KPMG

Corporate reporting - evolution and integration

A review of corporate reporting trends in the year to 30 June 2016 across the ASX 200 and beyond

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Key message

Welcome to KPMG's third survey of ASX 200 Corporate Reporting.

Driven by a combination of legislation, regulation, investor-led corporate governance enhancements, and voluntary actions, corporate reporting reform continues to gain global momentum.

Local status

This survey demonstrates further improvements in Australian corporate reporting in 2016, but at a slower pace than many other countries.

Amongst ASX 200 companies, 60 percent have 'cut the clutter' in their financial reports. Many of those companies are also seeking opportunities to remove volume and improve clarity in the rest of their annual report and other corporate reports.

Companies such as National Australia Bank and Lendlease and other organisations, such as VicSuper, Cbus, and Australia Post, have moved further along the 'Reporting Continuum'. These organisations are now reporting on how they create longer term value. The Lendlease case study (page 22) is a great example of the challenges and benefits of moving toward integrated reporting.

Global drivers

Globally, including in the US, organisations are moving along the Reporting Continuum more quickly. Companies such as Unilever, SAP and Coca-Cola continue to release integrated reports. This year, GE issued its first Integrated Summary Report to better and more succinctly explain through the lens of management how GE creates sustainable value.

These developments are being supported by major investors, such as BlackRock and CalPers, who are strongly encouraging companies to report on how they create long term value. Academic research, as well as corporate feedback, is demonstrating the internal and market benefits of integrated reporting. Leading academic Mary Barth from Stanford University recently found that good integrated reporting is positively associated with both stock liquidity and firm value.

In the UK, companies are required to prepare a Strategic Report as part of their Annual Report. The European Commission has introduced a non-financial reporting directive and in Japan, Brazil and South Africa integrated reporting is being driven by principles of good corporate governance. In New Zealand, the External Reporting Board (XRB) has adopted extended external reporting as a strategic priority for FY16 /17.

I hope the results of this survey provide you with ideas and inspiration to consider on your journey to maximising the value of your corporate reporting.

Duncan McLennan
National Managing Partner – Audit & Advisory
KPMG Australia

BLACKROCK®

Larry Fink, BlackRock CEO has asked every company they invest in to lay out a strategic framework for long-term value creation *(December 2015)*

nab

About this Report

Introduction to Annual Review (September 2015)
"This integrated report demonstrates how NAB is working to create value for stakeholders through our business strategy, operating environment, governance, financial and non-financial activities."

Contents

Key findings

Stage 1

Cutting the clutter in the annual report

Stage 2

More insightful reporting, moving beyond cutting the clutter to focus on value creation in the short, medium and long term.

Stage 3

Integrated Reporting, with reference to the IIRC's International Integrated Reporting <IR> Framework.

This report follows on from KPMG's 2015 survey *A new era in Corporate Reporting – Review of recent corporate and de-cluttering trends in the ASX200*. The approach adopted this year is consistent with last year's approach, except that this year more focus has been given to assessing each organisation's progress along what we call the *Reporting Continuum*.

We have identified three major stages in the *Reporting Continuum*, although organisations may only take on one or two areas of improvement within each stage in any particular year.

The three stages are:

Stage 1 – Cutting the clutter in the annual report.

Stage 2 – More insightful reporting, moving beyond cutting the clutter to focus on value creation in the short, medium and long term.

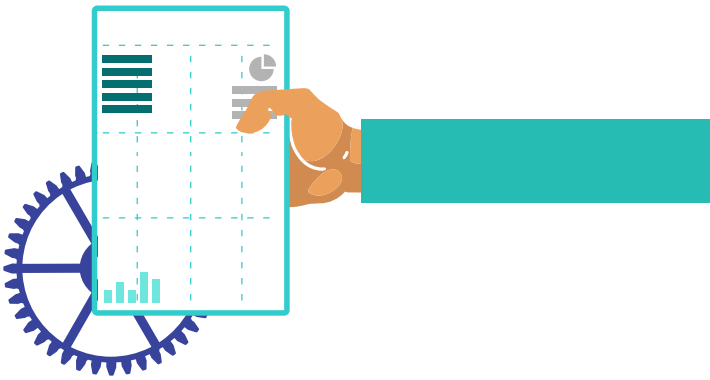
Stage 3 – Integrated Reporting, with reference to the International Integrated Reporting Council (IIRC)'s International Integrated Reporting <IR> Framework (<IR> Framework).

It is encouraging to see that the majority of listed organisations have 'cut the clutter' in their financial reports to remove immaterial information, restructure and improve presentation. These reports are now clearer and more readable.

Some organisations have taken the concept further and de-cluttered their Remuneration Report.

Most also now present their Corporate Governance Statement on their website. Making this change has however left many companies with a gap in their primary report to their shareholders, the annual report. We believe there is still a need to demonstrate how the Board performed in overseeing management's delivery on strategy and management of risk.

We have also looked at the reports of a number of large scale Australian organisations who strive to emulate the better practice reporting of leading listed organisations. These non-listed organisations have also made advancements through this year.



Organisations that have moved beyond 'cutting the clutter' are now directing their attention to demonstrating value creation.

Organisations in this stage (Stage 2) of the Reporting Continuum include: mining houses, banks, property companies, Telstra, nbn and Australia Post. In their annual reports, these organisations present their business models, strategies, risks and performance clearly. In the Operating and Financial Review (OFR), their message has shifted to a focus on longer term value creation. They have gone beyond ASIC's *Regulatory Guide 247: Effective disclosures in an operating and financial review (RG247)*.

Many have also retained an overview of their governance practices, and a few describe what we call 'Active Governance'. Active Governance involves outlining the Board's key areas of focus during the year and actions taken.

In a number of instances, we also see a clear linkage described between strategy, performance and executive incentives in Remuneration Reports.

Many of the organisations progressing through the second stage of the Reporting Continuum are not far away from preparing an integrated report.

Only a small number of organisations have entered Stage 3 of the Reporting Continuum. Even those which have entered Stage 3 agree there is work to be done.

In this publication we use Lendlease's recent integrated reporting experience as a case study. Lendlease is now in Stage 3. The company produced its first annual report with reference to the <IR> Framework in 2016 through its OFR. By doing so, they were able to remove two reports from the reporting portfolio, present a much clearer value story to their key stakeholders, and eliminate six weeks of report preparation effort.

Areas for improvement remain, but the Lendlease story should inspire others to follow suit next year.

The following pages provide a summary of the findings from our review with a few examples highlighting good practices across each of the above three stages.

An illustration of the ASX200 advancing along the Reporting Continuum

Financial reports – easy to read and understand?

Cutting the clutter

117 (2015: 68) organisations, or more than 60 percent, have 'cut the clutter' in the Annual Financial Report.

Number of notes

The average Annual Financial Report now has 31 notes and 56 pages, consistent with 2015 and a decease from 35 and 61 respectively in 2014.

Grouping notes

105 (2015: 54) organisations have grouped notes to the financial statements into more logical categories.

Accounting policies

107 (2015: 55) organisations have included accounting policies within the associated notes.

Call out boxes

61 (2015: 20) organisations have used call out boxes and/or section introductions to highlight useful information to stakeholders.

Use of graphs and tables

14 (2015:3) organisations have included graphs or images within the notes to their financial statements.

The 'three R's' when de-cluttering

There are three R's to consider when cutting the clutter in financial reports:

- **Remove** immaterial or irrelevant financial report disclosures that have built up over time
- **Re-order** and re-label accounting policies and detailed notes so that they better reflect the key financial measures and focus on areas of most relevance
- **Re-write** technical wording into plain English, whilst still fully complying with relevant accounting standards and regulatory requirements.

Over the past two years, we have seen a significant take up of organisations re-designing their financial reports and applying the 'three R's'. As of the June 2016 reporting season, we noted over 60 percent of the ASX 200 have de-cluttered their financial reports.

The process to de-clutter a financial report is not a complex one, and feedback from executives and directors continues to demonstrate that this is a worthwhile investment. The result is reports that are generally shorter, easier to read, navigate and understand.

Preparers are also commenting that de-cluttered reports are saving time during the busy year end process, as the removal of immaterial information has resulted in less information needing to be prepared and generally shorter reports for senior management and directors to review.

De-cluttering financial reports is not only beneficial for ASX listed organisations. All organisations with internal and external stakeholders who prepare publicly-available financial reports can benefit from the process, including not for profit organisations and government business entities who are looking to better explain financial performance to potential donors, supporters, government stakeholders and the general public.

Pact Group Holdings

Pact Group has used a number of de-cluttering techniques to help readers better understand the information within its annual report. This has resulted in a 16 page (33 percent) year-on-year reduction to the length of the report.

Below highlights some examples of how Pact Group did this:

FINANCIAL REPORT – NOTES TO THE FINANCIAL STATEMENTS

Section 1 – Our Performance

A key element of Pact's strategy is to maximise long-term shareholder value. This section highlights the results and performance of the Group for the year ended 30 June 2016.

1.1 GROUP RESULTS

Sales revenue

$'000	2016	2015
Pact Australia	**1,027,939**	889,911
Pact International	**353,399**	359,242
TOTAL	**1,381,338**	**1,249,153**

Pact's chief operating decision maker is the Managing Director and Chief Executive Officer (CEO). The CEO monitors results by reviewing two reportable segments, Pact Australia (PA) and Pact International (PI), focusing on reported EBIT (earnings before finance costs and loss on de-recognition of financial assets, net of interest income, tax and significant items). As required by AASB 8 *Operating Segments*, the results above have been reported on a consistent basis to that supplied to the CEO.

Reportable segments	Countries of Operation	Products/services
• Pact Australia	• Australia	• Manufacture and supply of rigid plastic and metal packaging and associated services
• Pact International	• New Zealand • China • Indonesia • Philippines • Singapore • United States of America	• Contract manufacturing and packing services • Manufacture and supply of materials handling products and the provision of associated services • Recycling and sustainability services

How Pact accounts for Revenue

Revenue from the sale of goods is recognised when there has been a transfer of risks and rewards to the customer (through the execution of a sales agreement at the time of delivery of the goods to the customer), no further work or processing is required, the quantity and quality of the goods has been determined, the price is determined and generally title has passed. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

- Section introduction refers to Pact's strategy, providing connectivity throughout the broader annual report.
- Using company specific information rather than boilerplate disclosures.
- Use of a table helps readers differentiate between segments and also removes repetition.
- Accounting policy included as part of the analysis and interpretation note.

Source: Pact Group Holdings Limited, Preliminary Final Report & Full Year Statutory Accounts 2016, page 24.

Download this Report

Sydney Airport Limited

Sydney Airport have de-cluttered the financial report, resulting in a 13 page (30 percent) year-on-year reduction to the length of the report.

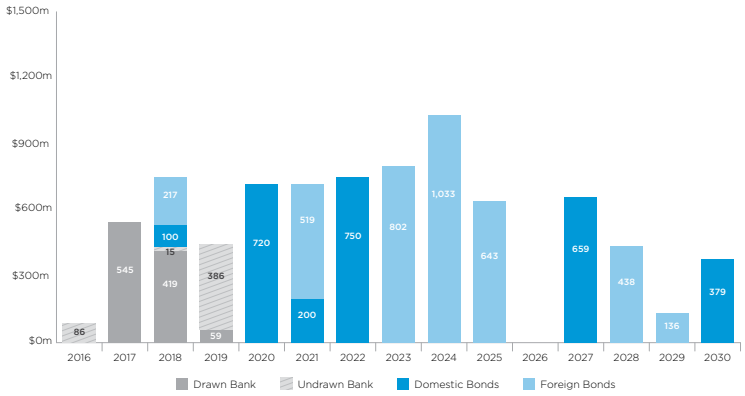
Below highlights some examples of how Sydney Airport did this:

Used a graph to visually represent the maturity profile of interest bearing liabilities.

Accounting policy included as part of the analysis and interpretation note.

2 INTEREST BEARING LIABILITIES (CONT.)

The maturity profile of interest bearing liabilities is presented in the chart below.



Assets pledged as security

All interest bearing liabilities of SCACH, a wholly owned subsidiary, are of equal rank with respect to all its assets (excluding deferred tax and goodwill) pledged as security. The security consists of fixed and floating charges over the assets of the Group and a mortgage over the Airport lease.

Recognition and measurement

The Group recognises interest bearing liabilities on the date that they become a party to the contractual provisions of the instrument. These are initially recognised at fair value less any attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

At 31 December 2015 and 2014, the fair values of all fixed interest rate bonds were determined based on observable market inputs, categorised as Level 2.

The Group derecognises an interest bearing liability when its contractual obligations are discharged, cancelled or expired.

CIBs explained

Capital indexed bonds are inflation linked bonds. The principal amount of the bond is indexed against the Consumer Price Index with the revised capital amount due for repayment at maturity.

Effective interest rate method explained

A method of calculating the amortised cost of a financial liability, allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

Source: Sydney Airport, Annual Report 2015, page 106.

Simple language used to explain complex accounting terminology.

Download this Report

Remuneration report – does pay equal performance?

17 2016 18 2015

The average length of an ASX 200 Remuneration Report is now 17 pages compared to 18 in 2015.

Executive remuneration policies and practices have become a focus area for many organisations continuing on their de-cluttering journey.

Although the average length of the Remuneration Report has only decreased by one page, our review showed that some organisations have improved the clarity and readability of their remuneration reports by focusing on:

- describing how key management personnel are remunerated in the short, medium and long term, including highlighting amounts 'at risk'
- specifically discussing how remuneration is linked to the company performance and value created during the year
- re-ordering the disclosures to show a more practical flow of information, such as including all non-executive director information in a single section at the back of the report.

This has allowed organisations to reduce the size of their remuneration report because duplicate disclosures and excess information have been removed.

This reporting season has seen questions raised over the variety of financial metrics and the inclusion of non-financial metrics in determining executive performance and reward. We suggest that the focus of the debate, and the questions asked, need to change.

It is entirely appropriate that the metrics which clearly and demonstrably measure execution of a particular organisation's strategy form a key part of the basis on which executives are rewarded. Reporting on these measures and their strategic alignment is critical, as this is a key element of the investment equation. An investor should ask, `do I understand the strategy and the drivers of its past and future execution?' If that involves operational effectiveness, customer service experience or achievement of diversity targets, then so be it – if that is core to the organisation's stated strategy.

We are not commenting on the levels at which such measures represent over or under-performance, nor on the weighting given to each one in incentive arrangements. However, if they are central to strategy and aligned to creating long term value, then they should be taken into account when assessing performance and remuneration.

This is an area where further dialogue is required to ensure company investors (and proxy advisers) are brought on the corporate reporting journey and involved in scoping what is material for reporting. It would be better if the questions from the market focused on the quality and integrity of the measures reported, and the extent to which they are aligned to strategy, performance and reward.

IOOF Holdings

IOOF has included an Executive Summary and extended the Overview to clearly state the purpose of the Remuneration Report and set the scene for the remuneration outcomes to follow.

"Following on from the work we had undertaken in de-cluttering our financial statements, it was logical to determine if our remuneration report was providing informative, relevant and concise communication. We restructured the report; summarising key remuneration tables and bringing them forward to provide an instant overview of our executive remuneration. We also eliminated significant duplication and jargon, where possible, to make the report clearer and more concise. Overall, this reduced the size of our report by approximately 21 percent, resulting in a more informative and easy to read remuneration report which focuses on what actually matters."

David Coulter, Chief Financial Officer, IOOF Holdings

IOOF annual report 2016

Remuneration report (cont'd)

Executive Summary

This report details the remuneration framework and outcomes for Key Management Personnel (KMP) of the IOOF Group for the year ended 30 June 2016. The Board of Directors is committed to a remuneration strategy that aligns remuneration practices with the creation of shareholder value. A number of amendments have been made to the policies over the past few years to ensure that the policies have remained aligned with shifts in the IOOF Group's business strategy and focus. The key principles of the IOOF Group's remuneration policy remain unchanged from last year.

This report aims to communicate our remuneration practices, and their link to the creation of shareholder value, in a clear, concise and transparent way and demonstrate how these practices:

- align to our strategic objectives;
- are sufficient to attract, motivate and retain an ambitious and highly talented executive team; and
- support an appropriate governance culture to minimise risks to our shareholders.

2016 saw record profits from continuing operations and sustained returns to shareholders over the last three years. These strong results have been reflected in the short and long term incentive outcomes received by the KMP.

The IOOF Group's Total Shareholder Return (TSR) performance over the three years to 30 June 2016 was 29.3% placing it at the 52nd percentile relative to the ASX 200. Return on Equity (RoE) for the year to 30 June 2016 was 12.3%. The impact of these outcomes on Managing Director and other KMP LTIs is detailed at sections 3.1, 3.2.2 and 4.1.2 below.

There were no increases to fees paid to Non-Executive Directors except for CPI adjustments.

Clearly sets out the aims of the report, including alignment to the strategic objectives.

High level discussion on performance helps set the readers expectations for the short and long term incentive outcomes received.

IOOF annual report 2016

1. Overview

1.1 Key Management Personnel

This report covers the IOOF Group's KMP. KMP are the people who have the authority and responsibility for planning, directing and controlling the activities of the IOOF Group:

Name	Position	Term as KMP
Managing Director		
Mr C Kelaher	Managing Director	Full year
Other Executive KMP		
Mr D Coulter	Chief Financial Officer	Full year
Mr S Merlicek	Chief Investment Officer	Full year
Mr R Mota	Group General Manager – Wealth Management	Full year
Mr G Riordan	Group General Counsel & General Manager Trustee Services	Full year
Executive KMP – Former		
Mr M Farrell	Group General Manager – Dealerships	Ceased employment 22 January 2016

The Non-Executive Directors of the IOOF Group are also required to be disclosed as part of this report and are listed below:

Non-Executive Directors		
Dr R Sexton AM	Independent Non-Executive Director & Chairman	Full year
Ms J Harvey	Independent Non-Executive Director	Full year
Mr A Griffiths	Independent Non-Executive Director	Full year
Mr G Venardos	Independent Non-Executive Director	Full year
Ms E Flynn	Independent Non-Executive Director	Appointed 15 September 2015
Mr I Griffiths	Independent Non-Executive Director	Resigned 2 October 2015

1.2 Summary – Key Management Personnel remuneration

The IOOF Group uses a total remuneration package approach in determining remuneration that comprises both "fixed" and "at risk" components. These components reflect an employee's contribution to the IOOF Group, their skills and qualifications, market benchmarks and the remuneration environment.

The remuneration arrangements for KMP comprise three key components:

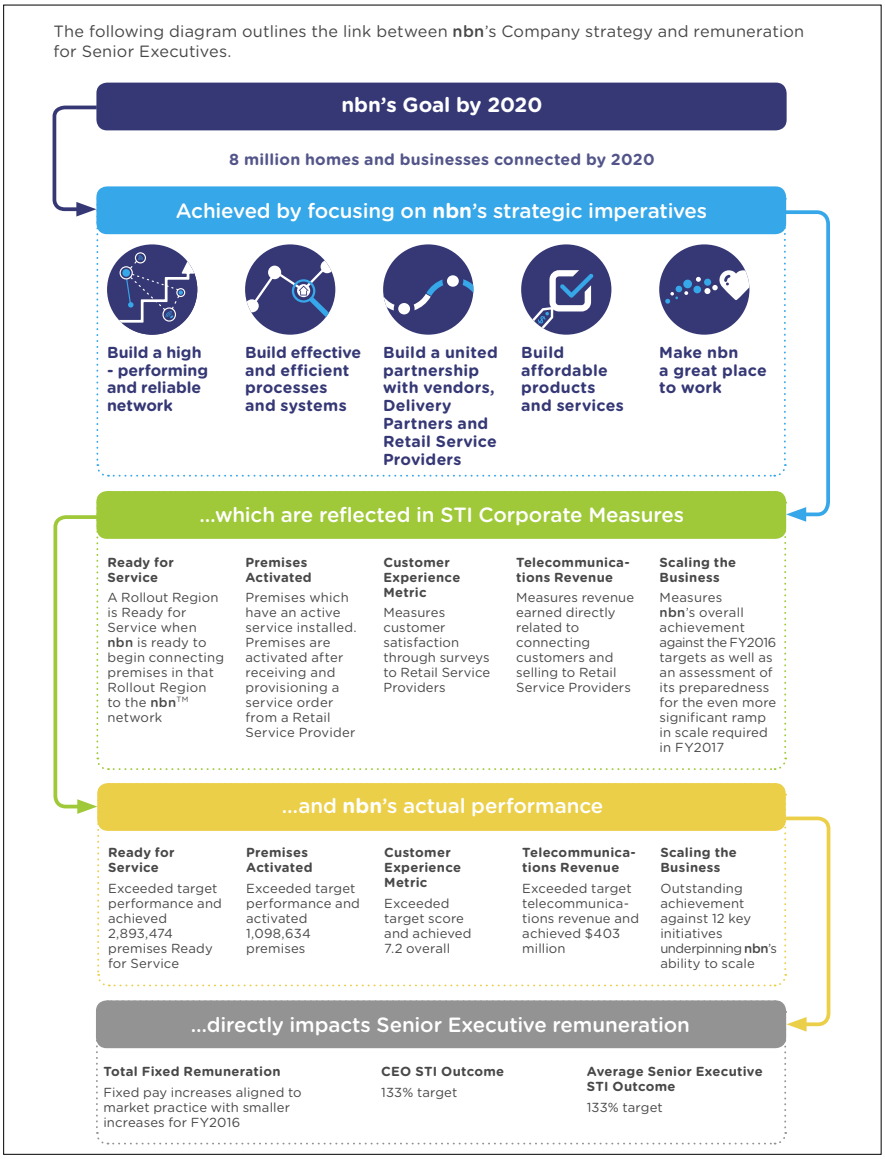
- a base package which is a fixed amount and is reviewed on an annual basis with consideration given to cost of living increases (CPI), market movements or changes in the scope of the individual's role and responsibilities;
- a Short Term Incentive (STI) amount which is tied to the successful achievement of a set of performance scorecard objectives (including financial, strategic, customer and people objectives) for the annual performance period. STI awards are considered "at risk" components of an individual's remuneration and can be awarded as either cash or share-based arrangements; and
- a Long Term Incentive (LTI) which is intended to provide incentives to KMP to remain with the IOOF Group to enhance the sustainable performance of the IOOF Group over the long term. LTI awards are considered "at risk" components of an individual's remuneration and are all share-based arrangements.

Used a table to show the key management personnel covered in the Remuneration Report.

Source: IOOF Annual Report 2016, page 36 and 37.

nbn

nbn's Remuneration Report starts by focusing on the link between the corporate strategy and the remuneration strategy. The following diagram goes further and shows the reader how the overall goal and strategic imperatives of nbn are reflected in the compensation metrics of senior executives and explains the impact on actual remuneration based on performance during the year.



Source: nbn limited, Annual Report 2015-2016, page 62.

Download this Report

Corporate governance – does it matter?

113

organisations have removed the Corporate Governance Statement from the annual report.

30

organisations have replaced the Corporate Governance Statement with a Governance Summary.

83

organisations have nominal governance information in the annual report.

12

organisations have increased their focus on 'Active governance', the critical consideration.

With the release of the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition)*, and the change to *ASX Listing Rule 4.10.3* organisations were given the freedom to remove the Corporate Governance Statement from the annual report and replace it with the website URL where the statement is located.

This was a great step to help organisations free up much needed space in the annual report and remove year-on-year standing data, giving them more real estate to focus on the information needs of their shareholders.

The majority of organisations reviewed have now removed the Corporate Governance Statement from the annual report. However for many, the annual report no longer contains any information on how the organisation is governed or the areas of focus of the Board for the year and going forward.

When de-cluttering the Corporate Governance Statement, organisations should consider if the governance section within the annual report contains sufficient discussion on how the governance framework operated in the year and what, if anything, has changed.

Active governance

Leading reporters in this space have recognised the need to continue to inform their readers about governance and started to include an 'Active Governance' summary focusing on how the Board has supported value creation during the year, including:

- explaining how the Board actively oversees management's delivery against strategy, within the risk appetite of the group
- key areas of concern, activities and actions taken by the board during the year
- how the governance structures have adapted to changes in business practices, including changes in the governance structure and frameworks.

Treasury Wine Estates

In 2016 Treasury Wine Estates (TWE) removed its nine page Corporate Governance Statement, which detailed its compliance with the *ASX Corporate Governance Principles and Recommendations*, from the annual report and replaced it with a three page corporate governance summary focusing on:

- key 2016 governance focus areas of the Board
- Board competency skills matrix
- role of the Board
- Board committees
- governance policies.

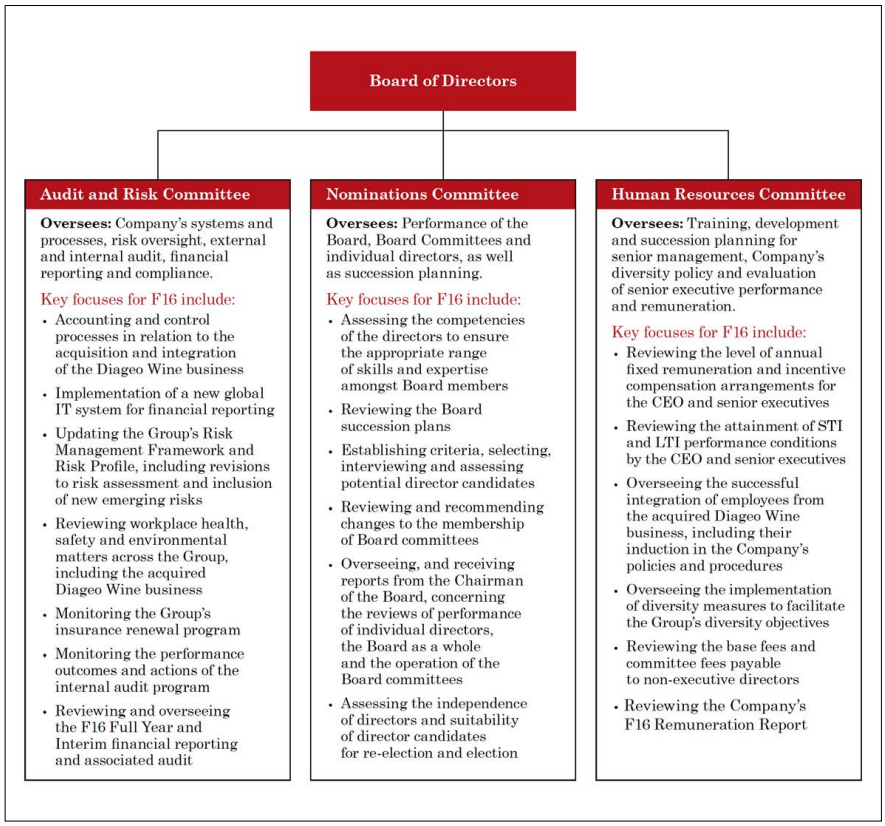
The summary is well balanced between providing the reader with an overview of the governance framework in place at TWE and presenting 'active information' on the governance activities of the board during the year.

"The Board believes good corporate governance and transparency in corporate reporting is a fundamental part of the group's culture and business practices, as such we felt it was important to continue to demonstrate to our investors, through the annual report the role of the Board and Board committees during the year in overseeing the implementation of our strategy."

Treasury Wine Estates

Key governance focuses of the Board for the year included:

- Commitment to the governance of workplace health and safety performance and developing a culture of leadership on safety across the business, with programs designed to empower the Company's leaders to engage their teams and lead safety performance;
- Involvement in a comprehensive review of the Group's risk profile and risk management framework to enhance the assessment and management of current and emerging material business risks facing the Group;
- Oversight of management's commitment to a high-performance culture to lead the global business, supporting leadership developments during the year, and setting remuneration policy to attract and retain the best possible talent and reward high performance;
- Approval of the Diageo Wine business acquisition and the debt and equity funding arrangements for the acquisition, including the retail entitlement offer. The Board, with the assistance of its delegated committees, determined that the acquisition was strategically compelling and financially enhancing for the Group's business strategy and consistent with plans for growth;
- Maintaining effective governance to facilitate high quality processes and internal controls as the business continues to grow, including Board and committee oversight of the integration of the Diageo Wine business;
- Input into and approval of management's development of corporate strategy, including setting performance objectives and approving the annual financial budget; and monitoring corporate performance and the implementation of strategy and policy; and
- The appointment of a US-based independent non-executive director, Ms Lauri Shanahan, effective 1 November 2016.



Source: Treasury Wine Estate, Annual Report 2016, page 36 and 38.

Download this Report

Operating and financial review – more insightful reporting

We are starting to see a shift in the focus of annual reports and other corporate reports. Rather than solely focusing on earnings, organisations are beginning to highlight how they create sustainable value and explain the 'value' they have created during the year for their shareholders

Many organisations wanting to tell a more insightful story have started to adopt integrated reporting principles in current reporting.This includes how they create long term value through their business models and details of the most important resources and relationships they rely upon.

Some organisations are incorporating this information into the existing Operating and Financial Review (OFR), with some of them now starting to go well beyond the requirements of a basic OFR as guided by *RG247.*

A number of good examples of improved disclosures in the areas of strategy and the alignment between strategic priorities and performance are now available.

Stage 2 More insightful reporting

Growthpoint

The theme of the Growthpoint annual report, which is described as an integrated report, is sustainable growth. "Sustainable growth means ensuring Growthpoint's business assets, revenue and expenses are able to be continued. It includes enhancing people and limiting our impact on the environment."

When reporting back on strategic objectives for the year they concisely show the goal for the current year, the outcomes and the goal for the next financial year. The disclosure presents outcomes in a balanced way, and it was clearly evident where the stated strategic objective was not achieved.

The disclosure clearly signposts where the reader can find additional information, adding to the connectivity across the whole report.

Sustainable growth means ensuring Growthpoint's business assets, revenue and expenses are able to be continued. It includes enhancing people and limiting our impact on the environment.

255 London Circuit, Canberra, ACT

Increase liquidity and value of Growthpoint securities 4

FY16 Goals
- Inclusion in major indexes.
- Increase equity capital where appropriate.
- Engage with research analysts to increase and improve coverage.
- Increase liquidity of Growthpoint's securities.

FY16 Achievements
- ✔ Remained in S&P/ASX200 (plus other indices).
- ✔ $40.1 million of new equity was raised via the distribution reinvestment plan with the proceeds being used to fund acquisitions and capital works. 76
- ✖ Research coverage reduced from seven to six analysts.
- ✖ Liquidity of Growthpoint's securities was flat from FY15 to FY16, with 121,359,340 securities traded in FY16 compared to 132,622,827 in FY15.

FY17 Goals

No change from FY16.

Borrow prudently 5

FY16 Goals
- Maintain *gearing* within 35%-45% range.
- Extend average debt maturity.
- Diversify sources and tenor of
- Additional capital market considered.

FY16 Achievemen
- ✔ Balance sheet gearin 2016 was 42.6%.
- ✖ The weighted average de 4.2 years at 30 June 2016; do 4.7 years at 30 June 2015.
- ✔ Growthpoint entered into $250m of new debt capital market facilities for years in December 2015, with proce used to repay domestic bank debt. In addition Growthpoint terminated interest rate swaps with face $265 million (at cost of $10 entered into four new inter with a face value of $150 weighted average maturity

14

rity was

FY17 Goals

As per FY16 plus:
- Ensure fixed debt is within the target range of 75% to 100% after current transactions are completed.

Operate sustainably 6

FY16 Goals
- Refine *sustainability* objectives.
- Focus on *long-term* value rather than *short-term* profits.
- Improve gender diversity of directors and employees.

5 Achievements
- stainability objectives have een refined (refer pages 7-9 of Sustainability Report for more details). 7
- ✔ The property portfolio, capital management strategy and established stainability targets have been built with g-term value creation in mind.
- ✖ 3 % of the Group's employees (six out of 17) are female, down from 40% as at 30 June 2015 (six out of 15).

FY17 Goals

- compliance with sustainability ves and improve integration of inability practices within business erations.
- Continue to focus on long-term value rather than short-term profits.
- Seek additional female director (target date 2020).

2016 Sust inability Report (available online only)

More det about sustainability can be owthpoint's 2016 Sustainability

www *investors.growthpoint.com.au/SustainabilityReport/2016*

Download this Report

Used icons to show the reader where additional information can be found within the annual report.

Balanced view of performance, showing both favourable and unfavourable outcomes.

Shows linkage with the FY17 goals.

Signposting to where more detail is available in the wider reporting portfolio – the online sustainability report.

Source: Growthpoint Limited, Annual Report 2016, page 13.

Henderson Group PLC

Henderson use a table to show the connectivity between their strategic priorities, how they performed during the year, the key performance indicators (KPIs) used to measure performance and the principal risks that impact each strategic priority.

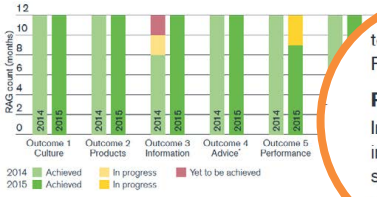
Each KPI is then explained in detail on the following pages, including a graph showing current and past performance, how the KPI is linked to strategy and commentary on the current year performance.

Download this Report

Key performance indicators

We measure our strategic and operational progress through a set of indicators that focus on core performance factors.

1. Treating Customers Fairly (TCF)



Note:

* While Henderson does not give advice, we recognise our responsibilities as a product provider in satisfying ourselves that products we develop are being sold in line with our expectations of the type of customer for which they were designed.

Link to strategy

With our clients' needs at the heart of everything we do, we [illegible] to meet the expectations of our clients and embedding is m[illegible] to embed the fair treatment of customers to derive a "Red Am[illegible] model. FCA TCF outcomes. [illegible]sing monthly management information [illegible]een" (RAG) rating for each of the six

Performance

Improvements were ach[illegible] information to our client[illegible]ed in the timely delivery of fund specific areas for enha[illegible] Outcome 3), while a number of were identified and [illegible]cement relating to customer service [illegible]dressed over the year (Outcome 5).

[illegible]ustome[illegible]focused initiatives have included:

- Customer Champions appointed in the US and Asia, reporting customer issues to local management as well as the London-based Customer Interests and TCF Committee
- Continued engagement with the Henderson Customer Panel – providing a real time dialogue with 450+ of our UK direct Retail clients – to help better understand their needs and inform the launch of products and services
- Customer Interests Staff Survey[1] on performance in achieving client goals, expanded to all staff globally in 2015, showed

→ Risk management p.23
→ Chief Executive's review p.7

Strategy

Growth and globalisation

Our strategy focuses on achieving growth and globalisation by deli[illegible] excellent performance and service to an increasingly diverse client [illegible]

We aim to deliver a sustained period of organic growth, attracting net new money from clients at a higher [illegible] industry peers. We will supplement this organic growth with value accretive acquisitions. By 2018, we will have established a truly global footprint, infrastructure and mind set.

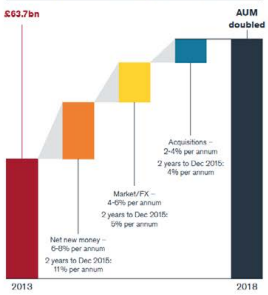
Our success in delivering our strategy depends on strong execution of our business plans but also on being agile enough to assess changes in market conditions and respond where appropriate to opportunities and threats.

Strategic priority	How we performed in 2015	Key [illegible]	Principal risks
1. Deliver first-class investment performance and service to our clients Our strategy is focused on the needs of our clients, delivering consistent value to them through active investment management and serving them responsibly, wherever they are in the world.	• Investment performance remained consistently strong, with 81% of funds outperforming on a three year basis. • Continued embedding the fair treatment of customers into the firm's business model, including: • Appointment of Customer Champions in the US and Asia • Global roll out of annual Customer Interests Staff Survey • Relaunch of mandatory Customer Interests training for a global audience.	[illegible]notes a Short-ter[illegible] incentive remuneration KPI → See p.67 (1) Treating customers fairly (2) Investment performance*	[illegible]tment performance
2. Expand our global investment offering to meet the current and future needs of our clients We deploy our expertise across our core capabilities to find attractive and innovative opportunities for our clients, and provide products which consistently meet their current and future needs.	• The core capabilities we require to meet our 2018 objectives are in place, but we will continue to evaluate new opportunities to deliver value to our clients. • Organic build of an Emerging Markets Equities team to add to the 2014 build out of Emerging Markets Debt. • New offerings at or close to their three year track records in global equities, high yield credit, absolute return bond and multi-asset.	(3) Ne[illegible]	Fund flows • Key personnel
3. Diversify our business We have ambitious plans for growth and are expanding our investment management and distribution reach to deliver value to a broader client base.	• Good progress in the US, with 27% of Henderson's total net flows in 2015 into the US Mutuals range and a significant recovery in investment performance at Henderson Geneva Capital Management since the acquisition closed. • Acquisitions of Perennial Fixed Interest, Perennial Growth Management and 90 West in Australia to expand investment management capabilities and client reach.	(3) Net fund flows* (4) Fee margins	• Acquisitions and divestments • Strategic
4. Operate efficiently Our operating model is designed to meet client needs, attract and retain excellent people and deliver profitable growth. As our business grows, we aim to build operating leverage and capital strength.	• Scalable operating platform in place to facilitate growth and globalisation. • Significant investment in regulatory expertise to manage constant change. • Disciplined management of financial resources to generate a regulatory capital surplus and facilitate return of capital to shareholders.	(3) Net fund flows* (4) Fee margins (5) Operating margin and compensation ratio* (6) Earnings per share	• Operational, IT and legal • Regulatory change

The result

Assuming market growth in line with the long-term industry average, the output of our strategy will be to double our assets under management.

Doubling assets under management by 2018



Source: Henderson Group PLC Annual Report 2015, page 14-16.

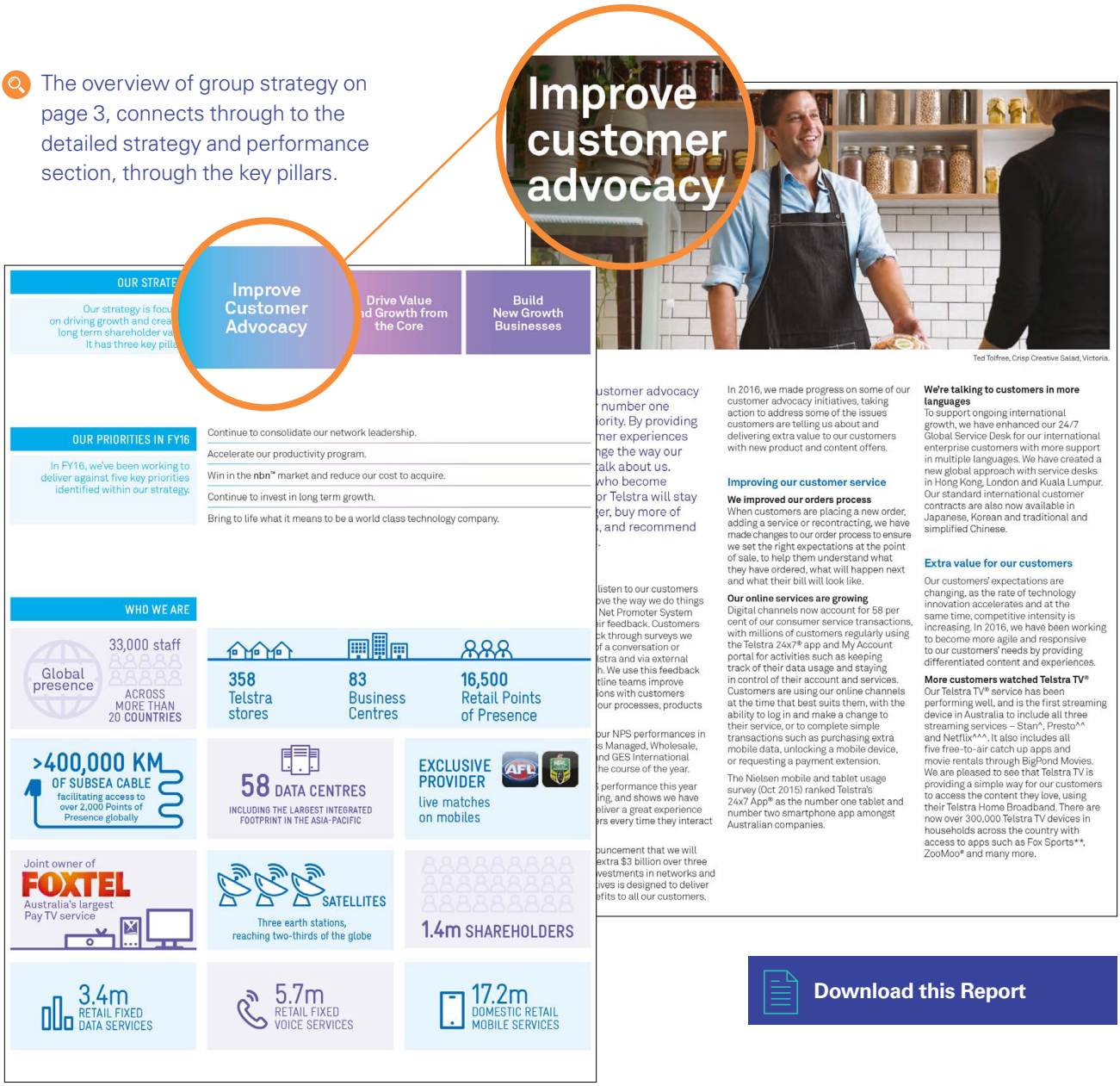
Stage 2 More insightful reporting

Telstra

Telstra clearly explains who Telstra is and shows clear linkage between the overview and other sections of the report i.e. the strategy 'Improve Customer Advocacy'.

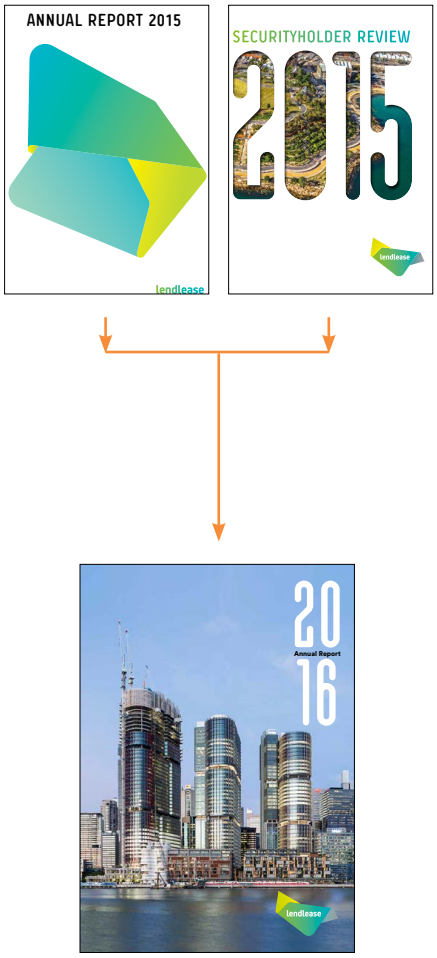
Improving Customer Advocacy has been a key strategic focus for Telstra for some time as it is a key driver of sustainable value. The disclosure is balanced as it explains clearly that although performance in certain business units has improved, 'Our overall NPS performance this year was disappointing, and shows we have more to do to deliver a great experience for our customers every time they interact with us'. The disclosure goes on to explain what Telstra is doing to rebuild that customer experience and advocacy.

The overview of group strategy on page 3, connects through to the detailed strategy and performance section, through the key pillars.



Source: Telstra, Annual Report 2016, page 3 and 10.

Corporate reporting portfolio



Source: Lendlease, Annual Report 2015, Securityholder Review 2015, Annual Report 2016.

In addition to the annual report, many organisations also produce a number of voluntary and regulatory reports targeted at different stakeholder groups, such as sustainability/ESG reports, investor presentations, annual reviews and reports required by industry-based regulators. This can result in complex reporting portfolios, with reports being prepared by different teams across the organisation and released at different times throughout the year.

Each additional report requires organisations to have additional internal review processes to ensure the integrity of the report and that data being communicated is accurate. Additional reports increase the risk of disconnected and/or inconsistent information going to market, especially if it is being released at a later date. They also cost money to produce.

As a next step to continue their journey along the Reporting Continuum, some organisations are starting to set a corporate reporting strategy, beginning with a stocktake of the reports in the corporate reporting portfolio. This allows them to re-evaluate the real need for each individual report.

Engaging with report users to understand their information needs, and subsequently rationalising the reporting portfolio not only better meets the material information needs of key stakeholders, but can also help drive internal cost efficiencies. It can be done as part of setting an overall corporate reporting strategy taking the organisation further down the path towards integrated reporting.

"Lendlease will be transitioning to an Integrated Reporting Framework with reference to the International Integrated Reporting Council's framework. Lendlease will now report its annual results in the form of an Integrated annual report, incorporating the previous annual report, Directors' Report & Financial Statements and the Securityholder Review into one document."

ASX Announcement 27 July 2016

Integrated reporting <IR>

International <IR> Framework.

As organisations move towards this third stage in the Reporting Continuum, the goal is to develop a 'flagship' or integrated report which provides investors with a clear and concise overview of all the information needed for decision making, not just the financials. This 'flagship' report should show investors how the organisation's strategy, business model, governance, performance, risks and future prospects, come together to create long term value.

In the current reporting season we have seen a small number of organisations produce a 'flagship' report which has been based on the principles of integrated reporting.

In some circumstances this information is included in the annual report, such as the approach taken by Lendlease, and for others it is in a separate Annual Review, which is the approach taken by National Australia Bank (NAB).

Stakeholder engagement

As organisations start to move towards focusing their 'flagship' report on explaining how they create and preserve value, they will realise the importance of really capturing and then responding to what is material for their key stakeholders.

What leading reporters are preparing now is not a document focused on past financial performance using a prescribed template, but a report that addresses the reasonable and changing information needs of providers of financial capital and other key stakeholders.

In order to transition to integrated reporting, organisations will need a formal and continuous process to determine who their key stakeholders are, and what information is important and material for them when making their various investment decisions.

The International Integrated Reporting <IR> Framework

The International Integrated Reporting Council (IIRC) released the *International Integrated Reporting <IR> Framework* (<IR> Framework) in December 2013 to assist organisations prepare an integrated report.

The <IR> Framework does not need to be applied in totality, and no one in Australia has prepared a perfect integrated report. However the framework has been considered by the likes of NAB, Australia Post and Lendlease when preparing their reports. They have all leveraged the principles to help shape their 'flagship' report and move them along the reporting continuum.

Stage 3 Integrated Reporting

National Australia Bank

National Australia Bank (NAB) has gone through a detailed and robust process to engage with their stakeholders and understand their expectations. This engagement process has enabled them to identify seven prioritised topics to be disclosed in the integrated report.

The report also clearly shows how the business activities NAB undertake creates long-term value for their stakeholders.

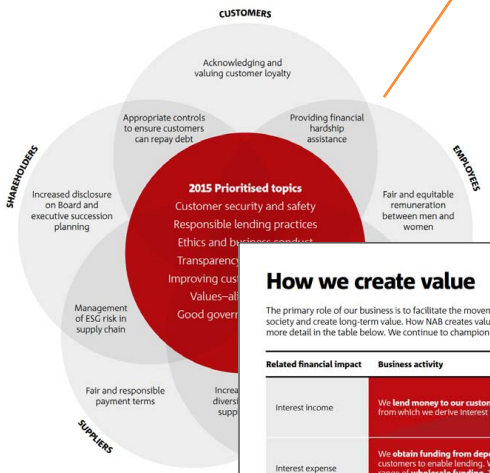
"By engaging with our stakeholders, we can better understand the expectations of our broader community, identify challenges sand opportunities and encourage innovation."

National Australia Bank

Through the stakeholder engagement process NAB have identified seven priority topics to be included in the report.

The table is used to show clear linkages between financial impacts, business activities, related broader impacts and the associated risks.

2015 Prioritised topics
The diagram below displays the seven topics prioritised for disclosure in 2015 due to their importance to a broad range of stakeholders and to NAB's strategy. The diagram also outlines a number of the granular drivers of these topics, as assessed in our annual materiality review, to illustrate their importance and relevance to various stakeholders. The diagram does not contain an exhaustive list of all drivers and stakeholders. Further detail can be found in our 2015 Dig Deeper report. Definitions of the prioritised topics and their relevance to NAB's ability to create value have been provided on **page 10**.



How we create value

The primary role of our business is to facilitate the movement of capital and flow of money to meet the needs of our stakeholders. It is through the alignment of these needs that we can enable a thriving society and create long-term value. How NAB creates value can be understood in a number of ways, the primary one being through the various business activities that we engage in. This is explained in more detail in the table below. We continue to champion Shared Value[1] as a framework to leverage our strengths and create shareholder value by addressing social and environmental challenges.

Related financial impact	Business activity	Broader impacts of our business activities	Risks arising from activity[2]
Interest income	We **lend money to our customers**. This creates assets from which we derive interest income over time.	Lending makes it possible for NAB's customers to acquire the assets they need to create their own wealth. Lending also makes it possible for NAB's business banking customers to manage working capital and cash flow requirements which support their commercial growth and sustainability. Our responsible lending practices target suitability of products for our customers and help us to manage the exposure to ESG issues that arise through our lending portfolio.	• Credit • Balance sheet and liquidity • Regulatory • Compliance • Operational
Interest expense	We **obtain funding from deposits** placed by our customers to enable lending. We also access a diverse range of **wholesale funding**. This creates liabilities on which we incur interest expense.	Customer deposits earn interest at rates dependent on the type of product and the size of the deposit. NAB's participation across senior, subordinated and secured debt markets contributes to the stability and liquidity of the broader financial system. We also work closely with regulators to protect depositor funds and reduce risk in the Australian banking system.	• Balance sheet and liquidity • Regulatory • Compliance • Operational
Net life insurance income	We offer **superannuation, investment and insurance** to retail, corporate and institutional customers and earn fee, administration and premium income.	Through superannuation solutions, retirement and insurance products, and general investment advice we help our customers and their dependents grow and protect their wealth. We develop investment options, like 'green' or social bonds, that give our customers the opportunity to pursue positive financial returns, along with social and environmental outcomes.	• Life insurance • Regulatory • Defined benefit pension
Fees and commissions	We also provide **transactional banking** facilities to our customers and earn fee and commission income.	NAB's transactional banking solutions help our customers manage their cash and make payments efficiently and securely. By making banking simpler for our customers and reducing the time and cost involved in moving money, our customers can focus on running their businesses, achieving their financial goals and contributing to their local communities.	• Credit • Regulatory • Compliance • Operational
Trading income	We offer **risk mitigation products** that enable financial protection and diversification through risk transfer. Risks are either transferred to counterparties or retained by NAB. Our traded markets include foreign exchange, commodities, interest rate, credit and equity instruments.	NAB supports its customers' needs by assisting them in dealing with market fluctuations and volatilities. By offering risk mitigation products, we make it possible for customers to manage their exposure to unexpected gains or losses and continue to contribute to the growth and stability in local businesses and communities.	• Credit • Traded market • Regulatory
Personnel expenses	We invest in **attracting and developing** great people so we can create a customer-focused, diverse and inclusive workforce that enables execution of our strategy.	NAB employs over 40,000 people[3] and our remuneration framework rewards employees for meeting key objectives and aligning decisions to our values. Employee share ownership helps our people create wealth and aligns their interests to NAB's long-term success. Our investment in a diverse and inclusive workforce seeks to reduce inequality and includes programs to provide employment pathways to marginalised individuals.	• Strategic • Compliance • Operational
Other expenses	We invest in our **business operations**, including technology and digital capability, to deliver great products, services and support to our customers. We also invest in our **communities** and our **physical locations**.	To remain competitive and positively contribute to the community, we continue to invest in our business operations. Investing in improvements to our hardship function's operations has led to an increase of proactive requests for assistance and has reduced overall loan defaults. Our community investment focuses on building financial inclusion, facilitating economic engagement and improving environmental outcomes. The majority of our major locations now meet or exceed best practice environmental benchmarks.	• Strategic • Compliance • Operational
Tax expense Net profit Dividends	Our business operations result in the payment of **taxes** to governments and **dividends** to our shareholders.	NAB makes a valuable contribution to the development and growth of the economies in which we operate, both through the taxes we pay and the taxes paid by our employees and suppliers. By optimising our business success, we can also increase the value we are able to deliver to our shareholders and encourage long-term wealth creation.	• Regulatory

1 Shared Value is a management strategy focused on companies creating measurable business value by identifying and addressing social problems that intersect with their business.
2 **See page 28** for definitions of the material risk categories. Strategic, Compliance and Operational risks are applicable for all business activities listed.
3 Based on full-time equivalent employees (FTEs).

Source: National Australia Bank, Annual Review 2016, page 8 and 9.

Download this Report

Australia Post

The *2016 Australia Post annual report* takes Australia Post's application of the <IR> Framework to another level. The integrated report component of the overall 2016 annual report is 50 pages.

The highlight of the report from an integrated reporting perspective is the manner in which the report is structured around the three fundamental concepts of the <IR> Framework, i.e the creation of value, through the business model and effectively using the 'six capitals'. As explicitly encouraged by the principles-based <IR> Framework, Australia Post has used its own terms to explain the key capitals used in its value creation process (e.g. 'our customer network' is used 'to cover manufactured and social capital').

The report highlights the guidance of Australia Post's 'annual report Steering Committee' in preparing the report. Such steering groups have been a critical success factor in effective integrated reporting around the world, as it is essential that the organisation comes together in embarking on an integrated reporting journey, with the integrated report a quality output of the process.

The <IR> Framework can be broadly characterised as an 'inside looking out' approach to corporate reporting (a supply-oriented perspective) and the *GRI G4 Guidelines* could be characterised as an 'outside looking in' approach (a demand-oriented perspective). Australia Post uses both and reconciles their use.

Formal reference of both IIRC Framework & GRI G4 Sustainability Reporting Guidelines.

Statement of accountability for integrated report – endorsed by Executive General Manager, Group Services, with final approval from Board.

Reconciliation of Australia Post and IIRC's 'capitals' terminology.

About this report

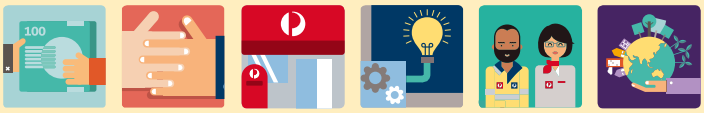
This is the sixth year that we have incorporated sustainability reporting in our annual report. Prepared in accordance with legislative requirements, the Global Reporting Initiative (GRI) G4 Guidelines, Integrated Reporting <IR> and the principles set out in the United Nations Global Compact, our annual report includes our financial, social and environmental activities each year.

Integrated reporting is aimed at facilitating integrated thinking into mainstream business practices. It is more forward-looking than traditional annual reporting, while not as specifically detailed as comprehensive sustainability reports. In actively considering the relationships between our enterprise and how we create value in our areas of impact – organised as 'capitals' – we can move towards publicly reporting the way we integrate our thinking and decision-making.

The International Integrated Reporting <IR> Council Framework provides guiding principles that align with the GRI, the well-established global best practice sustainability framework. The content of this report has been guided by the annual report Steering Committee. The approach was endorsed by the Executive General Manager, Group Services, with final approval of the annual report by the Board.

This year our annual report is framed around the six integrated reporting capitals to align with the <IR> Framework:

Our six integrated reporting capitals



Our business performance	Our customers Our communities	Our customer network	Our innovation Our expertise	Our people	Our environment
Financial Capital	Social Capital	Physical Capital	Intellectual Capital	Human Capital	Natural Capital

Source: Australia Post, Annual Report 2016, page II.

Emphasis on link between integrated thinking and <IR> - facilitating integrated thinking into mainstream business practices a critical component of integrated reporting.

Report framed around the six capitals to align with the <IR> Framework.

Stage 3 Integrated Reporting

Australia Post has used the six capitals to weave together its performance highlights. This highlights summary is supported by rich and insightful detail in sections on each capital, and also on the operating segments of the business.

KPIs cover all six capitals and demonstrate some connectivity between all reporting elements.

2016 performance highlights

Our business performance

$36 million
Profit after tax

- Joint venture with Aramex
- Qantas airfreight network
- Majority investment in Mailplus

Our innovation and expertise

Australia Post Accelerator:
$20 million investment

Government innovation partnership: digitising WA Police National Police Check process

Our customers and communities

Community Service Obligation
Exceeded our 94% on time target in delivering letters, with a result of **96.2%**

Community Investment
$7.05 million

Our people

Gender pay gap
1.4%

Safety
6.6 LTIFR

Our customer network

3.8 million MyPost registrations
11 new superstores
249 million annual customer visits

Our environment

Reduced carbon emissions by 17% since the year 2000
We're on track to achieve our target of 25% by 2020

Our purpose and values

Australia Post's purpose is: ***Helping our people, customers and communities deliver a better future. Everyone, everywhere, everyday.***

Our strategy is informed by, and focused on, services that meet customers' contemporary needs. We love delivering eCommerce through our people by embracing our shared values:

Improving everyday: A better tomorrow starts with the changes we make today.

Being safe everywhere: There's nothing more important than our safety, health and wellbeing.

Respecting everyone: We care about people and value diversity.

Delighting our customers: A great customer experience creates a better future.

Helping each other: We're at our best when we work together.

Reporting on intellectual capital (innovation & expertise) remains an area missing from many integrated reports at this stage.

Download this Report

Source: Australia Post, Annual Report 2016, page 2.

Lendlease – developing our first Integrated Report

About this report

This is Lendlease's first integrated annual report and we expect this report to evolve over time. Through this report we aim to communicate how we create long term value for our securityholders through five value pillars.

Download this Report

Background

In 2014 the Lendlease Board and management decided to explore integrated reporting as a way of better communicating the Lendlease value story to its investors and other key stakeholders. The Board agreed to work towards a first integrated report by June 2016.

An internal reporting group was already established including executives from Finance, Corporate Affairs, Investor Relations, Strategy, Legal, Risk, Sustainability, Health & Safety, HR and Company Secretariat. This group was charged with driving development of the integrated reporting solution.

Challenges

There were challenges in getting agreement on the extent and pace of change required to Lendlease's current reporting portfolio. For the 2015 annual report, changes were made to 'cut the clutter' in the financial report; but the rest of the reporting portfolio largely stayed the same.

The Board continued to ask for progress on the integrated reporting project, and real action started when a sub-set of the reporting group decided to design a pro-forma report with reference to the *IIRC's Integrated Reporting <IR> Framework*. A member of the Finance team working virtually full time on this project, with significant support from members of broader finance, Investor Relations and Corporate Affairs, designed a pro-forma integrated report which could then be debated and refined with input from the broader reporting group.

Meanwhile, this smaller team was also undertaking in-depth research into best practice integrated reports prepared overseas, as well as testing, at a conceptual level, a move to integrated reporting with key internal and external stakeholders. This feedback informed the design of the pro-forma. Once the pro-forma was in good shape, the KPMG Better Business Reporting team were asked to review it and recommend further improvements from both an <IR> Framework and ASIC RG247 perspective.

Benefits

The CEO and Executive team all supported development of the report. The Board also took a keen interest and made a number of changes to drafts of the report which shaped the final version. They were fully supportive of the move to integrated reporting, and the focus on telling Lendlease's value story more effectively.

From a time and cost perspective, developing the integrated report removed two additional reports from Lendlease's corporate reporting portfolio and saved at least six weeks of management time in preparation and checking of additional reports without omitting any material information required by investors.

The development of the integrated report also challenged the reporting group to articulate their business model, strategy and the five pillars of value that underpin everything Lendlease does, more effectively (see report extracts on page 23). Agreement on these pillars brought a number of independent areas of the group together with a common understanding of how they each work together to deliver sustainable value.

Investor feedback

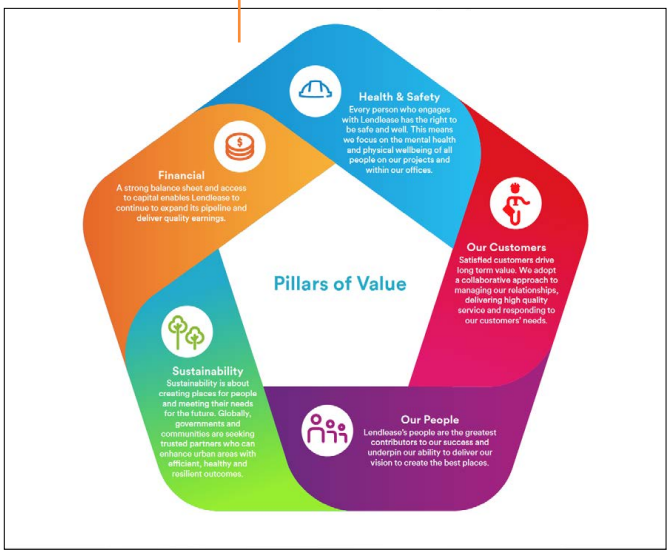
The initial feedback from investors has been positive. The integrated report explains Lendlease's value story more effectively, which had been an area of criticism in the past. Investors have also commented on the improved transparency in the current report, especially around the business model.

Lendlease will take on board feedback on this first integrated report for next year, and as noted in the report will work on improving how strategic success is measured and reported.

"Progress on the integrated report really got going once the pro-forma had been developed and discussion was no longer conceptual. There was some push back, but this dissipated as the pro-forma took shape and especially when the pillars of value were agreed. The whole exercise has been valuable in helping clarify and align the group-wide interpretation of our strategy and how we create value. The fact that we have reduced the volume of our reporting and received positive feedback from our investors has been the icing on the cake."

Simon Benson, Group Financial Controller

Five pillars of value that drive the long term value for the business.



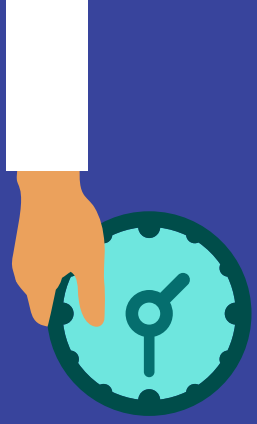
Source: Lendlease Annual Report 2016, page 4 and 29.

Further detail is provided as to how each pillar is delivered and the value created by the pillar.

How the Pillars Drive Value

		How the Pillar is Delivered	Value Created by the Pillar	Pillar Reference
Financial	Financial	We deliver returns to our securityholders and adopt a prudent approach to capital management with a view to maintaining a strong balance sheet position throughout market cycles.	Margins, fees and ownership returns across Development, Construction and Investments. We target a capital efficient approach when we develop and invest.	Pages 30 to 31
Non Financial	Health & Safety	We are committed to the safety of our people. Through our Global Minimum Requirements (GMRs) we operate to a consistent standard across all of our operations. These GMRs extend not only to physical safety but also to people's health and wellbeing.	Every person who engages with Lendlease has the right to be safe and well. Operating safely ensures people feel valued and cared for, but fundamentally makes us more consistent, more reliable and more efficient in everything we do.	Pages 32 to 33
Non Financial	Our Customers	Our customers are a key contributor to the long term success and growth of Lendlease. We are currently creating a customer framework to enable a consistent customer experience to be delivered across all of our operations, leveraging the significant amount of work undertaken at a regional and business unit level.	Satisfied customers build our reputation for new work and repeat business enabling us to grow our pipeline of opportunities and to maintain occupancy across our assets.	Pages 34 to 35
Non Financial	Our People	Lendlease attracts, nurtures and retains the best people by building a culture of collaboration and continuous learning, where successes are recognised and people are rewarded.	Engaged, capable and motivated people are more productive and more committed to the long term success of our business.	Pages 36 to 39
Non Financial	Sustainability	Environmental, social and economic outcomes are delivered through our portfolio of international urban development, construction and investment activities and projects.	Recognised leadership in sustainability enhances our brand and is a competitive differentiator. Being sustainable means we win work and we attract capital from investors with Environmental, Social and Governance (ESG) mandates.	Pages 40 to 43

How KPMG can help



KPMG is supporting organisations to improve their external reporting in a number of ways:

Assistance in identifying quick wins using our experience from working with clients who have undertaken de-cluttering activities.

Facilitating workshops and discussions about application of the 'three R's', supporting organisation's to identify and implement de-cluttering opportunities.

Helping to prepare, or review pro-forma annual reports to help companies produce more insightful disclosures and recommend further improvements from both an *<IR> Framework* and *RG247* perspective.

Advising on taking a more strategic approach to corporate reporting, including facilitating, developing or refining reporting and communication strategies, and aligning reporting processes and systems.

Support in defining and enhancing Corporate Reporting Portfolios, including defining the flagship corporate report (from initial blueprint to final document), and navigation to other reports/website containing greater detail.

Providing thought leadership and examples of insightful disclosures.

Further information on recent developments in corporate reporting and the implications for CFOs, Directors and Investors can be found in on the KPMG Better Business Reporting website.

kpmg.com/au/betterbusinessreporting

Appendix 1 – Review methodology

The ASX 200 annual reports examined and included within the current year results are from those organisations listed as being within the ASX 200 survey as at 9 August 2016.

Where an organisation has not yet lodged an annual report at the time the review was completed, the preliminary release (Appendix 4E) was reviewed where it contained the full financial statements. This has resulted in 194 of the ASX 200 being included in the review results in relation to 'cutting the clutter' in the financial statements, and 156 of the ASX 200 being covered in other areas of this report.

Where available, comparative data has been sourced from the 2015 KPMG publication, *A new era in Corporate Reporting – Review of recent corporate reporting and de-cluttering trends in the ASX200*.

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