



accsr

Australian Centre for Corporate Social Responsibility

LEADERSHIP AND RESILIENCE

ACCSR
SUSTAINABILITY REPORT
2012/2013

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ABOUT THIS REPORT

This is our fourth Sustainability Report which covers our sustainability performance in the period from 1 July 2012 to 30 June 2013. It follows our 2009/2012 Sustainability Report.

We used the United Nations Global Compact (UNGC), the Global Reporting Initiative (GRI) G4 Framework and the consultation draft of the International Integrated Reporting <IR> Framework to guide this report's development. It summarises our value-creation activities, impacts and performance during the financial year 2012/2013 and outlines our goals and challenges for the future.

This report is in accordance with the GRI G4 Framework at a Core level, which means that we have reported the essential elements of our organisation's background and impacts of our performance. ACCSR supports the goals of the GRI and has been an organisational stakeholder since 2004. We teach the Certified GRI Reporting Program in our public professional learning programs. ACCSR has been a signatory to the UNGC since 2007 and is a member of the UNGC Australian Global Compact Network.

Bureau Veritas provided independent assurance on the G4 standard disclosures related to stakeholder engagement and the G4 indicators (PR5, LA9 and LA11). A copy of Bureau Veritas assurance statement can be found on page 19.

The full GRI and UNGC index is available on our website at www.accsr.com.au/html/sustreport.html



ABOUT ACCSR

Australian Centre for Corporate Social Responsibility (ACCSR) is the registered trading name of Synergy Communications Pty Ltd (ABN 71 007 029 610). This is a privately held company and Dr Leeora D. Black is the sole director. We are based in Melbourne, Australia but offer our services throughout Australia and internationally, as requested.

Since 2003, ACCSR has helped organisations create lasting value through responsible business strategies and productive stakeholder relationships. Over the years our mission has remained: to be Australia's leading management consultancy dedicated wholly to creating competitive advantage for clients through corporate social responsibility (CSR).

ACCSR Consulting offers advisory services to help organisations take their next steps in creating value for all their stakeholders, building organisational capability. Our services include sustainability reporting, advisory and strategy services and stakeholder research. These services were delivered to clients in Victoria, New South Wales, Tasmania, Queensland, South Australia, Western Australia, New Zealand and Malaysia during the year.

ACCSR Learning provides training and other programs that underpin the professionalisation of the corporate responsibility management function, building individual capability. During the reporting period, we ran our public training programs in Melbourne, Sydney, Brisbane, Perth, Townsville, and Amsterdam (The Netherlands).

Our way of working is collaborative, with an emphasis on developing the capacity and capabilities of our clients, and we do this through providing advice, practical solutions and recommendations for action. We always aspire to be the trusted advisor to our clients on CSR matters.

More information on our services, our stakeholders, our people and our impacts are contained in this report and on our website www.accsr.com.au

We welcome your feedback on this report. Please email leeorablack@accsr.com.au or call +61 3 9049 9500.



“In 2013, Wrigley Pacific partnered with ACCSR to produce our annual sustainability report using a robust assessment framework to review our impacts. Their expertise and service delivery were exceptional, leading us to deliver our best Pacific sustainability report to date and advance our measurement practices.”

Sophie Hughes, Senior Manager Corporate Affairs, Wrigley Pacific



Our values

At the core of ACCSR are our values, which reflect who we are and guide our approach to the services we offer, the way we work with clients, and the outcomes we strive for.

Sustainability

We want to contribute to the balance between the ecological system and the social system while creating transformational value for our stakeholders. This leads us to work for industries and organisations with ripple effects, such as big businesses with extended supply chains, broad stakeholder impacts, and market-shaping positions, as well as industry and professional associations.

Participation

We are enthusiastic, pro-active, and fully present. We aim to collaborate effectively and co-create solutions to clients' problems. We see ourselves as partners with our clients in their sustainability journey. To do this well we need to develop team and individual competencies such as change management, facilitation and communication skills. We must also show leadership within our industry and area of influence.

Public Knowledge

We aim to share what we learn, contribute to new knowledge, shape better practices and build capability for responsible business practices. That has led us to establish an annual conference, publish an annual review of the *State of CSR in Australia* and other public research reports, and provide thought leadership through our csrconnected.com.au blog and other publications.

Professionalism

This means behaving with integrity, acting with care towards colleagues, clients and self, and doing quality work. It also means we support the development of the CSR profession.

Our governance

Our business is structured into two operating companies, ACCSR Learning and ACCSR Consulting, both wholly owned by Synergy Communications. Dr Leeora Black is the sole director.

We adhere to all relevant laws in the places where we operate. We seek appropriate outside advice to address organisational decisions, which are made by the Managing Director often in consultation with, and with feedback from, ACCSR staff.

Staff members participate in discussions about the strategic direction of the organisation, which include consideration of risks and opportunities. These are held at least annually. We believe a consultative approach to business decision-making enables employees to better understand the drivers of business value, builds their sense of commitment and engagement, and enacts our core value of participation. However, final decisions about the business remain the responsibility of the Managing Director.

As the organisation has grown, we have progressively implemented policies and procedures to improve our effectiveness. We introduced a formal performance management system in FY2010, including an environmental policy, and a professional development policy. Under our professional development policy all staff are entitled to at least one week's training per year in addition to attendance at ACCSR's learning programs and conference. We introduced a profit share scheme in FY2012.

In FY2014 we will review our performance management system as part of our commitment to continuous improvement.

"ACCSR demonstrated expertise in research design and questionnaire development, as well as in their high quality data analysis and reporting skills. ACCSR has good interviewing techniques, and I have since had many stakeholders mention, unprompted, that they found the interview process very professional and enjoyable, and that ACCSR understood the subject and were skilled in explaining ideas where necessary. The impact of the project has been that it reinforced and clarified earlier pre-feasibility work and helped establish the design principles for the scheme design. We were also able to broaden our list of stakeholders enabling a wider range of constructive input to the [steel supply chain certification] scheme development."

*Ross Davies, President,
Steel Stewardship Forum*





WELCOME FROM THE MANAGING DIRECTOR

I am pleased to present the 2012/2013 Sustainability Report of the Australian Centre for Corporate Social Responsibility.

The theme of this report is 'Leadership and Resilience'. We have chosen this theme as it reflects both our achievements and challenges during the reporting period, and our overall intentions for the next period.

At ACCSR we are dedicated to improving organisational performance through CSR. We aim to influence and strengthen management practices and competitive advantage through our consulting and training services, and public interest work such as our annual conference and *Annual Review of the State of CSR in Australia and New Zealand*.

Significant achievements during the reporting period included:

- Broadening the range of services we provided and the industries we worked with
- Receiving very positive feedback on the quality of our work from consulting clients and workshop participants
- Providing more opportunities through CSRConnect.ed for a broad range of people to network and learn more about CSR
- Extending our collaborations and partnerships with other organisations
- Running our 6th annual conference, and
- Extending our annual research report, *The State of CSR in Australia*, to New Zealand for the first time.

We are particularly pleased about these successes as the reporting period continued to be economically challenging. The winding down of the mining boom was the most significant economic challenge for us as our mining work contracted from a record three quarters of consulting earnings in FY2012 to one quarter of consulting earnings in FY2013. Mining companies are attracted to ACCSR because of our depth of experience

in stakeholder and community engagement, social licence to operate and sustainability reporting, but as they cut staff in response to contracting market conditions, some of our clients and their projects were made redundant.

We were able to offset this by offering a broader range of services to a broader range of industries, achieving a lower-risk and more resilient portfolio of clients during the reporting period. In FY2013 we provided more services to government, energy, retail and the financial services sector, and won new projects in the food, property, and manufacturing sectors.

The need to rebalance our services was anticipated during the previous reporting period, so in July 2012 we reviewed our business strategy and set ourselves new challenges. In revising our business strategy we considered our purpose and values, as well as our business model, which combines professional services and training. The strengths of this model are that we can offer complementary solutions at both the organisational and the individual level to reinforce and extend the impacts of our work. The challenges of this model are the need to continually develop innovative new intellectual property and invest heavily in the development of our people. Professional services and training are also two sectors that tend to be cut first in difficult economic times.

We therefore determined to broaden and deepen our service offerings; strengthen the capabilities and performance of our team; build our brand in the market; and refresh our learning business, ACCSR Learning. We have made good progress on all fronts, and these will continue to be our priorities in FY2014.

In preparing this report we undertook a different approach to our materiality analysis from previous years, and combined approaches described by the International Integrated Reporting Framework and GRI-G4 (see p8). This process highlighted the significant social value and impacts of ACCSR that we create primarily through our relationships with clients, workshop participants and partners. This value includes creation of new knowledge through consulting work

and research, contributing to the professionalisation of the CSR management function and enabling our stakeholders to broaden their peer networks through our workshops, events and social media.

During the reporting period we planned a move to a new 5-star Green Star rated office in Docklands, Melbourne, which was completed in September 2013. This has significantly reduced the environmental impact of our office, which is now fully solar powered.

In 2014 we will celebrate our tenth anniversary, a proud milestone for our company.

To mark this occasion we are establishing CSRConnect.ed as a not-for-profit organisation. Formerly a program of free events and engagement via social media sites, the goal of the not-for-profit organisation, CSRConnect.ed, will be to further contribute to the professionalisation and development of corporate social responsibility.

Our existing public interest work – our annual conference and Annual Review of *The State of CSR in Australia Annual Review* – will be run under the auspices of CSRConnect.ed and we will seek new opportunities for collaboration with other organisations to extend our impact.

We are proud of our achievements over these ten years and are looking forward to our next decade of contributions to responsible business practices.



Dr Leeora Black



Leeora Black welcomes delegates to ACCSR's 6th Annual Conference

“ACCSR’s survey has provided us with a useful tool that helps us track our stakeholder engagement progress over time. It provides us with an evidence base that helps us determine what’s working in our community relations programs and which areas require extra attention. It also provides us with quantitative data that we can take to our internal stakeholders to reinforce the value of the community relations function. ACCSR is committed to providing us with robust insights; each year we work with them we further develop our knowledge of stakeholder engagement and how to put the research to best use.”



Jodie Read, Corporate Affairs Manager,
Western Australian Operations,
Alcoa of Australia



OUR STAKEHOLDERS

The community of our stakeholders is large and growing, and includes employees, consulting clients, participants in public learning programs, and partners such as our network of associates and organisational partners.

We are an organisational stakeholder of the Global Reporting Initiative (GRI), a signatory to the UN Global Compact, and a participant in the Business Reporting Leaders Forum, which is associated with the International Integrated Reporting Council (IIRC).

We also make regular presentations at international and national conferences, and develop partnerships with individuals and groups, such as our long collaboration with leading stakeholder engagement academic and consultant Dr Robert Boutilier, and with Paul Hohnen, who has played an influential and constructive role in the international sustainability movement.

Some of our stakeholders attend only one training program; others are in contact with us regularly through events or consultancy work. We try to keep in touch with all of our community as a way of supporting the CSR profession.

We then used the G4 materiality process to consider which G4 aspects relate to these sources of value and whether our impacts and value creation/destruction occurs primarily inside or outside our organisation.

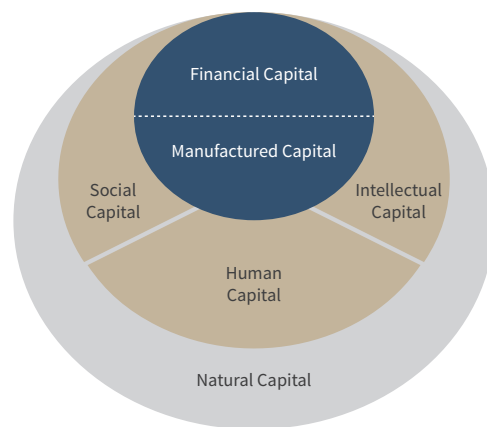


FIGURE 1: The six capitals model of the draft International Integrated Reporting Framework

Our approach to materiality

As a service organisation, our material issues have remained remarkably consistent over the past few years. The initial list of material topics for inclusion came from our earlier stakeholder engagement which informed our previous report: ten current and former clients participated, and what they told us inspired and forms the basis for this report. For FY2013, we reviewed as a team these topics in the light of the GRI Reporting Principles and the G4 materiality process with the idea of adding any other topics we felt were relevant (no additional topics were identified). As a team, we also considered the IIRC draft framework for integrated reporting.

We started by using the IIRC six capitals model to interrogate our business. This model asks organisations how they create or destroy value in the areas of financial, manufactured, intellectual, social and relationships, human and natural capital. We also considered the interdependencies between these sources of value.

We realised that our major impacts and value creation are in the areas of social, human and intellectual capital. These are tightly interconnected. For example, our employees create intellectual capital that we use to benefit clients and create financial and social capital for both ourselves and our clients. We draw down our financial capital to support public interest programs like CSRConnect.ed, our annual conference and *The State of CSR in Australia Annual Review*, which in turn create social capital and intellectual capital that benefits clients, workshop participants and the broader CSR community and social capital for us. We create or destroy almost no manufactured capital or natural capital directly, although our intellectual capital assists clients to make positive impacts in these areas themselves.

As a result of this process we decided to stop reporting on our environmental impacts – not because we have abandoned efforts to minimise our impacts, but because our relatively modest

size and environmental footprint means that our mitigation measures are not significant, relative to our other impacts such as those relating to our clients' environmental and social performance.

Our significant or material issues are shown in Table 1. For our external stakeholders, perhaps the most important issue is leadership. They want to see ACCSR continue to play a leading role in CSR and to support the burgeoning CSR management function. For our employees, a priority issue is to support their professional development and career pathways.

MATERIAL ISSUES		GRI ASPECTS	BOUNDARY
LEADERSHIP	Provide leadership in CSR	Public Policy	ACCSR Consulting and ACCSR Learning, externally to our current and prospective clients and workshop participants
	Support the professionalisation of the CSR management function	Public Policy	As above
	Support the CSR industry	Public Policy	As above
SERVICES	Use best management tools and approaches	Product and Service Labelling	As above
	Improve client performance through CSR	Indirect Economic Impacts	As above
	Build client capabilities	Indirect Economic Impacts	As above
BUSINESS DEVELOPMENT	Support employee professional development and career pathways	Labour Practices: Training and Education	ACCSR Consulting and ACCSR Learning, but not contractors or associates
	Diversify product offering		ACCSR Consulting and ACCSR Learning, externally to our current and prospective clients and workshop participants

TABLE 1: ACCSR's material issues and boundaries



ACHIEVING OUR GOALS

This year has been one of considerable change in the CSR landscape, with the release of the new GRI reporting guidelines (G4) and a draft framework for integrated reporting, and the ongoing work of the Sustainability Accounting Standards Board in the United States all contributing to greater focus on transparency and accountability for impacts.

At the same time, global economic conditions have been challenging, and while Australia has been relatively removed from this, the winding-down of the mining investment boom, uncertainty associated with the looming federal election and an uneven economic

outlook had impacts for our clients, and therefore for us. This translated into a tough business climate for business services such as consultants, and for CSR programs and training more generally.

In last year's report we identified three challenges for us as an organisation, and all of these were valid in the reporting period, namely:

- Organisational growth and managing the ebb and flow of consulting work
- Employee engagement and retention
- Changing competitive landscape.

Our goals and achievements for FY2013 were:

GOALS		PERFORMANCE
SUPPORT THE PROFESSIONALISM OF CSR	<ul style="list-style-type: none"> • Work with GRI to ensure that content of GRI-certified courses meets the needs of participants. • Publish <i>The State of CSR in Australia Annual Review</i> and complementary research reports. 	<ul style="list-style-type: none"> • Responded to G4 draft reporting guidelines; presented workshop on stakeholder engagement at GRI conference in May 2013. • Published <i>State of CSR</i> – including New Zealand for the first time. • Held ACCSR's 6th national conference in February 2013.
QUALITY AND RANGE OF SERVICES	<ul style="list-style-type: none"> • Strengthen our international and local partnerships to deliver the highest quality CSR service. • Further develop new service lines that leverage our core capabilities in stakeholder engagement and strategy. Expand our training program to cover greater geographical and subject areas. 	<ul style="list-style-type: none"> • Renewed MoUs with La Trobe Business School and GRI. • Extended collaboration with Incite Sustainability in South Africa. • Established new collaborations with Bureau Veritas, RMIT University, Dr Cornis van der Lugt in Geneva and with Wright Communications in Auckland. • Sustainable supply chain strategy, carbon strategy, social impact assessment and social licence strategies developed for a range of clients. • Presented training in Townsville, Qld, for the first time, expanded subject matter to include natural capital and integrated reporting.
EMPLOYEES	<ul style="list-style-type: none"> • Establish a code of conduct. • Further develop our employees and provide career advancement opportunities. • Formalise our internship program. 	<ul style="list-style-type: none"> • Employee development programs continued at a more modest pace due to business conditions. • Code of conduct not established yet. • Internship program established.
VALUES	<ul style="list-style-type: none"> • Engage employees in refining and embedding ACCSR values. 	<ul style="list-style-type: none"> • Not completed. Ongoing commitment.
REDUCING OUR ENVIRONMENTAL IMPACT	<ul style="list-style-type: none"> • Identify new opportunities to reduce our environmental impact. 	<ul style="list-style-type: none"> • Move to Greenstar 5-star office planned (completed in September 2013).
REPORTING	<ul style="list-style-type: none"> • Produce our sustainability report on an annual basis. 	<ul style="list-style-type: none"> • Achieved, and assured for the first time.

TABLE 2: Achievements against goals in FY2013



OUR LEADERSHIP

ACCSR is committed to showing leadership in CSR practice. As trusted business advisors, it is our responsibility to stay at the forefront of responsible business practice. It is what our clients expect and what we expect from ourselves.

Our leadership includes:

- Contributing to public debate about CSR through our thought leadership (through *The State of CSR in Australia and New Zealand Annual Review*, our annual conference and CSRConnect.ed)
- Sharing our research with the wider professional community (through publication of peer reviewed research papers and presentations at conferences)
- Convening events for practitioners that offer learning and networking opportunities through CSRConnect.ed
- Providing training opportunities for practitioners that build knowledge and capabilities (through ACCSR Learning).
- Developing innovative solutions to clients' challenges (through ACCSR Consulting)

These activities deliver on our values related to supporting the professionalisation of CSR, and sharing knowledge. Through our research, training and consulting services we contribute to building understanding and skills within Australia's sustainability workforce.

In FY2013, we continued to offer an extensive workshop training program (see Our Services, p15), and worked closely with GRI to develop new certified course materials. ACCSR also provided feedback during the public comment period on the G4 sustainability reporting guidelines, so that the framework better reflected the needs of the Australian reporting community.

Social licence to operate

Our Managing Director was invited to write a book on the social licence to operate (published September 2013 by Do Sustainability Publishers, *The Social Licence to Operate: Your Management Framework for Complex Times*, by Leeora Black).

In May 2013 we convened the third meeting of an emerging international network of social licence

researchers to co-incide with the International Association of Impact Assessment (IAIA) meeting in Calgary, Canada. Over 30 scholars attended from around the world. The first two social licence researchers meetings were organised together with the CSIRO and the Centre for Social Responsibility in Mining at the University of Queensland in 2012 and 2011 respectively. We also helped organise a social licence stream within the IAIA conference and Leeora Black delivered a paper in that stream.

State of CSR in Australia and New Zealand Annual Review

Research underpins all our work, whether it is a stakeholder engagement project or a sustainability report. Evidence-based CSR practice is a key driver of professionalisation. Our State CSR in Australia Annual Review 2012/2013 focused on the theme of leadership in CSR. For the first time, this research was broadened to include New Zealand and a cross comparison of CSR practices across the Tasman. (See case study p12).

Events

Our 2013 annual conference continued the theme of Responsible Leadership. The sixth Annual Conference was hosted by National Australia Bank and brought together 200 CSR professionals to discuss how CSR leadership can deliver value to both business and society. (See Spotlight p12).

We also held more CSRConnect.ed events that provide a forum for CSR practitioners to discuss and share viewpoints on sustainable business thinking and practice. A highlight was a seminar we ran in November 2012 with La Trobe Business School on the topic "Proactive investor relations officers and socially responsible investment" with Professor Stephen Gates, Professor of Strategy at Audencia Nantes Ecole de Management, France.

ACCSR's 10th anniversary

In 2014 we will celebrate ACCSR's 10th anniversary by establishing CSRConnect.ed as a not-for-profit organisation to consolidate and extend the impact of

our public interest work. CSRConnect.ed started in 2008 as a program of free events subsidised by ACCSR for people working in CSR and sustainability who want to learn more and extend their networks. We added a blog site, csrconnected.com.au, and a LinkedIn group in 2011 which have both been well-utilised by a broad community of CSR and sustainability professionals.

The goal of the not-for-profit organisation, CSRConnect.ed, will be to contribute to the professionalisation and development of corporate social responsibility through educational and networking events, research, partnerships and participating in public policy debates.

CSRConnect.ed will run *The State of CSR in Australia and New Zealand Annual Review* and our annual conference, and will develop new initiatives that contribute to the professionalisation of CSR.

For the coming year only, our annual conference will shift from February to June 23rd 2014 so that we can create a unique event together with the International Association for Business and Society (IABS), which will hold its first conference in Australia in June. The event, called C-Lab (CSR in the Laboratory) will bring the world's leading scholars together with top Australian practitioners in a dialogue to build bridges between scholarship and practice.

The C-Lab will capitalise on global CSR thought leaders attending the IABS conference, who are experts in the full range of CSR and management specialties, including sustainable business, human rights, governance, accountability, community investment, management strategy and stakeholder relations. We hope the C-Lab will make a significant contribution to defining the critical issues for building stronger relations between business and society in the next decade.

Our ongoing commitments	Our performance
Supporting the Professionalism of CSR	
Work with GRI to ensure that content of GRI certified courses meets the needs of participants.	▲ ►
Publish <i>The State of CSR in Australia and New Zealand Annual Review</i>	▲ ►

▲ Achieved ▼ Not achieved ► Ongoing commitment

Our new commitments for FY2014

Supporting the Professionalism of CSR

- We will launch CSRConnect.ed as a not-for-profit organisation to incubate our public interest research and training events.
- Collaborate with the International Association of Business & Society to hold a unique event that fosters dialogue between scholars and practitioners in CSR.

SPOTLIGHT



The State of CSR in Australia & New Zealand Annual Review 2012/2013

Since 2007, *The State of CSR in Australia Annual Review* has been our flagship research project. This year we focussed on Responsible Leadership, asking the questions: what are the attributes of CSR leadership and what are the enablers of success? For the first time, the study was expanded to include New Zealand. The largest longitudinal survey into CSR practices in the region revealed a number of interesting findings.

When respondents talked about leadership in other organisations, they mainly pointed to companies that demonstrate and integrate CSR – or, in other words, walk the talk. However, when respondents looked at instances of leadership in their own organisations, they mainly looked at philanthropy and community investment – which denotes a more traditional understanding of CSR that might be a low-risk, easy-win. Some respondents (14%) even said that their organisations had no instances of responsible leadership at all.

For the fifth year in a row, respondents pointed to building internal buy-in as both the main priority and the single greatest obstacle for the year ahead. This suggests a vicious cycle: practitioners want to mainstream CSR in their organisations – and know that the best driver of such change is to gain internal buy-in – which is also the most significant challenge standing in the way of embedding CSR into everyday business.



SPOTLIGHT



ACCSR's 6th Annual Conference on Responsible Leadership

Our sixth annual conference, hosted by National Australia Bank on 13th February 2013, examined the theme of responsible leadership. Bringing together almost 200 CSR professionals from around Australia, the conversation centred on how responsible leadership can be integrated into organisations.

Professor David Allen, Dean of the School of Business, Economics and Law at the University of Surrey in the UK opened the conference. His presentation asked why CSR is not having the positive, macro-level impact on sustainable development given that many organisations are adopting CSR practices. Samantha Mostyn, Australian Football League (AFL) Commissioner provided the second keynote address about the AFL's social responsibilities and leadership in the wake of the drugs in sport scandal. National Australia Bank's Group Executive, Group Governance & Legal, Michaela Healy closed the conference with her reflections on how our work is a privilege that comes with obligations – therefore our decisions need to be responsible and strategic.

This premier learning and networking event for CSR professionals was chaired by ACCSR's International Associate Paul Hohnen, and sponsored by Bloomberg, WME, Women on Boards and digibox.



International guest speaker, Professor David Allen, speaking on the challenges of responsible leadership at the 2013 conference.



Conference Chair, Paul Hohnen, in conversation with panellist, Dr Barry Jones.



"A thought provoking and inspiring day, from both a high level perspective to the practicalities of day to day CSR operations. Very well worth attending."

*Eloise Bishop, CSR Manager,
Country Road*

"The conference provided opportunities to engage with real innovators and industry leaders, offering a real point of difference for sustainability professionals seeking meaningful training."

*Linda Stevenson, Senior Advisor,
Sustainability, RMIT*



Integrated Reporting

Integrated reporting means integrated thinking. That's the message – and benefit for organisations – from the development of the International Integrated Reporting Framework.

Many ACCSR clients have been asking whether they should be changing the way they report.

OUR ANSWER?

An integrated report can be a great way to interrogate strategy and how an organisation creates value. At the heart of integrated reporting is the concept of six 'capitals' – financial, manufactured, social and relationship, human, intellectual, and natural – as the resources upon which all organisations draw to create value. Describing how organisations create or destroy value in these capitals is the essence of the integrated report.

ACCSR has been working with these concepts for some time. Our International Associate Jonathon Hanks from Incite Sustainability in South Africa has been a key member of the group driving the development of integrated reporting. He is of the view that integrated reporting not only encourages integrated thinking, but also integrated strategy as it fosters a focus on creating and preserving value over time.

We agree with the <IIRC> that three positive outcomes of 'integrated thinking' can be:

- Better internal decision-making focusing on value creation and preservation over time
- A more cohesive approach to reporting within the organisations, and
- Better quality dialogue between company management, investors and other stakeholders (including employees and customers).

ACCSR has worked with clients to help them develop approaches to integrated reporting. Our reporting services include helping clients decide whether an integrated report is for them and if so, how to achieve it. Many will choose to combine elements of an integrated report with GRI reporting.

With the final draft of the integrated reporting framework released in December 2013, we are preparing for more clients to ask about making the switch to an 'integrated mindset'.



"The research ACCSR undertook for us helped to validate our material sustainability issues. Their service was responsive and timely, and was undertaken with considerable regard for our stakeholders."

*Nancie-Lee Robinson, General Manager,
Governance Integration & Reporting,
Chief Sustainability Office, Telstra*



OUR SERVICES

As a management consulting and training firm, our main contribution to sustainable development is through the impacts that we have on our clients. To scale up our impact on business practice we strive to provide quality services that empower clients to understand and implement their social responsibilities and build competitive advantage through CSR.

Strengthened partnerships

One of our key goals last year was to strengthen our international and local partnerships to deliver the highest quality CSR service. In the reporting period we made significant advances in this regard as we established a number of important partnerships.

In May 2013, we signed a Memorandum of Understanding with La Trobe Business School. This partnership extends a strong history of collaboration since 2007 which has resulted in the development of a Graduate Certificate program in Corporate Responsibility, teaching support, provision of student awards, joint publications, research, conferences and other events.

In June 2013, we created a partnership with Bureau Veritas, the world's leader in assessment and certification services. The partnership aims to lift the quality of non-financial reporting in Australia through provision of assurance, training and report development services.

This year, we also made significant advances with other organisations both in Australia and internationally that we share common objectives and values with. For example, we partnered with Wright Communications to develop our *State of CSR Annual Review 2012/2013* as we expanded the scope of the research to New Zealand for the first time.

We continued our valued collaboration with international associates including Dr Robert Boutilier and Paul Hohnen, who chaired our 2013 conference. We also continued our collaboration with Incite Sustainability, a Cape-Town-based consultancy as we partnered to deliver a project for a client working on both sides of the Indian Ocean. We established

arrangements with RMIT University to host interns requiring work experience as part of their courses and we partnered for the first time with Dr Cornis van der Lugt from Geneva to offer a new short course in valuing natural capital.

These collaborations leverage our capabilities and bring a very positive impact for our clients and we look forward to developing and strengthening our partnerships in the future.



The GRI conference in Amsterdam in May 2013 provided a meeting point to catch up with some of ACCSR's international partners (l-r): Paul Hohnen, Leeora Black, Jonathon Hanks, and Cornis van der Lugt.

Innovation in services

Another key objective from last year was to further develop new service lines that leverage our core capabilities in sustainability reporting, research, training, stakeholder engagement and strategy. We successfully achieved this goal during the reporting period as we significantly diversified our service lines.

This year we undertook sustainable procurement and supply chain projects, carbon strategy, social impact and social licence work. We also provided more materiality assessment services, in-house training and a wider range of strategy projects, in addition to our traditional capability areas.

In the reporting period we strengthened our relationships with companies from the energy, mining, financial services, automotive, retail, telecommunications and government sectors and extended our services into new sectors with clients from the food, agribusiness, marketing, and not-for-profit sectors. Also, this year we also undertook more international work.

To learn more, please read our case studies at www.accsr.com.au/html/casestudies.html

Expanding our training program

A key part of ACCSR is our learning program, which provides high quality training to CSR and sustainability practitioners. Last year we set ourselves a strategic objective to expand our training to greater geographical and subject areas. We achieved this goal during the reporting period.

We delivered a course on stakeholder engagement for the first time in Townsville (Queensland) and in Amsterdam (The Netherlands) as part of the GRI Conference on Sustainability and Reporting, and ran programs in Melbourne, Sydney, Brisbane, and Perth.

We also achieved our objective to expand our subject areas of training thanks to our international faculty. Geneva-based sustainability expert Dr Cornis van der Lugt facilitated three workshops on Valuing Natural Capital for the first time in Melbourne, Sydney and Perth.



Our international colleague, Dr Cornis van der Lugt (seated) with consultant, Miguel Oyarbide.

SPOTLIGHT



GRI Conference on Sustainability and Reporting 2013 and the new reporting framework

The 2013 GRI Conference on Sustainability and Reporting in Amsterdam marked a significant milestone in the global CSR community as it hosted the launch of the new and much anticipated G4 Guidelines for reporting.

For three days, we gathered with over 1,600 sustainability practitioners to discuss the challenges and progress in advancing sustainability around the world. We also had the privilege of running a special Stakeholder Engagement Master Class with 39 participants from 21 different countries where we explored trends in stakeholder engagement; how stakeholders contribute to organisational effectiveness; and the relationship between stakeholder engagement, reporting, strategy and performance management processes.

We believe that the GRI G4 Guidelines are better than the earlier versions. They also are more detailed yet more flexible than ever before – this means that we are less likely to see ‘cookie-cutter reports’ from different companies that look fairly similar in the future, and more likely to see reports that are as unique and individualised as the organisations producing them. The increased focus on materiality, the overarching principle for deciding what to report, will lead organisations to interrogate even more deeply and strategically than in the past the issues that are relevant to their performance and better inform their current and future decision-making.

In the end, G4 asks one simple question: if you are reporting but not learning or changing anything as a result of it – what’s the point?

“Valuing Natural Capital was a very informative and topical workshop. Excellent use of examples, up-to-date research and useful exercises.”

*Jacqueline Fegent-McGeachie,
Sustainability & CSR Manager,
Kimberly Clark Australia & New Zealand*



We continually monitor the quality of the workshops we deliver. All participants are asked to complete evaluations so we can compare results over the years.

As Figure 2 shows, during the reporting period we experienced a slight decrease in the number of participants who rated our training as ‘Excellent’ or ‘Good’ – from 96% to 93%.

Similarly, in Figure 3 the number of participants who would ‘Very likely’ or ‘Likely’ recommend ACCSR workshops in the future decreased from 94% to 85% this year. The decreased ratings – although still pleasing – were largely connected to the new training programs we introduced, suggesting an opportunity to further refine the new programs.

In the year ahead we expect to continue upholding the commitments that we outlined last year. Further, we will renew and update our GRI training materials in accordance with G4 and continue to introduce new topics to the training calendar.

Our ongoing commitments	Our performance
Quality and Range of Services	
Strengthen our international and local partnerships to deliver the highest quality CSR service.	▲ ▶
Further develop new service lines that leverage our core capabilities in stakeholder engagement and strategy, including social impact assessment, social return on investment, carbon strategy and community investment.	▲ ▶
Expand our training program to cover greater geographical and subject areas.	▲ ▶

▲ Achieved ▼ Not achieved ▶ Ongoing commitment

Our new commitments for FY2014

Services

- Renew and update GRI training materials in accordance with G4.
- Continue to innovate in the development and delivery of new consulting services and training programs.

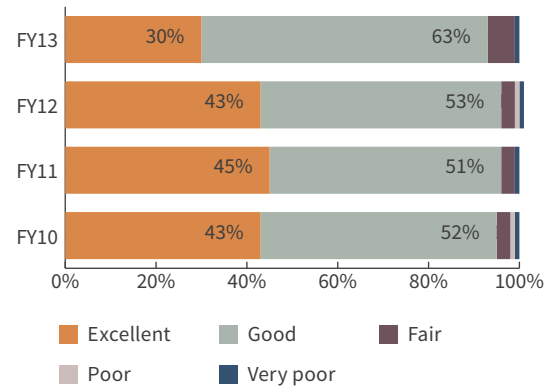


FIGURE 2: Workshop participants’ ratings of the extent to which personal learning needs were met

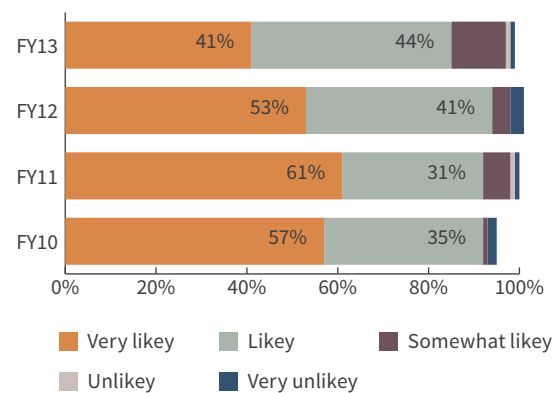


FIGURE 3: Workshop participants’ ratings of the extent to which they are likely to recommend ACCSR workshops



OUR PEOPLE AND ORGANISATION

We are a knowledge-based business, where the skills and capabilities of our people and the strengths of their relationships with clients and potential clients are crucial. Quality people are essential in a knowledge-based business. We address employee attraction and retention by providing stimulating work, a collegial and flexible environment, professional development opportunities, our performance management system and a profit-share scheme.

At the end of the reporting period, we had seven permanent employees – three men and four women based in our Melbourne office. Two positions were made redundant at ACCSR during the reporting period due to challenging economic conditions and another two left to pursue new opportunities in different fields. We offered a flexible working environment to support our employees and their families, and maintained high levels of employee wellbeing, with no instances of workplace injury, occupational disease or fatalities.

We invest in professional development for our people and we aim to encourage them to be innovative and

accountable in their work for us. All employees received formal performance reviews during the year as part of our quarterly review process. Training is offered through our professional development policy. During the year, staff received an average of 32 hours training to further develop their skills and enable career advancement (see Figure 4). This is lower than previous years, as we focused on business development and project delivery activities.

We formalised our internship program during the year, through a partnership with the Royal Melbourne Institute of Technology (RMIT) University. We hosted one intern who assisted with our annual conference and will continue to provide educational opportunities for up and coming CSR professionals in the future.

During the reporting period we did not establish an employee code of conduct as was our aim. This will be carried forward into the next reporting period.

In the year ahead, we will review and refine our employee performance management system. These commitments will give employees a clear pathway for career progression and development.

Our ongoing commitments	Our performance
Employees	
Establish a code of conduct.	▼
Further develop our employees and provide career advancement opportunities.	▲ ▷
Formalise our internship program.	▲ ▷
Values	
Engage employees in refining and embedding ACCSR values.	▲ ▷
Reducing our Environmental Impact	▲ ▷
Identify new opportunities to reduce our environmental impact.	▲ ▷
Reporting	
Produce our sustainability report on an annual basis.	▲ ▷

▲ Achieved ▼ Not achieved ▷ Ongoing commitment

Our future commitments

Employees

- Establish an employee code of conduct.
- Review our performance management framework.

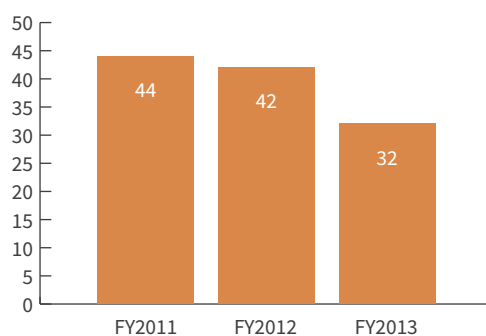


FIGURE 4: Average employee training hours

Our supply chain

In line with the new GRI G4 guidelines we are describing our supply chain. As a small service organisation, we procure office supplies, purchase flights and accommodation to service client requirements, hire venues for events and hire contractors to assist in delivering training and consulting services from time to time. We also procure services such as graphic design, IT, legal and accounting from local (Melbourne) firms.

The GRI Index and UN Global Compact Index for this report appear on our website at www.accsr.com.au/html/sustreport.html



INDEPENDENT VERIFICATION STATEMENT

INDEPENDENT VERIFICATION STATEMENT



To: The Stakeholders of ACCSR

Introduction and objectives of work

Bureau Veritas Australia Pty Ltd has been engaged by ACCSR (Australian Centre for Corporate Social Responsibility - registered trading name of Synergy Communications Pty Ltd) to provide independent verification of its Sustainability Report 2012/2013. This Verification Statement applies to the related information included within the scope of work described below.

This information and its presentation in the ACCSR Sustainability Report 2012/2013 are the sole responsibility of the management of ACCSR. Bureau Veritas was not involved in the drafting of the Report. Our sole responsibility was to provide independent verification on the accuracy of information included. This is the 1st year in which we have provided verification over ACCSR's Sustainability Report.

Scope of work

ACCSR requested Bureau Veritas to perform a Basic Assurance of the following data and information included in the ACCSR Sustainability Report 2012/2013 for the reporting period of 1st of July 2012 to 30 of June 2013:

- SECTION: About this report
"This report is in accordance with the GRI G4 Framework at a Core level".
- GRI G4 Content Index – General Standard Disclosures Table.
- SECTION: Expanding Our Training Program
Figure 2 – Workshop participants' ratings of the extent to which personal learning needs were met – Responses FY13
Figure 3 – Workshop participants' ratings of the extent to how likely they are to recommend ACCSR workshops in future – Responses FY13
- SECTION: Our People and organisation
Paragraph 3 – All employees received formal performance reviews during the year as part of our quarterly review process – Performance Reviews 2012/2013.
- SECTION: Our People and organisation
Figure 4 – Average employee training hours – Training Hours FY13

Methodology

As part of its independent verification, Bureau Veritas undertook the following activities:

1. Interviews with relevant personnel of ACCSR;
2. Review of documentary evidence produced by ACCSR;
3. Audit of performance data, a 30% sample of which back to source;
4. Review of ACCSR systems for quantitative data aggregation and analysis

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Verification of Sustainability Reports on data accuracy, based on current best practice in independent assurance.



The work was planned and carried out to provide limited, rather than absolute assurance and we believe it provides an appropriate basis for our conclusions.

Our findings

On the basis of our methodology and the activities described above:

- Nothing has come to our attention to indicate that the reviewed statements within the scope of our verification are inaccurate and the information included therein is not fairly stated;
- It is our opinion that ACCSR has established appropriate systems for the collection, aggregation and analysis of quantitative data.

Limitations and Exclusions

Excluded from the scope of our work is any verification of information relating to:

- Activities outside the defined verification period;
- Positional statements (expressions of opinion, belief, aim or future intention by ACCSR) and statements of future commitment;

This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Health, Safety, Social and Environmental management with almost 180 years history in providing independent assurance services, and an annual turnover in 2012 of 3.9 billion Euros.

Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities. We are particularly vigilant in the prevention of conflicts of interest.

The Bureau Veritas have conducted this verification independently, and there has been no conflict of interest.

The assurance team has extensive experience in conducting verification and assurance over environmental, social, ethical and health and safety information, systems and processes, has over 18 years combined experience in this field and an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reports.

Bureau Veritas Australia Pty Ltd

20th December 2013

Andrew Mortimore
Head of Sustainability Services



Move Forward with Confidence



Move Forward with Confidence



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