primary portal through which organisations can be exposed to and interact with various materials that relate to the SDGs.

17 Sustainable Development Goals
3,757 days remaining

5. HIGHLIGHTS (CONT.)

Leading in Sustainability

Over the past twelve months, leading in the corporate sustainability sphere has been a focal point for the GCNA. To do this the GCNA engaged in new and pioneering partnerships which have brought to the fore the most urgent and relevant conversations, initiatives and challenges currently facing Australian businesses in the sustainability sphere.

A highlight of these cumulative efforts was a new partnership with WWF-Australia on the Science Based Targets Initiative (SBTi); a global initiative supported by WWF, CDP (Carbon Disclosure Project) and the UN Global Compact that seeks to help businesses set a clear pathway to transition towards a zero-carbon economy. The GCNA and SBT Community of Practice (SBT CoP) brought together a collection of pioneering Australian companies leading in environmental sustainability and engaging with the SBTi. By helping businesses dissect and align with the recommendations of the IPCC Special Report on Global Warming of 1.5°C, as well as situate their sustainability efforts within the globally recognised framework of the SBTi, the GCNA began the essential process of aligning corporate Australia with international climate change mitigation efforts and expectations. Additionally, the SBT CoP provided companies across sectors and industries with a crucial and previously non-existent platform through which they could share knowledge and connect with other businesses undertaking the same process.

The SBTi partnership between WWF and the GCNA has been developed alongside considerable discussion and progress within the GCNA's newly established workstream regarding a Just Transition. This emerging space recognised the challenging discussions facing Australia necessary in order to leave no one behind in the transition to a resilient low carbon economy. As a trusted advisor to business and government and successful convener of multi-stakeholder forums, the GCNA has and will continue to facilitate and support strong multilateral cooperation between stakeholders in order to engender a Just Transition.

The tremendous advances made by the GCNA within the environment sphere over the past year provide a strong foundation for future actions, and the GCNA looks forward to continuing to be a leading voice in the Australian corporate sustainability agenda.

Membership Growth

Key Numbers:

30 New members in the last financial year

As of 30 June 2019, a total of **125 members, of which 94 are businesses** – this is the largest membership base the GCNA has had since its founding in 2009.

23 members are ASX100

In the last financial year, the GCNA's membership has grown by 27 percent, with business membership growing at 45 percent – this represents the most membership growth the GCNA has experienced in six years.

Collaboration and Partnership

Collaboration and partnership are integral to the work of the GCNA, and to achieving the SDGs. Fostering partnerships is recognised as one of the key approaches to achieving the SDGs, symbolised within its own goal – 'Partnerships for the Goals'. By cultivating partnerships within a wide network of like-minded organisations, the GCNA has sought not only to lead by example when operationalising the SDGs internally, but to grow and improve the already broad network of stakeholders working towards business sustainability and responsible business practices.

Public Lecture by Professor John Ruggie – in collaboration with Monash University

Honoured by a visit from the internationally renowned expert in responsible business practice, Professor John Ruggie (Berthold Beitz Professor in Human Rights and International Affairs at the Kennedy School of Government) delivered a public lecture at an event convened by the GCNA in partnership with Monash University. Professor Ruggie discussed the evolution of business and human rights, from why the UN Guiding Principles on Business and Human Rights were necessary and how they have been implemented by all stakeholder groups to emerging trends today, including how they intersect with the SDGs.

Through its partnership with Monash University, the GCNA provided Australians with a unique opportunity to hear from and engage with a true bastion of the global governance and corporate sustainability world. The demand for such an event was highlighted by the remarkable rate at which the public lecture sold out (one day) and the resoundingly positive feedback received from attendees.

Investor Roundtable with Professor John Ruggie – in collaboration with Arabesque

The GCNA and Arabesque Asset Management partnered to deliver two Senior Investor Roundtables with Professor John Ruggie. The roundtables explored the recent advances made in mainstreaming human rights in ESG investing and examined how technology enables ever greater reporting and integration of human rights issues across the corporate landscape. This collaboration provided senior investors with the opportunity to hear from and engage with an internationally celebrated expert on ESG and ultimately understand why business respect for human rights is key to the social sustainability of business itself. The roundtables took place in Sydney and Melbourne.

Doing Business Responsibly in Conflict Affected Areas | Breakfast – in collaboration with the International Committee of the Red Cross

The GCNA and the International Committee of the Red Cross (ICRC) partnered to deliver a breakfast session to discuss international humanitarian law (IHL), operating in conflict affected areas and the implications for Australian businesses. The theme of the breakfast acknowledged the dramatic changes in the nature of how armed conflicts are fought and the considerable increase of non-state actors engaged in armed conflict. The risk for business to be inadvertently caught up in conflict and post-conflict related dilemmas is one that must be acknowledged and proactively managed. The collaboration played to the strength of the GCNA as a centralised point of call for Australian companies and in exploring global issues via a business lens, and the expert knowledge of the ICRC in understanding and analysing IHL.

The New Global Reality for Business | Breakfast – in collaboration with Control Risks

Understanding the complex and constantly changing globalised realm in which business operates is a daunting order for anyone. The GCNA partnered with specialist risk consultancy Control Risks in order to dissect for business the most relevant trends, developments and associated risks for Australian businesses in 2019. The event provided businesses with a unique opportunity to hear from international experts and engage with Control Risks' 2019 RiskMap – a tool which incisively assesses and presents the upcoming risks for the year ahead.

Forum | The Future of Trade: Can it Work for Everyone? – In Collaboration with Fairtrade Australia and New Zealand

The Future of Trade Forum was the result of the GCNA's collaboration with Fairtrade Australia and New Zealand. The event brought together pioneers transforming global trade to make it sustainable and profitable for all. The Forum provided a holistic view of sustainability by assessing long-term viability of value chains as well as discussing a range of critical issues in global trade including traceability and transparency, human rights due diligence, climate change and gender equality.

6. OUR BOARD

FY2019 DIRECTORS

- **Dr David Cooke** – Chair (Chair and Managing Director, Konica Minolta)
- **Megan Saussey (nee Christensen)** – Director and Deputy Chair (Senior Vice President, Corporate Social Responsibility and Environment, Oil Search Limited)
- **Kylie Porter** – Executive Director
- **Michael Vavakis** – Director (Chief People Officer, Lendlease)
- **Rachel Nicolson** – Director and Chair, Anti-corruption (Partner, Allens Linklaters)
- **Sally Moyle** – Director (CEO, CARE Australia) (Retired July 2019)
- **Sasha Courville** – Director and Chair, Environment (General Manager, Social Impact, NAB)
- **Vanessa Zimmerman** – Director and Chair, Human Rights

RETIREMENTS

The following Directors have since resigned from the Board and the GCNA would like to wholeheartedly thank them for the significant contributions.

- **Catherine Hunter**, former Chair (retired November 2018)
- **Alice Cope**, former Executive Director (retired November 2018)
- **Celia Reynolds**, former Director (retired April 2019)

7. OUR MEMBERS

Aboriginal Carbon Foundation	GHD	Solaris Paper
Accenture	Glencore Coal	South East Water
Action Sustainability Asia Pacific	Global Impact Initiative	St Barbara
Adara Group	Good Environmental Choice	Stockland
AGL Energy	Griffith University	Stylecraft
Allens	Habitat For Humanity	SunRice
Antipodeans	Hassell Limited	Super Retail Group
Aspen Medical	HP PPS Australia	Sustineo
ANZ Bank	IKEA	Sydney Airport
Australia Post	Infrastructure Sustainability Council of Australia	Talent Nation
Australia-Africa Mining Industry Group	International SOS	Tata Consultancy Services
Australian Business Volunteers	Intrepid Group	Telstra
Australian Centre for Corporate Social Responsibility	Junction Australia	The Ethics Centre
Australian Packaging Covenant Organisation	Konica Minolta	The GPT Group
Australian Volunteers International	KPMG	Think Step
Bank Australia	La Trobe University	Think Impact
Banksia Foundation	Law Council of Australia	Think Place
BHP Billiton	Lendlease	Thomson Reuters
BPW Australia	McConnell Dowell Constructions	Transparency International
Brambles	Melbourne Water	Transurban
Cardno	Mirvac	Treasury Wine Estates
CARE Australia	Monash University	Trojan Recruitment
Centre for Equality	National Australia Bank	University of Melbourne
Charter Hall	Nestle Australia	University of Western Australia
Chartered Accountants ANZ	OceanaGold	University of Wollongong
City West Water	OilSearch	Vision International Forwarding
Clifford Chance	Optus	Visy
Coffey	Orocobre	Walk Free Foundation
Commonwealth Bank of Australia	Orora	Water Services Association Australia
Control Risks	Pacific Hydro	Wateraid Australia
Corrs Chambers Westgarth	Paper Force	Wesfarmers
CPA Australia	Pixel Perfect	Westpac
Creating Communities	Point Advisory	Winya
Currie Communications	PwC	Woolworths
David Jones	Qantas	World Health Assist
Deakin University	Republic of Everyone	World Vision Australia
Deloitte	RGS Events	Worley
EY	Rio Tinto	Yarra Valley Water
Fairtrade Australia and New Zealand	RMIT University	Zoic Environmental
Fortescue Metals Group	SA Water	
Fuji Xerox	Scope Global	
FutureEye	Shell	
Generation Alliance	SMEC	

SUMMARY FINANCIAL INFORMATION

Important Note: This document includes only summary financial information and should not be considered a substitute for our full financial statements, including notes, directors'/auditors' reports, and related discussion. You can access our audited 2018 Directors' Report and Financial Statements on our website, www.unglobalcompact.org.au

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2017

	2019 ($)	2018 ($)
Revenue	746,723	516,415
Other income	79,152	-
Employee benefits expense	(296,822)	(212,720)
Depreciation and amortisation expense	(1,863)	(2,325)
Other expenses	(225,310)	(193,018)
Finance costs	(4,590)	(865)
Profit		
Profit before Income Tax	297,290	76,455
Income tax expense	-	-
Profit for the year	**297,290**	**107,487**
Total comprehensive income for the year	**297,290**	**107,487**

Note: Summary information only

Statement of Financial Position 30 June 2019

	2019 ($)	2018 ($)
Assets		
CURRENT ASSETS		
Cash and cash equivalents	927,495	894,965
Trade and other receivables	150,303	335,120
Total Current Assets	**1,077,798**	**1,230,085**
Total Assets	**1,077,798**	**449,563**
Liabilities		
CURRENT LIABILITIES		
Trade and other payables	94,281	331,738
Other financial liabilities	406,244	618,364
Total Current Liabilities	**500,525**	**950,102**
Total Liabilities	**500,525**	**950,102**
Net Assets	**577,273**	**279,983**
Members' Funds		
Members' Funds	577,273	279,983
Total Members' Funds	**577,273**	**279,983**

Note: Summary information only

9. APPENDICES

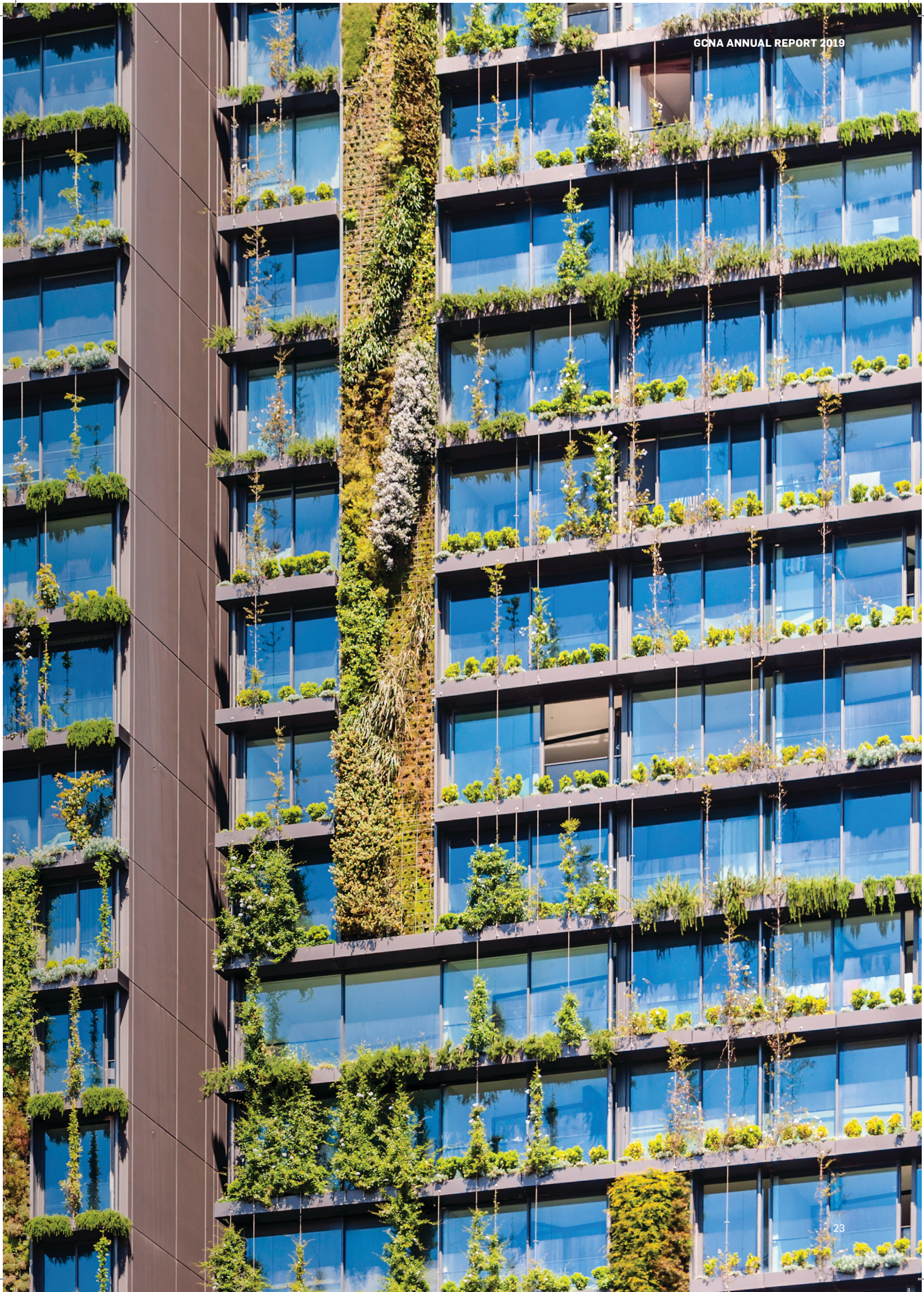## APPENDIX A: COMPLETE LIST OF EVENTS FROM FY2018/19

- **5 June 2019:** GCNA Community of Practice | Modern Slavery 2019 (Melbourne)
- **27 May 2019:** Anti-Bribery & Corruption (ABC) | Governance Challenges in ABC Compliance (forum) (Sydney)
- **23 May 2019:** Webinar | Science Based Targets – Community of Practice Meeting
- **2 May 2019:** Investor Roundtable with Professor John Ruggie (Sydney)
- **1 May 2019:** Investor Roundtable with Professor John Ruggie (Melbourne)
- **1 May 2019:** Breakfast | Women & Trust: Tackling Systemic Barriers to Gender Equity (Melbourne)
- **30 April 2019:** Public Lecture with Professor John Ruggie (Melbourne)
- **30 April 2019:** VIP Cocktail Event with Professor John Ruggie (Melbourne)
- **1 April – 2 May 2019:** 2019 Global Compact Network Australia Conference (Melbourne)
- **28 March 2019:** Webinar | Business and Environment – Science Based Targets 101
- **14 March 2019:** GCNA Community of Practice | Modern Slavery 2019 (Sydney)
- **14 March 2019:** Business and Human Rights | Responsible Recruitment Breakfast Briefing (Sydney)
- **6 March 2019:** Forum | The Future of Trade: Can it Work for Everyone (Sydney)
- **5 March 2019:** Webinar | Anti-Bribery & Corruption (ABC) Policy and Compliance Controls 101
- **27 February 2019:** Webinar | Business & Human Rights: Key Trends for Business in 2019

- **26 February 2019:** Breakfast Briefing | The New Global Reality for Business (Sydney)
- **10 December 2019:** GCNA Community of Practice | Modern Slavery 2018 (Melbourne)
- **27 November 2018:** Doing Business Responsibly in Conflict Affected Areas | Breakfast (Melbourne)
- **14 November 2018:** Human Rights Leadership Group | 'In Conversation' with the OECD (Sydney)
- **13 November 2018:** 2018 Australian Dialogue on Business and Human Rights (Sydney)
- **12 November 2018:** Lasting Legacies | Dinner with the Honourable Justice Michael Kirby (Sydney)
- **29 October 2018:** GCNA Human Rights Leadership Group | Modern Slavery Workshop (Perth)
- **30 October 2018:** Global Compact Network Australia | Indigenous Empowerment Breakfast 2018 (Perth)
- **24 October 2018:** GCNA Anti-Corruption Leadership Group | Risk Assessment Workshop 2018 (Melbourne + Sydney)
- **30 August 2018:** GCNA 101 Workshop | Getting started with Business and Human Rights 2018 (Sydney)
- **30 August 2018:** GCNA Community of Practice | Modern Slavery 2018 (Sydney)

APPENDIX B: MEDIA HIGHLIGHTS 2019

Date	Thematic Area	Title of Media Publication	Media House
5-Feb-19	Responsible Business	Royal Commission findings confirm need for business to restore consumer trust	Mirage News
7-Feb-19	Responsible Business	On the Money (segment)	Radio 2SER 107.3
14-Feb-19	SDGs	Good Future Podcast, Episode 13: Corporate Engagement with the SDGs	Good Future Podcast
6-Mar-19	SDGs	Australian SDG Enquiry Delivers Dissenting Reports and Questions on Political Commitment	Devex
1-Apr-19	SDGs	We Are All in it Together	Pro Bono
3-Apr-19	Governance	Global Compact Network Australia announced new Board Chair and Directors	Mirage News
26-Apr-19	Responsible Business	Purpose Before Profit: Some Progress, Gaps Remain	Devex
29-Apr-19	Responsible Business	Ethics Good for the Triple Bottom Line Says L'Oréal Executive	Australian Financial Review
29-Apr-19	Responsible Business	Business Leaders Meet to Build Trust in Corporate Australia	Mirage News
1-May-19	Human rights	Shaping the Future of Sustainable AI and Automation	Australian Human Rights Defender
1-May-19	Gender	Unconscious Bias Key Driver for Workplace Inequality	ABC Radio National
1-May-19	Human rights	Q&A: Gillian Triggs and Her Role for Speaking up for Human Rights	Devex
2-May-19	Responsible Business	Australian Financial Complaints Authority Inundated with Claims Against Banks, Insurers	ABC
3-May-19	SDGs	5 Lessons on How to Make Sustainable Change in Business	Devex
3-May-19	SDGs	Q&A: Understanding Sustainability at Qantas	Devex
3-May-19	Human rights	Business Has a Role to Play in Protecting Human Rights - Gillian Triggs	The Sustainability Report
3-May-19	Human rights and Environment	How Business Should Protect Human Rights and the Environment	ABC Radio National
6-May-19	SDGs and Environment	Q&A: What does Sustainable Finance Look Like at National Australia Bank?	Devex
May-19	SDGs	Building a Market for Mainstream SDG Bonds	Kaplan
May-19	SDGs	General Purpose SDG Bonds and Company's Business Model	Kaplan
10-Jun-19	Human rights	Human Rights Education for Business: Serving the Demand	Devex

"The cost of inaction is rapidly becoming significantly higher than the cost of action. This is the biggest business plan that we have in the history of mankind."

Paul Polman
Vice-Chair, UN Global Compact

THE TEN PRINCIPLES OF THE
UNITED NATIONS GLOBAL COMPACT

HUMAN RIGHTS

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

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

LABOUR

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

the elimination of all forms of forced and compulsory labour

the effective abolition of child labour; and

the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Businesses should support a precautionary approach to environmental challenges;

undertake initiatives to promote greater environmental responsibility; and

encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

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

Global Compact
Network Australia

United Nations
Global Compact