

8 October 2021

Ms Sandra Ojiambo
Executive Director
UN Global Compact
685 3rd Avenue
New York NY 10017 USA

Dear Ms Ojiambo

UN Global Compact – Communication on Engagement

Chartered Accountants Australia and New Zealand has been a signatory to the UN Global Compact since 2011. This fourth Communication on Engagement highlights the activities undertaken between 1 July 2019 to 30 June 2021.

I am pleased to confirm that Chartered Accountants Australia and New Zealand reaffirms its support of the ten principles of the Global Compact with respect to human rights, labour, environment and anti-corruption.

In this Communication of Engagement, we describe our actions to support the Global Compact principles and engage with the initiative. We also commit to share this information with our stakeholders using our channels of communication.

Yours sincerely



Ainslie van Onselen
Chief Executive Officer

About Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand (Chartered Accountants ANZ) represents more than 131,000 financial professionals, supporting them to lead and make a difference to the businesses, organisations and communities in which they work and live.

Chartered Accountants ANZ promotes the Chartered Accountant (CA) designation and high ethical standards, delivers world class services and lifelong education to members, and advocates for the public good. We protect the reputation of the designation by ensuring members continue to comply with a code of ethics, backed by a robust discipline process. We also monitor Chartered Accountants who offer services directly to the public.

CAs are known as Difference Makers. The depth and breadth of their expertise helps them to see the big picture and chart the best course of action.

Our flagship CA Program, the pathway to becoming a Chartered Accountant, combines rigorous education with mentored practical experience. Ongoing professional development helps members shape business decisions and remain relevant in a changing world. Chartered Accountants ANZ is the only professional accounting body in Australia approved as a Higher Education Provider by the Tertiary Education Quality and Standards Agency (TEQSA), Australia's independent national regulator of the higher education sector.

We actively engage with governments, regulators and standard setters on behalf of members and the profession to advocate boldly in the public interest. Our thought leadership promotes and inspires our members to consider wider issues that impact the future of the profession.

Our support of the profession extends to affiliations with international accounting organisations.

Chartered Accountants ANZ is a member of the International Federation of Accountants, the Global Accounting Alliance, and Chartered Accountants Worldwide, linking us into a global community of millions of CAs and accounting students.

We are an associate member of the Association of Southeast Asian Nations Federation of Accountants, a member of the Confederation of Asian and Pacific Accountants and have a strategic alliance with the Association of Chartered Certified Accountants.

Communication of Engagement

During the two years to 30 June 2021, we have engaged with, supported, and promoted the principles of the Global Compact in a number of ways, as described below:

Areas of engagement	Our actions and outcomes
Deliver education on topics related to the Global Compact	<ul style="list-style-type: none"> • We provide members with the training and resources they need including education on modern slavery, climate change and addressing non-financial risks. Our focus has been to increase awareness of non-financial risks including the importance for business to consider these interconnected and multi-layered risks holistically. We continue to support our members through education and resources in these key areas, including non-financial risks such as modern slavery and climate risk, which align to the ten principles of the UNGC, in particular principle one, three and seven. • Our 2020 and 2021 conference programs included sessions on integrated reporting, modern slavery, non-financial risks and public trust and ethics, and were attended by approx. 3,300 delegates across both years in Australia and New Zealand. • In February 2021, we launched our new CA Program, consisting of seven core topics and four electives. Ethics and business (1,892 candidates to 30 June 2021) and Risk and Technology (1,456 candidates to 30 June 2021) are now core standalone topics of the CA Program, which were previously integrated into other modules within the program. • Between July 2019 and June 2021, we have made over 20 bespoke presentations on sustainability, non-financial risks and climate risk to our members in practice, business and at university conferences. • In 2020, we hosted a four-part webinar series on environmental risks which was attended by an average of 500 members (and non-members) across New Zealand.
Conduct research and thought leadership in relation to the Global Compact	<ul style="list-style-type: none"> • We have published a number of research and thought leadership papers: <ul style="list-style-type: none"> ◦ <u>Trees, carbon & sustainability – An empirical model of carbon sequestration in the Royal Botanic Gardens Melbourne</u> in March 2021. The research in this paper was carried out to better understand how to capture, manage and report on carbon sequestration. We supported this research, which resulted in an empirical equation for any accountant to use to underpin all future carbon reporting, providing greater opportunities for higher levels of future assurance. This links back to UNGC principle 8 and SDG 13. ◦ <u>Guide to non-financial risks and the non-financial risk strategy - a roadmap to a possible future</u> are two publications that aim to outline non-financial risk developments (with a focus on climate risk), impacts on business strategy, disclosure and reporting as well as assurance. This links to UNGC principle 7 and covers the SDGs.

Disseminate the Global Compact Principles

- In 2020, we established a Trans-Tasman sustainability management advisory committee, consisting of members who work in, advise, or have a special interest in sustainability matters. The committee provides expert feedback to help to shape our advocacy efforts by providing feedback for consultations as well as raising awareness of the important role our members play in sustainability.
 - We have facilitated many connections between key stakeholders, including government and international organisations, in Australia and New Zealand, particularly in the areas of climate change and integrated reporting. For instance, in November 2019, we hosted four discussion sessions connecting the Ministry for the Environment in New Zealand with our members to inform the policy development of the mandatory climate-related financial disclosures requirement in New Zealand.
 - We have a critical role to play in providing sound advice to help governments to create the policy and regulatory infrastructure necessary for a transition to a net zero carbon economy. Our pre federal budget submissions to government highlight these policy ideas.
 - Chartered Accountants ANZ is a member of, or partner to, a number of important organisations including the Deakin Centre for Integrated Reporting, the International Integrated Reporting Council, the United Nations Global Compact Network Australia and Accounting for Sustainability. Through our engagement with these organisations, we can better support our members to make business decisions that provide a more sustainable future and contribute the voice of our members to the dialogue.
 - We have presented on sustainability, integrated thinking and reporting, climate risk, modern slavery at major local conferences, at regional member events, universities and to businesses across Australia and New Zealand.
 - We have published a number of blogs on topics on our website, our member magazine (Acuity - Online and hardcopy) and on LinkedIn that are aligned with the UNGC principles and the SDGs. In 2020, we joined the Accounting for Sustainability (A4S) Call to action in response to Climate Change representing over 2.5 million accountants and students globally. The statement outlines the vital role professional accountants have to play and our commitment to provide support, training and infrastructure for our members as well as to provide sound advice to help Government's to create the policy and regulatory infrastructure necessary for a just transition to a net zero carbon economy.
- We also have dedicated climate change risk, sustainable business and modern slavery resource pages on our website.
- Human Rights: In 2020, we published our first [Modern Slavery and Human Trafficking Statement](#) (modern slavery statement) for the financial year ending 30 June 2020. This statement highlighted our commitment to mapping out our supply chain for modern slavery risks and partnering with our suppliers to continually improve processes to monitor modern slavery risk in our operations and our supply chains. This statement was amongst the first 120 statements published on the Australian Government's online register for modern slavery statements in November 2020. Our 2021 modern slavery statement, which captures the financial year ending 30 June 2021 is currently in its final stages of completion and

describes the risks of modern slavery in our operations and supply chain and shows our commitment to upholding human rights. It also explains the measures we've adopted the policies, systems and processes we use to continually assess our modern slavery risks, and how managers of our day-to-day operations are held accountable. We did not identify or receive any reports of incidents of modern slavery in our operations or supply chains for the 2021 reporting period.

In addition, we continue to engage and raise awareness amongst the membership on the important role of accountants to help combat modern slavery risks, this includes continued advocacy through submissions to consultations in Australia and New Zealand, news articles, blog posts and articles in our bi-monthly printed (and online) member magazine, Acuity.

- Labour: In addition to human rights activities noted above we continue to support our members with groups such as the CA Advisory Group (members who provide counselling and support for fellow member) and resources. We encourage our members to contact us if they are facing ethical dilemmas or issues professionally such as discrimination.
- Environment: We have published over 50 news articles and opinion pieces on climate change, climate risk, sustainable investment and green finance. In our articles and our member awareness campaigns, we continue to emphasise the important role in which accountants have to play in the reporting and disclosure of environmental risks.
- Anti-corruption: In Australia and New Zealand we continue to raise awareness amongst our membership on areas such as ethical leadership, whistleblowing, code of ethics, corruption and the importance of trust through a variety of different delivery outlets such as presentations to regional councils and through newsletters. In New Zealand, we have been an active participant in shaping the role in which our members play towards countering the risk of money laundering and financing terrorism.

Other	<ul style="list-style-type: none"> • Our strategic roadmap to 2025 includes initiatives that focus on sustainable practices and reporting for Chartered Accountants ANZ. As part of this, we are developing a sustainability framework that will connect to many of our existing sustainability initiatives including modern slavery and responsible supply chain management. • Both Integrated Reporting and a sustainability framework are key deliverables of our strategic roadmap to 2025. Various stakeholders, including our people and members who participate in our Sustainability Management Advisory Committee contributed to a survey to prioritise the range of environmental, social and governance matters as part of the development of our sustainability framework. The framework will form the basis for a three-year plan to be launched in FY22. • Data on Chartered Accountants ANZ's operational carbon emissions and energy usage from FY19 to FY21 has been collected in a carbon accounting report to track and benchmark our usage, inform our pathway toward carbon neutrality and, in time, Chartered Accountants ANZ will report progress on the reduction in our emissions. • We continue to promote the IFAC code of ethics to our 131,673 members and students as this represents part of our professional designation and a requirement for membership. • During the reporting period, Chartered Accountants ANZ formalised its journey towards Reconciliation, undertook consultation with Reconciliation Australia and submitted its Reflect Reconciliation Action Plan for endorsement. Chartered Accountants ANZ's action plan is focused on lifting employees' cultural competency to support First Peoples' sector plans, build employees' understanding of the role they play in closing the inequality gap in Australia, and engaging in reconciliation with Aboriginal and Torres Strait Islander peoples. • In New Zealand, our Māori strategy focuses on attracting Māori into accounting, member support and competency within Chartered Accountants ANZ. Chartered Accountants ANZ has launched an internal cultural competency program designed to uplift our awareness, understanding and connection with Te Ao Māori and our role as Treaty of Waitangi partners. Chartered Accountants ANZ now have four cohorts of New Zealand leaders in weekly Te Reo Māori lessons and in August had a group of 30 leaders attend an immersive Te Ao Māori culture and history workshop at Mihiroa Marae in Pakipaki. Chartered Accountants ANZ have established portfolio responsibility for Kaupapa Māori on New Zealand Council to lead and guide this important kaupapa. • We understand and support Indigenous Australian and Māori throughout their career in accounting. We achieve this through several initiatives and partnerships established to provide opportunities that encourage collaboration, awareness and growth, within these communities and more broadly. We are particularly proud of our long-standing relationship with Ngā Kaitatau Māori o Aotearoa (NKMōA – National Māori Accountants Network). • Chartered Accountants ANZ also offers scholarships to help support Indigenous Australian and Māori students throughout their education journeys.
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- We coordinate our own charitable giving scheme – Everybody Counts. We've contributed over \$1 million dollars through payroll giving, fundraising, Chartered Accountants ANZ matching (up to an annual cap), volunteering our time and skills, and sharing resources with charities such as our meeting space.