

# Impact Case Study

## SDG measurement and disclosure by

### ASX150

#### Introduction and background

In 2015, The United Nations published 17 Sustainable Development Goals (SDGs) to guide nations and businesses towards a sustainable future. At the same time, investors, employees, customers and other stakeholders have become more engaged in the idea of sustainable business practices and how companies and organisations manage the challenges of the Environmental, Social and Governance (ESG) principles that drive sustainability.

The coronavirus pandemic has added to these challenges, as it has highlighted how deeply economies and societies are interconnected – and how important the SDGs are to the wellbeing of both.

While Australian businesses report on their corporate sustainability, they tend to focus on their economic, environmental and social performances without giving a full account of how their practices may impact on each of the SDGs.

In 2020, a team of RMIT researchers, led by Professor Nava Subramaniam, Deputy Dean (Research & Innovation), with expertise in corporate governance, corporate sustainability and disclosure, began an analysis of the top 150 Australian public-listed companies (ASX150) to better understand their SDG disclosure practices and how sustainable they really are.

#### The 17 SDGs

- 1: No Poverty
- 2: Zero Hunger
- 3: Good Health and Well-being
- 4: Quality Education
- 5: Gender Equality
- 6: Clean Water and Sanitation

- 7: Affordable and Clean Energy
- 8: Decent Work and Economic Growth
- 9: Industry, Innovation and Infrastructure
- 10: Reduced Inequality
- 11: Sustainable Cities and Communities
- 12: Responsible Consumption and Production
- 13: Climate Action
- 14: Life Below Water
- 15: Life on Land
- 16: Peace and Justice Strong Institutions
- 17: Partnerships to achieve the Goal

#### The research

The project team analysed the ASX150 (by market capitalisation as at 1 July 2019) to gain deeper understanding of their SDG policies and disclosure practices.

The analysis, based on data from their corporate annual sustainability reports in 2018, 2019 and 2020, looked at each company's awareness of and commitment to the SDGs, as well as their governance support mechanisms and management approaches to sustainability. The reports also aimed to identify any emerging sustainability strategies among the sample.

The project team produced three reports – one relating to each reporting period – and highlighted the Top 20 companies in terms of SDG reporting.

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What's next...

## The findings

Across the three reports, the research noted that the ASX150 prioritised the SDGs of Gender Equality, Decent Work and Economic Growth, and Climate Action. The goals with the least focus were No Poverty, Zero Hunger and Life Below Water.

By 2020, SDG reporting had clearly increased. In 2018, only 37% of companies mentioned SDGs in their reports and only 25% reported that SDGs would be prioritised. In 2020, those figures had risen to 62% and 59% respectively.

In other encouraging figures, 92% of the 94 companies reporting on SDGs have produced a modern slavery statement and 80% of the 81 companies prioritising climate action have either achieved or have committed to meeting carbon neutrality.

The 2021 report also notes areas for improvement, including the need to make clearer connections between business performance targets and the SDGs, as well as clearer associations between prioritised SDGs and issues such as climate action, carbon neutrality, modern slavery risk management and the impact of Covid19, which is a continuing threat which has exacerbated many sustainable development challenges.

The variability in the detail, depth and length of SDG reporting has made some analysis difficult, particularly in comparing performances across companies, leading to a call in the report for creating SDG reporting standards, particularly as increasing numbers of companies look to include SDG reporting for their stakeholders.

## Funding and institutional support

The project received financial grants and in-kind support from the Global Compact Network of Australia, the United Nations Association of Australia (UNAA) and CPA Australia. The project also received a small capacity developing support from the Global Business Innovation ECP.

## Project outcomes

The project resulted in three reports, coinciding with each of the annual reporting periods under analysis.

### The three reports

- [2019: "SDG Measurement and Disclosure by ASX150", Global Compact Network Australia Melbourne, Australia](#)
- [2020: "SDG Measurement and Disclosure 2.0: A study of ASX150 companies", United Nations Association of Australia Melbourne, Australia](#)
- [2021: "SDG Measurement and Disclosure 3.0: A study of ASX150 companies", RMIT.](#)

### Publications

The research was published in various professional journals, including:

- [Australian Shareholders' Association \(2020\): "Business reporting on sustainable development goals: Time to get serious", Equity, Vol 34, #9, 2020](#)

## Presentations and workshops

As a result of the project, Professor Subramaniam was invited to participate in sustainability seminars and workshops, including:

- Speaking at professional seminars such as the UNAA NSW sustainability meeting
- Running an SDG reporting workshop by Sustainability Advantage, NSW (2020)

## Media

Media coverage of the series of reports included:

["Fewer than half of Australia's 150 biggest companies have committed to zero emissions by 2050" \(The Conversation, 2021\)](#)

["RMIT: New Report Reveals Australian Companies' Mixed Messaging On Carbon Neutrality" \(India Education Diary, 2021\)](#)

["More companies reporting on SDGs, but climate clarity needed" \(FS Sustainability, 2021\)](#)

["Many of Australia's top 150 companies claim they are prioritising sustainability goals. According to a new report, it's tough to measure whether they're actually making progress" \(Business Insider Australia, 2020\)](#)

["Corporate sustainability: Genuine or a lot of spin?" \(The West Australian, 2021\)](#)

["Is it a genuine green shift or all just hot air?" \(The Weekend West, 2021\)](#)

## Overview of the impact

The impact of the report findings is still emerging. However, in a further study relating to the development of an integrated SDG governance and reporting framework, managers were interviewed about SDG governance and several participants highlighted the usefulness of the reports.

Two participating managers noted specifically that the report had prompted them to take further action, including seeking more funding for developing SDG governance.

A third manager asked what steps would have to be taken to include their company in the SDG Top 20 companies.

## Next steps

The research team continues to prepare papers for publication and intends to continue working on SDG reporting, with a focus on selected sectors, including finance and industry.

The further study on the development of an integrated SDG Governance and Reporting framework is being funded by CPA Australia. The final report will be available in April 2022.