



Integrated Reporting Centre

Review of ASX 300 Corporate Governance Recommendation 4.3 Disclosures:

Effectiveness of communication and efficacy of integrity enhancement processes

Research Team:

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The Deakin Integrated Reporting Centre

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Foreword

In 2019, the Australian Securities Exchange (ASX) Corporate Governance Council revised the Corporate Governance Principles and Recommendations. The introduction of Recommendation 4.3, with its focus on disclosure of processes to verify the integrity of unaudited periodic corporate reports, was a timely response to the monumental changes in global and Australian corporate reporting systems. Given the unprecedented pace and scale of change in the global reporting scene resulting from the IFRS Foundation's creation of the International Sustainability Standards Board (ISSB) in November 2021, Recommendation 4.3 in the 4th Edition of the Principles and Recommendations has proven prescient.

Congratulations to the Deakin Integrated Reporting Centre (DIRC) for producing an insightful and timely analysis of Recommendation 4.3 adoption by Australian corporates. Research published in this report suggests that many entities within the ASX300 have made some effort to disclose their processes for ensuring the integrity of unaudited periodic corporate reports. However, disclosures are still in their early stages, and there is a considerable room for improvement—both with the disclosures themselves and the rigour of integrity enhancing processes implemented.

The ASX Corporate Governance Council should work towards strengthening Recommendation 4.3 to further propel the journey towards better business reporting; and ensuring that the Principles and Recommendations encourage a better and more consistent reporting format by continuing to recommend adoption of integrated reporting. This might be done within a 5th Edition of the Corporate Governance Principles and Recommendations or possibly, by introducing an out of session one-off update to Recommendation 4.3. I continue to support voluntary adoption through the 'if not, why not?' approach that has proven so effective over many years in encouraging entities to pursue better governance practices.

I believe the ASX should more closely monitor the quality of Recommendation 4.3 statements, through application of its supervisory powers under the Corporations Act. The ASX might also consider adopting this report as guidance to support entities in adopting best practice processes to ensure the integrity of their periodic corporate reports.

The Australian Government, the Treasury and its authorities including the Financial Reporting Council (under sections 224 and 225 of the ASIC Act), the Australian Accounting Standards Board and the Australian Auditing and Assurance Standards Board should carefully review the matters raised in this report. The FRC can already form a position on these recommendations under sections 225 and 224 of the ASIC Act given that integrated and sustainability reporting will be part of the 'IFRS Family' from 1 August 2022. Potentially, the FRC and ASX Corporate Governance Council can work more closely together in the future on driving best practice corporate reporting.

The International Integrated Reporting Framework is the only reporting framework specifically referenced in Recommendation 4.3 and its associated Commentary. The previous uncertainty about the status of the Integrated Reporting Framework in Australia is now settled with the IFRS Foundation strongly recommending that entities continue preparing integrated reports adopting the <IR> Framework. Andreas Barckow, Chair of the International Accounting Standards Board (IASB) and Emmanuel Faber, Chair of the International Sustainability Standards Board, said the following about the IASB and ISSB assuming ownership of the <IR> Framework and Integrated Thinking Principles from 1 August 2022:

“We are convinced that the Integrated Reporting Framework drives high-quality corporate reporting and connectivity between financial statements and sustainability-related financial disclosures which improves the quality of information provided to investors. Therefore, we strongly encourage continued use of the Integrated Reporting Framework and the Integrated Thinking Principles underpinning it.”

I encourage all relevant stakeholders to read this report and implement its recommendations.



Mr. John Stanhope AM

Chancellor, Deakin University and Fellow,
Australian Institute of Company Directors



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Executive Summary

This report analyses how Australia's largest listed entities have responded to a major initiative by the ASX Corporate Governance Council (the Council) to drive improvements in the quality and integrity of corporate reporting by listed firms.

In 2019, the Council published a revised, 4th Edition of its Corporate Governance Principles and Recommendations (Principles and Recommendations) for listed entities. The revisions came in the context of a rapidly changing business environment and in the wake of a series of high-profile corporate scandals, giving rise to what the Council called "emerging issues around culture, values and trust, fuelled by then-recent examples of conduct by some listed entities falling short of community standards and expectations". A report by KPMG (2022) indicates a high level of adoption of the 4th edition Principles and Recommendations.

The 4th Edition of the Principles and Recommendations included Recommendation 4.3, framed to enhance the integrity of unaudited periodic corporate reports issued by listed entities:

"A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor."

(ASX 2019, p20)

Most large, listed entities routinely produce a range of periodic corporate reports to investors in addition to their audited financial statements. Examples of what the ASX describes as 'periodic corporate reports' include "annual directors' reports, annual and half yearly financial statements, quarterly activity reports, quarterly cash flow reports, integrated reports, sustainability reports, or similar periodic report prepared for the benefit of investors" (ASX 2019, p35). Under Recommendation 4.3, listed entities have been encouraged for the first time to disclose the processes they use to ensure the integrity of their unaudited periodic corporate reports.

In this report, we examine and analyse first-time disclosures in response to Recommendation 4.3 by ASX 300 entities (by market capitalisation, at 30 June 2021). Based on our findings, we have also produced a series of recommendations to encourage further improvements in the quality and integrity of corporate reporting and to assist entities with their future reporting.



Overview of Results Summary

Our analysis reveals that the majority of ASX 300 entities have made efforts to disclose the processes and mechanisms they use to enhance the integrity of their unaudited periodic corporate reports. However, the results reveal significant disparities between entities in the level and quality of their responses to Recommendation 4.3.

We analysed entities' disclosures in two main aspects of these processes and mechanisms:

1. Effectiveness of communication.
2. Efficacy of integrity enhancement processes.

We analysed disclosures by 240 entities within the ASX 300. Sixty entities were excluded because they were either exempted from following the Principles and Recommendations as either foreign listed (33) or investment products (25), with 1 indicating they did not follow Recommendation 4.3 under the "if not, why not" provision, and 1 suspended from trading. Among the 240 entities in the sample, there were 85 entities within the ASX 100, 80 entities within the ASX 101-200, and 75 within the ASX 201-300.

Effectiveness of Communication

To measure the effectiveness of ASX 300 entities' communication in relation to their Recommendation 4.3 obligations, we rated their endeavours on a 4-point scale ranging from 0-3:

- No disclosure (0)
- Boilerplate (non-entity specific) disclosure (1)
- Limited entity-specific disclosure (2)
- Clear and comprehensive disclosure (3)

Effectiveness of communication	Number of entities
No disclosure	29 (12%)
Boilerplate disclosure	36 (15%)
Limited entity-specific disclosure	114 (48%)
Clear and comprehensive entity-specific disclosure	61 (25%)
TOTAL	240 (100%)

Our assignment of additional value to entity-specific disclosure is aligned with IFRS Foundation principles, which hold that effective communication requires disclosure to be specific to the disclosing entity (rather than generic).

No disclosure (0 points):

Twelve per cent (N= 29) of entities provided no identifiable disclosure in relation to Recommendation 4.3.

Boilerplate disclosure (1 point):

Fifteen per cent of entities in the sample group (N= 36) did not provide entity-specific disclosures, but rather used 'boilerplate disclosures'— general statements that could apply to any entity.

Limited entity-specific disclosure (2 points):

Forty-eight per cent of sampled entities (N= 114) made entity-specific disclosures, but with only limited details of how their integrity enhancing processes operated in practice.

Clear and comprehensive entity-specific disclosure (3 points):

Just 61 entities (25%) out of the 240 in the sample were rated as providing clear and comprehensive entity-specific descriptions of all the processes they used to ensure the integrity of unaudited periodic corporate reports.

Identification of relevant reports

Just 23 per cent of entities (N= 55) clearly identified the periodic corporate reports that were subject to Recommendation 4.3. The ASX Corporate Governance Council currently does not require clear identification of reports subject to Recommendation 4.3. Accordingly, we did not include identification of relevant reports in our measurements of effective communication in relation to Recommendation 4.3. However, we believe this is a significant issue for investors, whose interests would be best served by being informed about which documents comprise a particular entity's 'corporate reports portfolio'.

Comparisons across the ASX 300

A detailed comparison across the ASX 300 suggests that larger entities (79% of the ASX 100 and 78% of ASX 101-200) were more likely to communicate entity-specific integrity enhancement processes compared to smaller entities (61% of the ASX 201-300).

Overall, these results suggest considerable room for improvement in the communication of integrity enhancement processes and mechanisms.

REVIEW OF ASX 300 CORPORATE GOVERNANCE RECOMMENDATION 4.3 DISCLOSURES

Efficacy of Integrity Enhancement Mechanism

While the primary focus of Recommendation 4.3 is on the effective communication of the integrity enhancing mechanisms or processes, the ASX has also made clear its interest in ensuring investors and other users have confidence in the credibility of all periodic corporate reports. Accordingly, we developed a unique measure to rate the efficacy of integrity enhancement processes and mechanisms. Entities were rated on a 3-points scale ranging from 1-3:

- Internal control (1)
- Internal verification (2)
- External assurance (3)

Integrity enhancement mechanism	Number of entities
Internal control	67 (38%)
Internal verification	62 (36%)
External assurance	46 (26%)
TOTAL	175 (100%)

We restricted our analysis on the efficacy of integrity enhancement mechanisms to a sub-sample of 175 firms that provided entity-specific disclosures.

Internal control (1 point)

Sixty-seven entities (38%) identified a single firm-specific internal control mechanism – either internal review by subject matter experts, or internal review by the board.

Internal verification (2 points)

Sixty-two entities (36%) had a more effective process which we defined as ‘internal verification’, which included review of unaudited periodic reports by both subject matter experts and the board.

External assurance (3 points)

Forty-six entities (26%) reported the highest level of integrity enhancement, independent external assurance, on one or more of their unaudited periodic corporate reports.

Board involvement

Boards of directors are ultimately responsible for the integrity of unaudited periodic corporate reports. Yet we found that just 122 out of 240 entities (51%) confirmed board involvement in their processes for ensuring the integrity of unaudited periodic corporate reports. And of these, only 79 (33%) disclosed that the board reviews and take responsibility for ensuring the integrity of these reports.

Comparison within ASX 300

We found that disclosure of board involvement in the process of ensuring the integrity of unaudited periodic corporate reports was similar across size categories (51% of ASX 100, 52% of ASX 101-200, and 49% of the ASX 201-300).

Best-practice Performers

Our analysis details examples of best-practice disclosure among entities in all size categories of the ASX 300. Over the entire sample group of 240, just 20 entities (8%) scored the maximum six points (three points in each category) for their actions in relation to Recommendation 4.3. Fourteen of the best all-round performers were in the ASX 100, five were in the ASX 101-200, and just one was in the ASX 201-300 range. Examples of best practice in both the communication of integrity enhancement mechanisms and the adopted integrity enhancement mechanisms among the ASX 100 are National Australia Bank and QBE. We also identified best-practice reporting by SCA Property Group (ASX 101-200) and 29 Metals (ASX 201-300). The relevant disclosures by these entities in response to Recommendation 4.3 are detailed on pages 16–19. At the other end of the scale, a total of 20 entities (12% of the sample) scored zero across both categories, including four (5%) in the ASX 100, 10 (13%) in the ASX 101-200 range, and 15 (20%) between ASX 201-300.

Recommendations

Preparers of Corporate Reports

In future Recommendation 4.3 disclosures, ASX listed entities should:

- a. Identify all reports subject to Recommendation 4.3 integrity measures.
- b. Disclose the extent of board involvement in, and responsibility for, Recommendation 4.3 integrity enhancement measures.
- c. Provide entity-specific disclosures.
- d. Provide a clear and comprehensive description of measures undertaken to enhance the integrity of unaudited periodic corporate reports.
- e. Disclose all mechanisms used to enhance the integrity of all unaudited periodic corporate reports.

ASX Corporate Governance Council

The Council should review the wording of Recommendation 4.3 and its associated commentary to encourage:

- a. Entity-specific disclosures
- b. Detailed description of the design of integrity enhancing processes and how they operated during the year
- c. Formal acknowledgement of board involvement in the review process, and confirmation of board responsibility for the integrity of disclosures
- d. Identification of periodic corporate reports subject to Recommendation 4.3
- e. Description of integrity enhancing mechanisms in both corporate governance disclosures and specific periodic corporate reports
- f. Clear description of the location of Recommendation 4.3 disclosures in Appendix 4G
- g. As part of an overall package of integrity enhancing mechanisms, identification of individual periodic corporate reports (other than annual and half yearly financial statements) that have been subject to independent assurance.

Australian Securities Exchange (ASX)

The ASX should initiate an ongoing process to monitor the quality of Recommendation 4.3 disclosures.

Accounting Bodies

Australia's major accounting bodies should provide targeted education and guidance to their members to reinforce the importance of enhancing the integrity of unaudited periodic corporate reports.

Full details of these recommendations are provided on pages 20–21.

Report Background, Methodology and Data

This report analyses disclosures in response to the ASX Corporate Governance Council's Recommendation 4.3 (ASX 2019) by 240 of the top 300 Australian listed entities (ASX 300)¹, identified by market capitalisation as at 30 June 2021.²

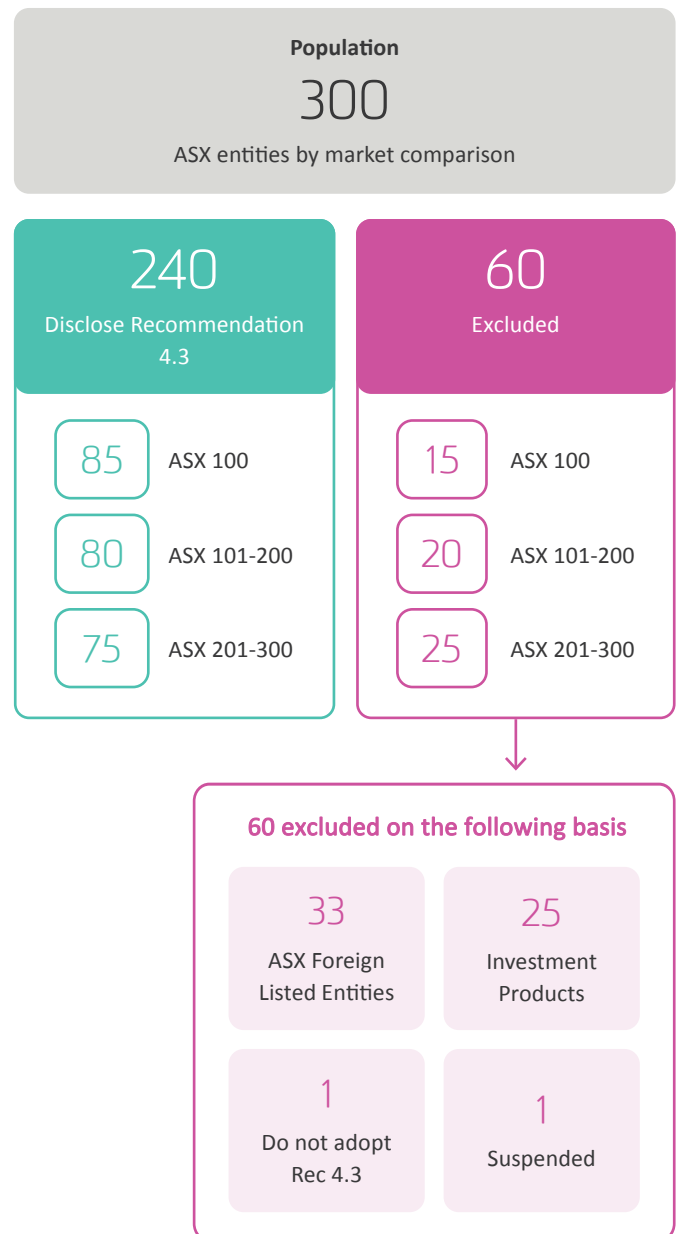
The unique and innovative Recommendation 4.3 states: "A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor" (ASX 2019, p20). Periodic corporate reports are defined by the ASX as "an entity's annual directors' report, annual and half yearly financial statements, quarterly activity report, quarterly cash flow report, integrated report, sustainability report, or similar periodic report prepared for the benefit of investors" (ASX 2019, p35).³

The analysis is based on hand-collected data derived from entities' Appendix 4G disclosures, contained in either corporate governance statements (86%; N= 206), or annual reports (14%; N= 34). These disclosures are then assessed for their effectiveness of communications in relation to Recommendation 4.3, and the efficacy of integrity enhancing mechanisms disclosed. The study analyses the first cycle of annual disclosures after the publication of Recommendation 4.3 and presents current practice for three reporting cohorts (ASX 100, ASX 101-200 and ASX 201-300).

Of the 300 entities that make up the ASX 300, 240 were identified as adopting Recommendation 4.3. Of the remainder, 33 entities were exempt as ASX foreign listed entities, 25 were exempt as investment products, one entity stated it did not follow Recommendation 4.3 during the financial year 2021⁴, and another entity was suspended from trading.⁵

The report focuses on two key themes in relation to the Recommendation 4.3:

- The effectiveness of communication about processes and mechanisms used by entities to ensure integrity of unaudited periodic corporate reports.
- The efficacy of the integrity enhancement processes and mechanisms.



Background

In 2014, the ASX Corporate Governance Council tacitly acknowledged the need for broader reporting by large entities when it replaced the term ‘financial reporting’ with ‘corporate reporting’. In 2019, the Council went further with the introduction of Recommendation 4.3, which recognised the increasing breadth and quantity of information being provided to investors in various periodic corporate reports, and the importance of ensuring the integrity of those reports. Recommendation 4.3 encourages directors to explain the processes used to ensure the reliability and integrity of periodic corporate reports not audited or reviewed by an external auditor.

Recommendation 4.3

“A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor”.

The chair of the Council, Elizabeth Johnstone, said the following about the 4th Edition of the ASX Corporate Governance Principles and Recommendations, and Recommendation 4.3 in particular:

“What we know now is that investors and those who advise them are really looking at a wider range of information. They really want to understand particularly the strategic direction in which the entity is moving, so looking at things beyond the documents that are traditional audited accounts, looking at a wider cross-section of material is critical. We really tried to introduce that recommendation [Recommendation 4.3] to ensure that the quality of the material would be there, so there was an obligation to consider the veracity of that material – how did you stand behind it. We were focused on ensuring that [for] reports ... beyond the audited reports ... there would be a focus on the reliability of that data, and how could its origins be tested and effectively signed off by the board.”

(Ridehalgh, 2019)

Recommendation 4.3 puts the onus on directors to disclose how they verify the integrity of unaudited periodic corporate reports. If directors choose not to follow Recommendation 4.3, they are required to explain their reasons, following an “if not, why not” approach. In practice, there are likely to be few circumstances in which a decision to not describe the processes to verify the integrity of periodic corporate reports could be justified. Firms that do not fulfil Recommendation 4.3 reporting obligations without disclosing the reason why will be in breach of Listing Rule 4.10.3 (the requirement to prepare corporate governance statements, which includes Recommendation 4.3). The ASX can respond to a failure to report in relation to Recommendation 4.3 under its own supervision and enforcement powers.



REVIEW OF ASX 300 CORPORATE GOVERNANCE RECOMMENDATION 4.3 DISCLOSURES

Research Method

In this white paper, we analyse Recommendation 4.3 disclosures by ASX 300 entities primarily for the 2021 financial year. The 4th edition Principles and Recommendations apply to financial years commencing on or after 1 January 2020. Accordingly, entities with a 31 December balance date first applied the 4th edition Principles and Recommendations, including Recommendation 4.3, in the financial year ending 31 December 2020. For 30 June balancing entities, Recommendation 4.3 first applied to the financial year ended 30 June 2021.

The analysis focused first on the **effectiveness of communication**. The effectiveness of an entity's communication was assessed on a 4-point scale (0, 1, 2, 3). Table 1 (below) details how the scores/rating were assessed and applied.

Table 1. Coding scheme for effective communication

Score	Explanation
0	No Disclosure: No reference to Recommendation 4.3 verification in the Appendix 4G, corporate governance statement or annual report – and therefore no basis for investors to assess the effectiveness of the communication of the integrity enhancing processes.
1	Boilerplate: Description not specific to the entity and could be applied to any entity. Limited basis for investors to assess the effectiveness of the communication of integrity enhancing processes.
2	Limited Entity-Specific Disclosures: Entity-specific description of the process(es) used to verify the integrity of unaudited periodic corporate reports, but only limited details of how the integrity-enhancing process(es) operated in practice.
3	Clear and Comprehensive Entity-Specific Disclosures: Detailed and entity-specific descriptions of the design and operation of all processes used by the entity to verify the integrity of unaudited periodic corporate reports.

Efficacy of integrity enhancement mechanism

For the sub-sample of entities that provided entity-specific disclosures, the efficacy of integrity enhancement mechanisms disclosed was assessed on a 3-point scale (1, 2, 3). Table 2 (below) details how the scores/ratings were assessed and applied.

Table 2. Coding scheme for efficacy of integrity enhancing mechanisms

Score	Explanation
1	Internal Control Mechanism: An entity-specific internal control mechanism to enhance the integrity of periodic corporate reports (either internal review by internal reviewers or review by the board).
2	Internal Verification: Internal review of periodic corporate reports by both internal reviewers (e.g., senior management, subject matter experts, or internal audit), and the board of directors.
3	Independent External Assurance: Independent external assurance on one or more major periodic corporate reports as disclosed in the Appendix 4G, Corporate Governance Statement or the Annual Report.

Effective Communication

The ASX Corporate Governance Council encourages listed entities to disclose the processes used to ensure the integrity of unaudited periodic corporate reports.

The Council recommends that entities approach corporate governance disclosures as “an opportunity to demonstrate that their board and management are alive to the importance of having proper and effective corporate governance arrangements and to communicate to security holders and the broader investment community the robustness of their particular approach to corporate governance” (ASX 2019, p. 4).

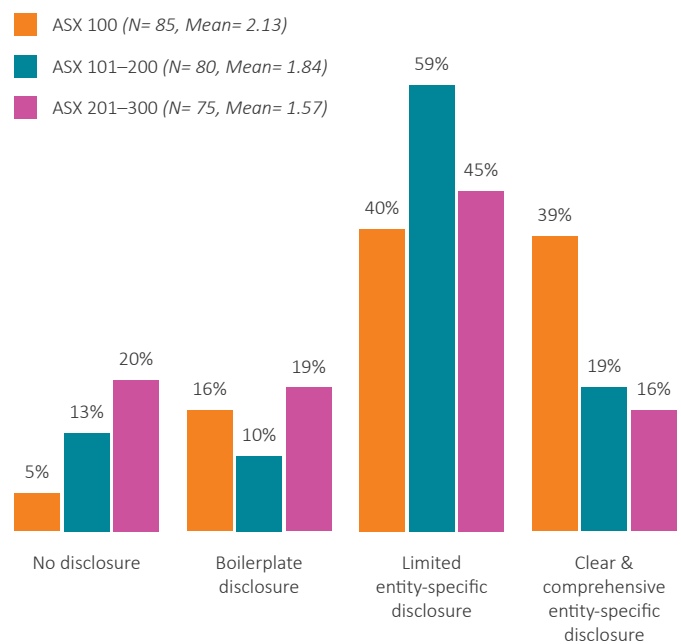
The IFRS Foundation (2017) compiles a list of what constitutes effective versus ineffective communication (i.e., quality of disclosure). Effective communication must contain information that is specific to the entity – i.e., tailored to the firm’s own circumstances. It must also be conveyed in a simple and direct manner, highlight the important issues, provide clear linkage across related information, and be presented in an appropriate format.

Most entities in our sample group made entity-specific disclosure, with 25% (N= 60) providing clear and comprehensive entity-specific disclosures and 48% (N= 115) providing limited entity-specific disclosures about the process used to ensure the integrity of unaudited periodic corporate reports. In contrast, 12% (N= 29) made no identifiable disclosure regarding Recommendation 4.3 and 15% (N= 36) provided boilerplate disclosures – general statements that could apply to any entity.

Table 3. How ASX 300 entities performed on communication and disclosure

Effectiveness of communication	Number of entities
No disclosure (0 points)	29 (12%)
Boilerplate disclosure (1 point)	36 (15%)
Limited entity-specific disclosure (2 points)	115 (48%)
Clear and comprehensive entity-specific disclosure (3 points)	60 (25%)
TOTAL	240 (100%)
Mean Score	1.86

Figure 1. Communication effectiveness compared across entity size categories



Disclosures need to be entity-specific rather than boilerplate to be effective in assisting investors with decision making. We illustrate with the following typical boilerplate statement:

“We have a thorough and rigorous review process in place to ensure integrity of the periodic reports we release to the market. ... Periodic reports are verified by the subject matter experts and reviewed by the relevant Group functions.”

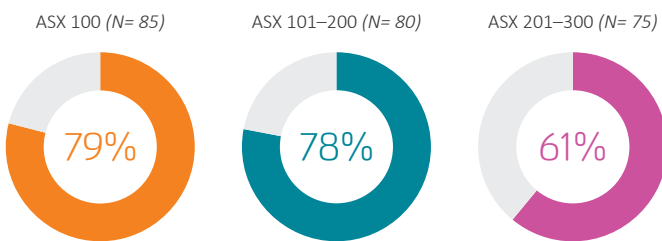
In comparison, an extract from a disclosure that we rate as entity-specific:

“Before periodic corporate reports which are not reviewed by an external auditor are provided to the Board for approval, they are first carefully reviewed by a range of internal executives for accuracy and an assessment of whether they are appropriate to release to the market. These executives include the Managing Director, the CFO, the General Counsel and Company Secretary and the Chief People Officer.”

REVIEW OF ASX 300 CORPORATE GOVERNANCE
RECOMMENDATION 4.3 DISCLOSURES

Disclosures that were entity-specific were rated as either **limited entity-specific disclosures** or **clear and comprehensive entity-specific disclosures**. More than three quarters of ASX 200 entities provided some level of entity-specific disclosure — including 79% (40%+39%; N= 67) of ASX 100 entities, and 78% (59%+19%; N= 62) of ASX101-200 entities. But compliance was considerably lower among ASX 201-300 entities, with only 61% (45%+16%; N= 46) providing entity-specific disclosures. Our results suggest there is room for improvement around the disclosure of entity-specific information, particularly among entities in the ASX 201-300.

Figure 2. Entity-specific disclosures



Clear and comprehensive entity-specific disclosure of the process(es) used by an entity to verify the integrity of periodic corporate reports would signal effective communication. However, only 25% (N= 60) of the sample group provided such a level of disclosure, with most others providing only limited details of how the processes operated in practice, or boilerplate statements. Examples of clear and comprehensive entity-specific disclosures are shown below:

Example 1

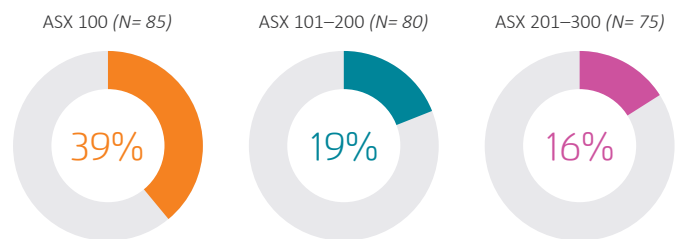
“...For periodic corporate reports released to the market which are not audited or reviewed by the Company’s external auditor, management has developed practices and guidance material that are intended to ensure the integrity of the information disclosed to the market. As part of the Company’s processes, the reports are prepared by, or under the supervision of, subject-matter experts. Material statements in the reports are reviewed for accuracy and are subject to internal verification and sign off processes. Confirmation of the verification processes are then provided to the Audit and Risk Committee and/or relevant Board Sub-Committee.”

Example 2

“...internal verification and approval process to support the integrity of the information being disclosed in periodic corporate reports that are released to the market and which are not required to be audited or reviewed by our external auditor. The specific process for each periodic corporate report will vary depending on the particular release but may generally involve: the individuals with responsibility for the information confirming to the best of their knowledge and belief that the information is accurate and not misleading; the review of the report or document by relevant internal subject matter experts (and in some cases our external advisers); and the review by and confirmation from the individual responsible for the corporate report that it is appropriate for release. Periodic corporate reports released to the market may also, depending on the report, be required to be approved by the Board or the Audit and Risk Committee.”

When comparing entities based on market capitalisation, 39% (N= 33) of ASX 100 entities sampled were classified as presenting clear and comprehensive entity-specific disclosure of the processes used to verify the integrity of unaudited periodic corporate. This percentage declined markedly for the ASX 101-200 (19%; N= 15) and ASX 201-300 (16%; N= 12).

Figure 3. Clear and comprehensive entity-specific disclosure



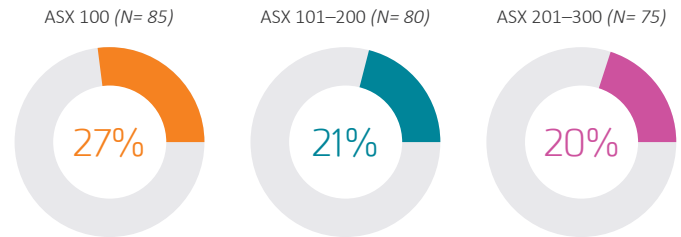
Overall results for effectiveness of communication suggest most entities have made reasonable attempts at communicating the processes used to ensure integrity of unaudited periodic corporate reports. However, there is considerable room for improvement, particularly around clarity of disclosures.

Additional Analysis

Efficacy of Integrity Enhancement Mechanism

Entities disclose unaudited information through multiple periodic corporate reports (e.g., directors’ reports [including Operating and Financial Reviews], other unaudited information in annual reports, quarterly activity and cash flow reports, integrated reports, sustainability reports, greenhouse gas emissions reports, modern slavery reports). While most entities communicated the mechanisms applied to ensure the integrity of unaudited periodic corporate reports, in additional analysis we found that only 23% of entities (55) in the ASX300 clearly identified all their reports subject to Recommendation 4.3. There were variations in this regard between larger and smaller entities, with 27% (N= 23) of the ASX 100, 21% (N= 17) of the ASX 101-200, and 20% (N= 15) of the ASX 201-300 clearly identifying relevant periodic corporate report/s in accordance with Recommendation 4.3. Based on current disclosure practice, investors and other users cannot be sure that all unaudited periodic corporate reports have indeed been subject to the integrity enhancing process(es) described.

Figure 4. Specification of periodic corporate report portfolio



Integrity Enhancing Mechanisms

While the main focus of Recommendation 4.3 is the communication of the integrity enhancing mechanisms for unaudited periodic corporate reports, the ASX has also made clear its interest in ensuring investors and other users have confidence in the credibility of all periodic corporate reports.

We classify the integrity enhancing mechanisms into three categories:

- Internal review by subject matter experts, senior managers and/or internal auditor
- Internal review by board of directors (or board committee)
- External assurance.

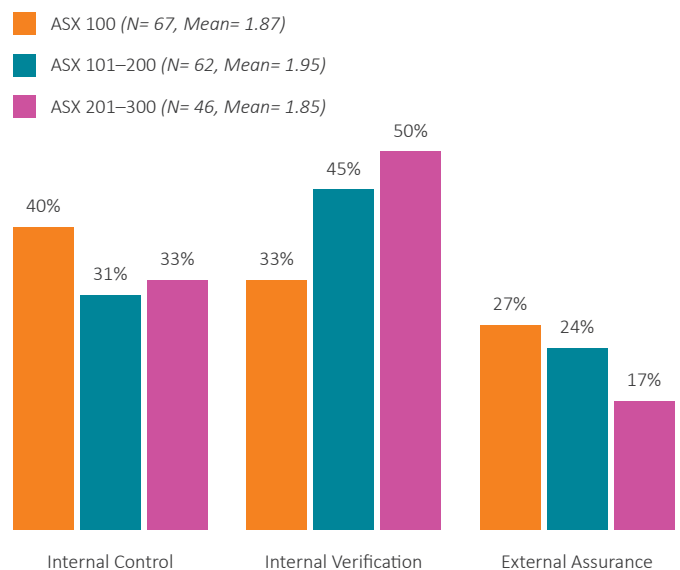
For the sub-sample of 175 entities that provided entity-specific disclosures, we rated the efficacy of the integrity enhancement mechanisms disclosed on a 3-point scale (Minimum= 1, Maximum= 3). The mean rating of the efficacy of integrity enhancement mechanisms for the ASX 300 on our 3-point scale was 1.88.

For entities making entity-specific disclosures, we assigned the lowest rating of '1' to 38% (N=67) of entities that disclosed a single internal review mechanism process (internal control) – either by subject matter experts, senior managers and/or internal auditor, or by the board of directors (or board committee) to enhance the integrity of unaudited periodic corporate reports. A higher rating of '2' was assigned to the 36% (N= 62) of entities that disclosed internal reviews by both subject matter experts and by the board (internal verification). The highest rating '3' was assigned to 26% (N= 46) of entities that reported independent external assurance on one or more major periodic corporate reports (other than annual and half yearly financial statements).

Table 4. How entities performed on choice of integrity enhancement mechanism

Integrity enhancement mechanism	Number of entities
Internal control (1 point)	67 (38%)
Internal verification (2 points)	62 (36%)
External assurance (3 points)	46 (26%)
TOTAL	175
Mean Score	1.88

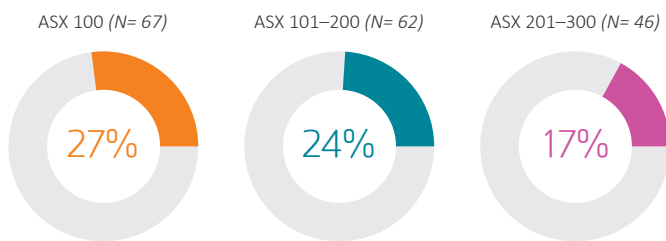
Figure 5. Comparison of scores for efficacy of mechanisms across entity size categories



The graphic above reveals similar mean rankings on the efficacy of integrity enhancement mechanisms across different firm sizes: 1.87 for ASX 100, 1.95 for ASX 101-200, and 1.85 for ASX 201-300 (Minimum= 1, Maximum= 3). However, there were differences in the choice of integrity enhancement mechanism between ASX 100 and the rest of ASX 300. For example, the most common integrity enhancement mechanism used by ASX 100 entities was internal control (i.e., review by either subject matter experts or the board) while the majority of entities in ASX 101-200 and ASX 201-300 opted for internal verification (i.e., review by both subject matter experts and the board).

External independent assurance of periodic corporate reports is generally recognised as the strongest mechanism to enhance the integrity of periodic corporate reports. The ASX Corporate Governance Council acknowledges the pre-eminence of external auditors as the most credible source of external review in Recommendation 4.3. “A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor” (ASX 2019, recommendation 4.3). 27% (N= 18) of the entities in the ASX 100, 24% (N= 15) of entities among the ASX 101-200, and 17% (N= 8) of entities among the ASX 201-300 disclosed using external assurance to enhance the integrity of one or more unaudited periodic corporate reports (in either Appendix 4G, corporate governance statement or the annual report).⁶

Figure 6. External assurance of periodic corporate reports (other than financial statements)



While this is a good first attempt, there remains scope for many entities to increase the efficacy of the integrity enhancing mechanisms that they choose to enhance the credibility of unaudited periodic corporate reports.

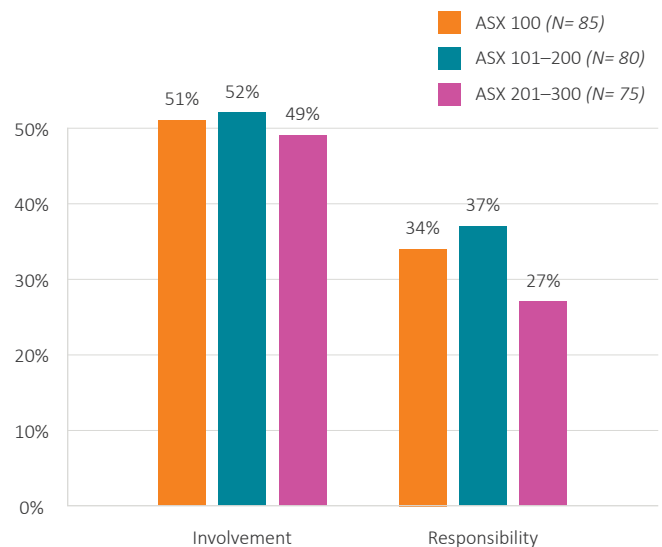
Additional Analysis

Disclosure of board involvement in the review process

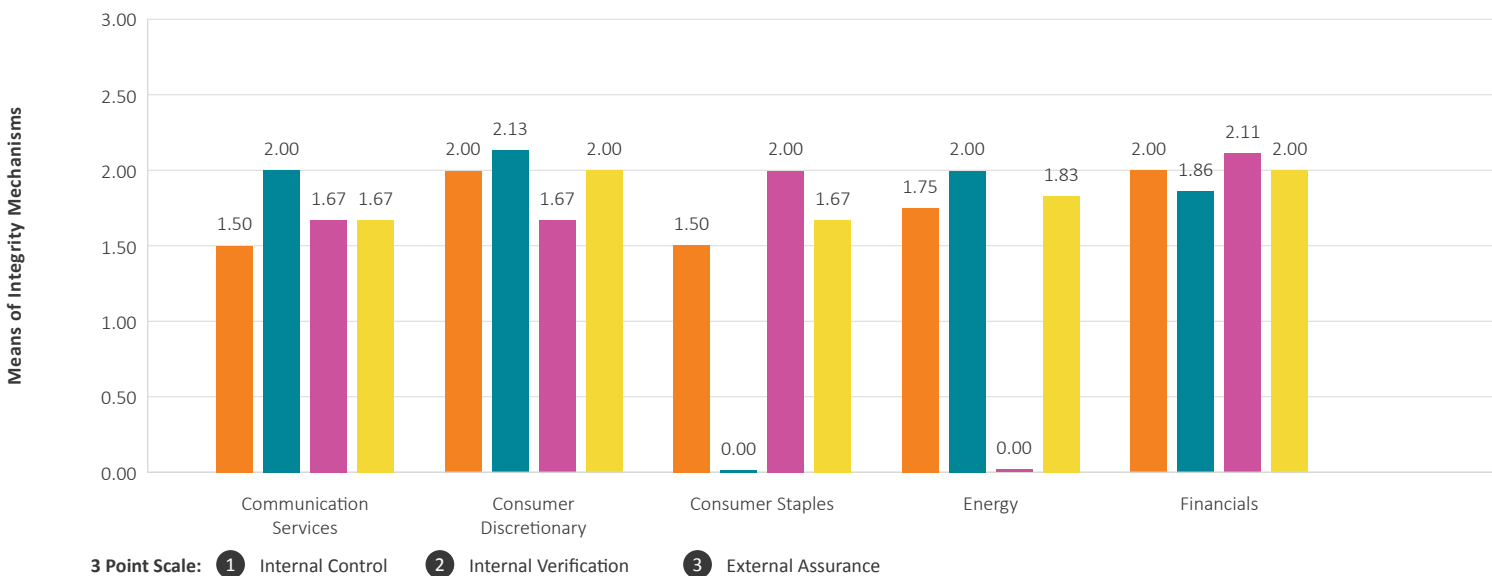
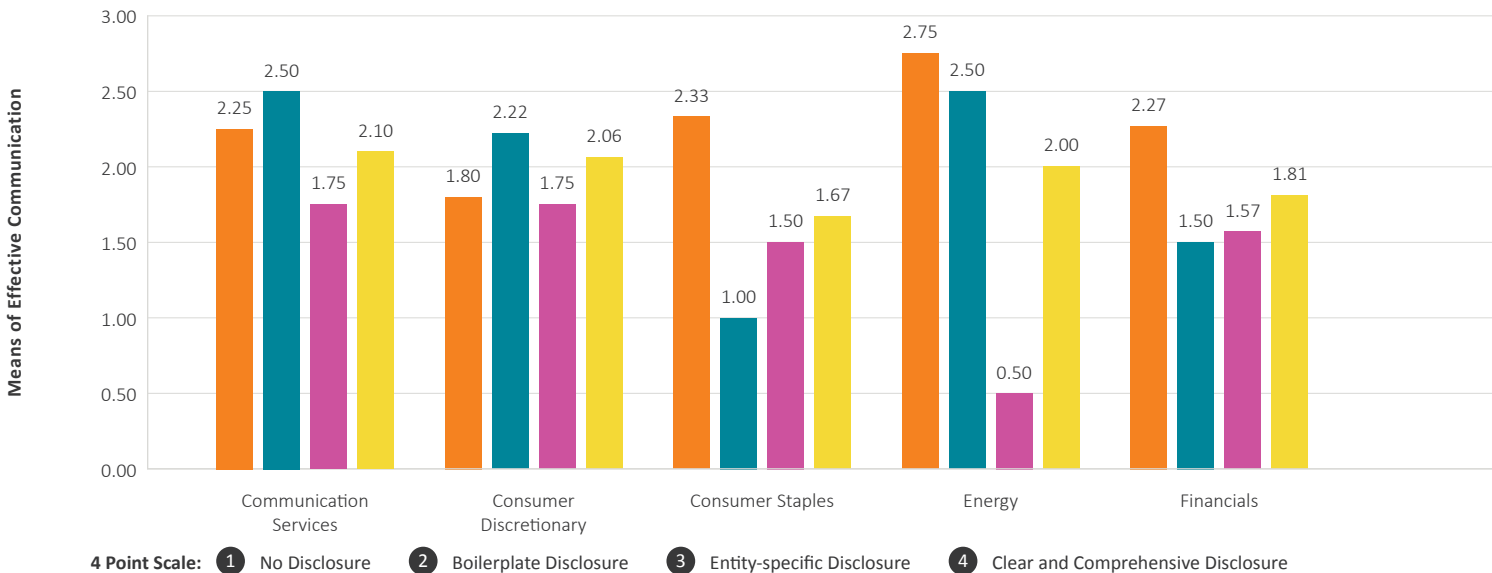
Boards of directors are ultimately responsible for ensuring the integrity of unaudited periodic corporate reports. Yet our analysis revealed only just over half of ASX 300 entities in our sample group indicated board involvement in the review process for the integrity of such reports, and fewer still disclosed that the board reviews and take responsibility for ensuring the integrity of unaudited periodic corporate reports. While board involvement in the review process is not explicitly mandated in Recommendation 4.3, as previously discussed it was included into the efficacy of integrity enhancement rating scale.

There was remarkable consistency across the various entity size categories in the ASX 300 regarding board involvement in ensuring the integrity of unaudited periodic corporate reports. Among ASX 100 entities, 51% (N= 43) disclosed board involvement in the process of ensuring the integrity of periodic reports, but only 34% (N= 29) disclosed that the board reviews and take responsibility for the integrity of unaudited periodic corporate reports. A slightly higher proportion of entities in the ASX 101-200 range (52%; N= 42) disclosed board involvement in the integrity enhancing process(es), but only 37% (N= 30) indicated the board review and take responsibility. Among ASX 201-300 entities, 49% (N= 37) indicated board involvement in the process and 27% (N= 20) indicated the board review and take responsibility. These results again reveal considerable room for improvement among Australia’s listed entities in a key factor — board accountability and responsibility — when it comes to ensuring the integrity of unaudited periodic corporate reports been subject to the integrity enhancing process(es) described.

Figure 7. Disclosure of board involvement in the review process



Industry Analysis*

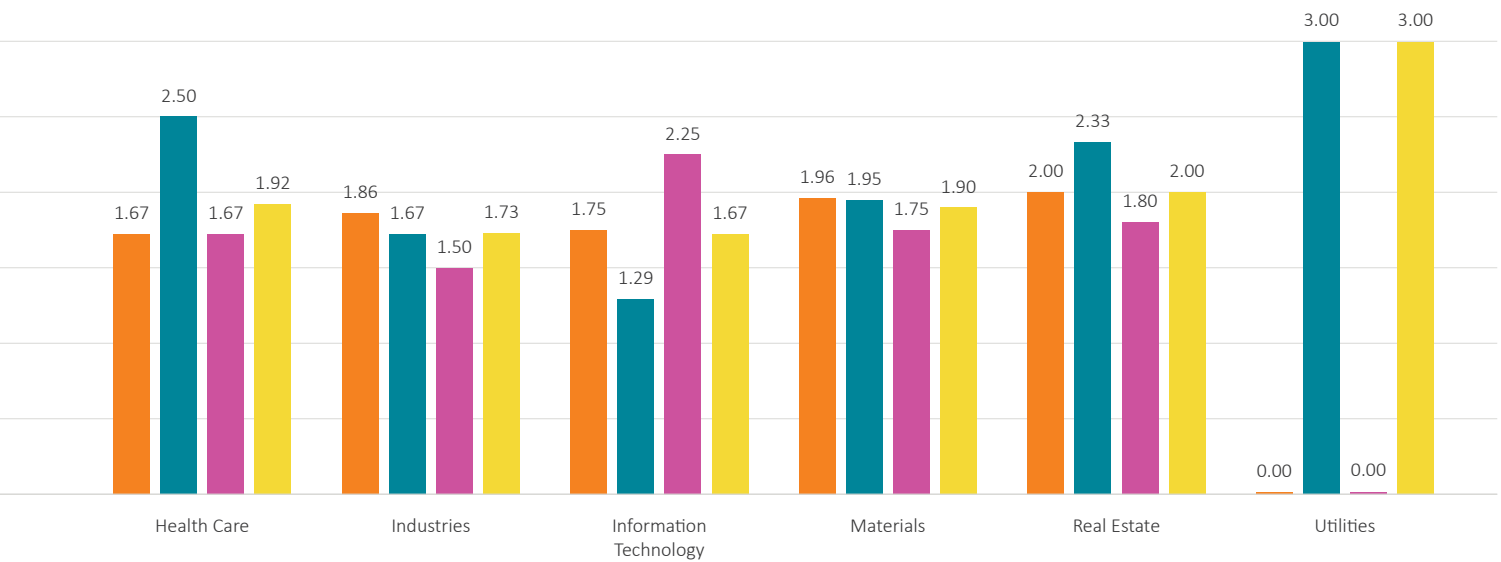
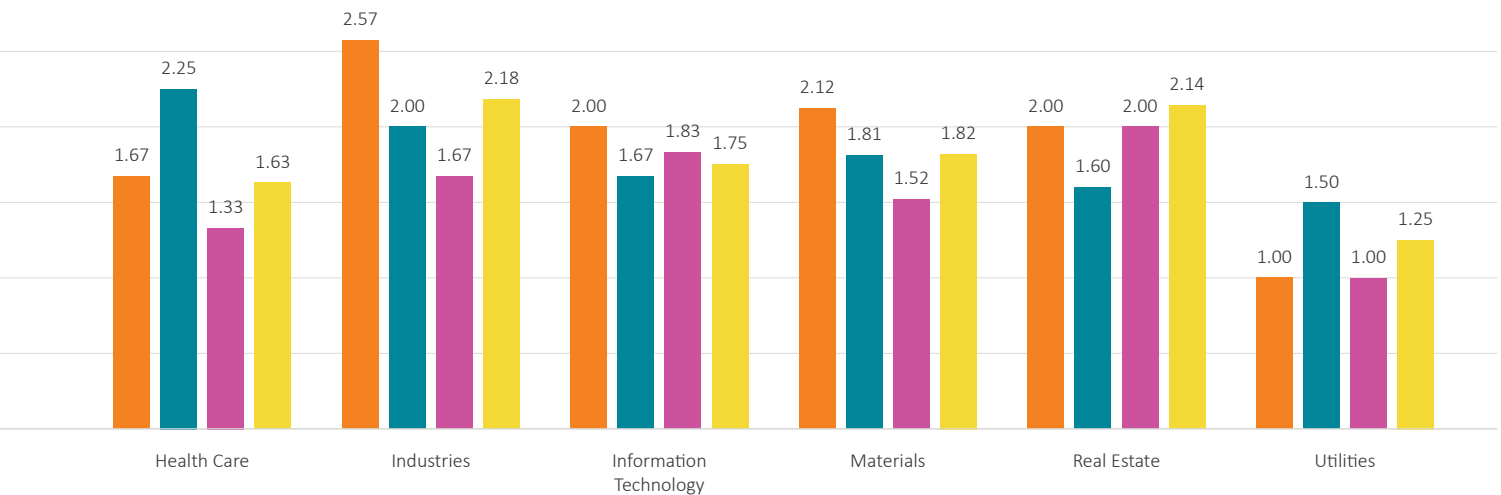


Both effective communication and the efficacy of integrity enhancement mechanisms were analysed across industries. For effective communication, the three industries with highest average scores were industrials (2.18), real estate (2.14) and communication services (2.10), based on a 4-point scale (minimum= 0, maximum= 3). Significant variations in scores can also be observed across different groups. The industry with highest

average score in the ASX 100 was energy (2.75). Among ASX 101-200 entities, communication services (2.50) and energy (2.50) had the highest average scores. The industry with highest average score among ASX 201-300 entities was real estate (2.00).

For integrity enhancing mechanisms, utilities (3.00), real estate (2.00), financials (2.00) and consumer discretionary (2.00) were the industries with higher average scores, based on a 3-point scale

ASX 100 ASX 201-300
ASX 101-200 ASX 300



* The number of entities in each industry for each group (i.e., ASX 100, ASX 101-200, ASX 201-300, ASX 300) is provided in Appendix 2 (page 27).

(minimum= 1, maximum= 3). When broken down by entity size, the highest scoring industries for efficacy of integrity enhancement mechanisms within the ASX 100 were real estate (2.00), financials (2.00) and consumer discretionary (2.00). Among ASX 101-200 entities, utilities was the highest scoring (3.00) while information technology (2.25) was the highest among ASX 201-300 entities.

Current Best Practice Disclosures

National Australian Bank (NAB) (ASX 100)

Clear and comprehensive explanation of integrity enhancing process in practice

PERIODIC CORPORATE REPORTS

The Annual Financial Report, Annual Review (incorporating the Sustainability Report), investor presentations, Quarterly Trading Updates, Full Year Results Management Discussion and Analysis (previously included in the report known as Results Announcement), Corporate Governance Statement, and Pillar 3 Report form the suite of the Group's periodic corporate reports.

Specify the suite of periodic corporate reports

Each report is subject to the Group's risk management and internal control systems. Assurance over risk management and internal control systems is achieved through assessments of the effectiveness of controls.

The integrity of the Group's periodic corporate reports is underpinned by structures and processes within the Group functions that support areas of judgement, validation of information and the maintenance of proper records for all information.

The Group's reporting policies incorporate Australian and international regulatory, legislative and prudential requirements. An internal management team reviews and checks information across the suite of the Group's periodic corporate reports. Group Executives and subject matter experts certify the information pertaining to their area of responsibility is materially complete and not materially misleading by statement or omission. The suite of the Group's periodic corporate reports is also critically reviewed for consistency in messaging.

Internal verification

The level of external assurance provided on the suite of the Group's periodic corporate reports is disclosed by the external auditor in their reports presented in NAB's 2021 Annual Financial Report, Half Year Results Management Discussion and Analysis and Annual Review.

External assurance

Where there is no external assurance provided, management's assurance procedures are considered adequate by the Audit Committee for ensuring the Group's periodic corporate reports are materially accurate, balanced and provide investors with appropriate information to make informed decisions.

Board involvement

QBE (ASX 100)

Clear and comprehensive
integrity enhancing
process

Verification of periodic corporate reports

QBE prepares periodic corporate reports for the benefit of investors such as annual reports, half year reports and sustainability reports. QBE follows a robust process for satisfying itself that the report is materially accurate and balanced, and that it provides investors with appropriate information to make investment decisions.

Periodic corporate reports are drafted by staff with direct responsibility for, or expertise in, the subject matter and are supported by evidence, including by documenting the various sources of information and consultation undertaken within QBE or with external parties. The information is then reviewed by senior management who have the knowledge and skills to verify the accuracy and completeness of the information provided. QBE uses an independent assurance engagement to confirm that certain data in the annual sustainability report has been prepared and presented appropriately in all material aspects.

The Board and its Committees review and approve statutory and other significant corporate reports prior to release to the market. All other periodic corporate reports are submitted for approval to the Disclosure Committee, a committee comprised of senior executives including the Group Chief Executive Officer and Group Chief Financial Officer.

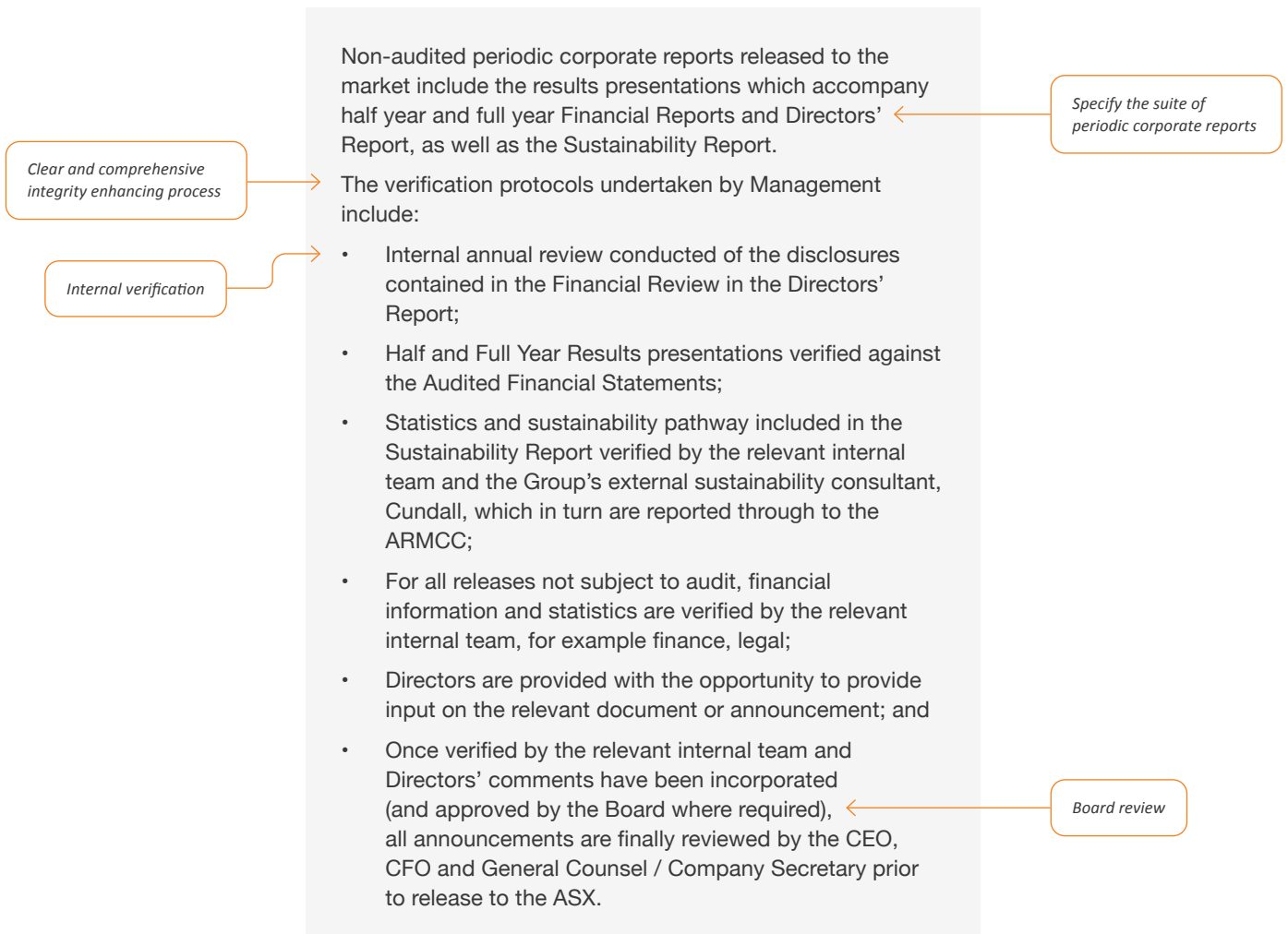
Specify the
suite of periodic
corporate reports

Internal verification and
external assurance

Board review

REVIEW OF ASX 300 CORPORATE GOVERNANCE
RECOMMENDATION 4.3 DISCLOSURES

SCA Property Group (ASX 101-200)



29 Metals (ASX 201-300)

Clear and comprehensive explanation of integrity enhancing process in practice

29Metals prepares and discloses certain reports and other information which are not the subject of independent external audit, including the half-year and full year Directors' reports, quarterly reports and, commencing this year, sustainability & ESG reporting. The role of the Audit, Governance & Risk Committee also includes providing advice and recommendations to the Board in relation to the Group's processes to safeguard the integrity of unaudited information publicly disclosed by the Group.

Specify the suite of periodic corporate reports

The process that 29Metals follows to verify the content of any public reporting that is not audited or reviewed by the independent external auditor, varies depending on the nature of the report.

Internal verification

Examples of the verification steps taken includes one or more of the following:

- review by the Managing Director & CEO, and other executives, including the Chief Governance & Legal Officer, based on matters as known to them and with reference to source documentation;
- verification "tick-and-tie" back to source documentation derived from the Company's information management systems;
- review and comparison to information previously published by the Company;
- written confirmation from relevant drafting contributors confirming that information within the report is supported by source documentation;
- review of final draft publications by the Committees for subject within the remit of each Committee pursuant to their respective charters; and
- review and, where applicable, approval by the Board (where approval of the information is reserved to the Board).

Board review

Recommendations

Drawing on our research findings, we make the following recommendations to report preparers, the ASX Corporate Governance Council, the ASX and the accounting profession.

Report Preparers

1. Our research on first-time Recommendation 4.3 disclosures suggests significant room for improvement in the communication of integrity enhancing mechanisms. Preparers should consider the following in their future Recommendation 4.3 disclosures:
 - a. **Identify all reports subject to Recommendation 4.3 integrity measures.** Disclosure should specify the unaudited periodic corporate reports subject to an integrity enhancing process (e.g., unaudited information in the annual report such as the Operating and Financial Review/Directors Report, the sustainability report, modern slavery report, quarterly cash flow reports, integrated report).
 - b. **Disclose the extent of board involvement in, and responsibility for, Recommendation 4.3 integrity measures.** The disclosure should indicate the extent of board involvement in the processes to ensure the integrity of unaudited period corporate reports and, importantly, that the board takes responsibility for the integrity of information in the unaudited periodic corporate reports.
 - c. **Entity-specific.** Disclosure should be entity-specific rather than boilerplate (disclosure which could pertain to any entity).
 - d. **Clear and comprehensive.** There should be a clear and comprehensive entity-specific description of the processes used for ensuring the integrity of unaudited periodic corporate reports. Avoid boilerplate statements (e.g., “Internal reviewers have reviewed the report(s)”), and instead provide a detailed description of the integrity enhancing processes applied in practice (e.g., “All period reports are reviewed by both the board and an independent committee comprising the CEO and the head of internal audit”).

2. Report preparers should detail the range of mechanisms used to enhance the integrity of all periodic corporate reports. This should include acknowledgement of accountability, disclosure of internal reviews using subject matter experts or committees of senior managers, reporting that the board has been informed of the integrity enhancing process(es) and/or reviewed reported information, and the board acknowledges responsibility for the integrity of periodic corporate reports. If applicable, preparers should also disclose that periodic corporate reports have been subjected to independent external assurance.

ASX Corporate Governance Council

1. **Consider the wording of Recommendation 4.3 and associated commentary.** This study finds scope for most entities to improve their communication and selection of integrity enhancing mechanisms. The Council might therefore consider revisions to the wording of Recommendation 4.3 and associated commentary. Specific changes to Recommendation 4.3 and associated guidance could include greater direction on the disclosure of integrity enhancing mechanisms as follows:
 - a. **Entity-specific disclosure.** Disclosures in relation to integrity enhancing mechanisms should be entity-specific rather than in the form of boilerplate, non-entity specific statements.
 - b. **Detailed description of the integrity enhancing process design and how it operated during the year.** Disclosures should include a detailed description of the integrity enhancing mechanisms applied in practice (i.e., “All period reports are reviewed by the board and an independent committee comprising the CEO and the head of internal audit”), rather than broad general statement (e.g., “Internal reviewers have reviewed the report(s)”).
 - c. **Formal acknowledgement of board involvement in the review process, and confirmation of the board’s responsibility for integrity of disclosures.** Disclose that the board formally acknowledges responsibility for the integrity of the unaudited periodic corporate reports as well as the process to ensure the integrity of the unaudited periodic corporate reports.

- d. **Identification of periodic corporate reports subject to Recommendation 4.3.** Entities should specify the various periodic corporate reports subject to the integrity enhancing processes (including, for example, unaudited information in the annual report, the sustainability report, modern slavery report, integrated report).
2. **Consideration should be given to including a description of integrity enhancing processes applied in both the corporate governance disclosures and within each specific periodic corporate report.** The third paragraph of Recommendation 4.3 Commentary provides discretion on where to disclose a response to Recommendation 4.3. “This (process to verify the integrity of any periodic corporate reports) can be disclosed in the report itself or more generally in the entity’s governance disclosures in its annual report or on its website”. The guidance is confusing. Readers may not read the corporate governance disclosures, but rather go directly to a specific report. Therefore, consideration should be given to recommending the inclusion of a description of the integrity enhancing disclosures specific to the subject matter in all relevant unaudited periodic corporate reports. The Corporate Governance Statement is the document that indicates an entity’s adoption of the ASX Corporate Governance Council’s recommendations. It would be helpful for investors if the integrity enhancing processes for the portfolio of periodic corporate reports were disclosed in the corporate governance disclosures, with a more detailed description in each specific report. Further, the annual report is an entity’s primary communication to the market and there is opportunity for improved reporting of the process for ensuring the integrity of all unaudited information within the annual report. Consideration should be given to revising the wordings as follows:

“This (process to verify the integrity of specific periodic corporate reports) can be disclosed in the relevant specific reports **and**, more generally, in the entity’s governance disclosures (in the corporate governance statement, annual report, or website).”

3. **Location of Recommendation 4.3 disclosure in Appendix 4G.** Given that the majority (65%) of ASX 300 entities did not disclose where they reported their integrity enhancing mechanisms in their Appendix 4G, listed entities should be directed to always indicate the specific location of their Recommendation 4.3 disclosures in Appendix 4G.
4. **Recommend disclosure about decisions to obtain independent assurance in relation to individual periodic corporate reports (other than annual and half yearly financial statements) as part of an overall package of integrity enhancing mechanisms.** Recommendation 4.3 states “A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor”. Thus, if a periodic corporate report is audited/ reviewed, the current recommendation suggests there is no need for the entity to disclose its process to verify the integrity of that particular report. Entities should refer in their governance disclosures the decision to engage an independent audit as part of their suite of integrity enhancing mechanisms.

The ASX

Process to monitor the quality of Recommendation 4.3 disclosures. The ASX should put in place a process for monitoring the quality of Recommendation 4.3 adoption statements as part of its monitoring activities on compliance with ASX Listing Rules.

Accounting Bodies

Educate and guide members on the importance of enhancing the integrity of unaudited periodic corporate reports. Professional accounting bodies should educate and provide guidance to their members on the importance of enhancing the integrity of unaudited (other) periodic corporate reports.

REVIEW OF ASX 300 CORPORATE GOVERNANCE RECOMMENDATION 4.3 DISCLOSURES

References

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- Australian Stock Exchange (ASX) Corporate Governance Council, 2019. “Corporate Governance Principles and Recommendations 4th Edition”.
Available at: <https://www.asx.com.au/documents/asx-compliance/cgc-principles-and-recommendations-fourth-edn.pdf>
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Available at: https://assets.ey.com/content/dam/ey-sites/ey-com/en_au/topics/sustainability/ey-fourth-esg-reporting-maturity-assessment.pdf
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Available at: <https://assets.kpmg/content/dam/kpmg/au/pdf/2022/asx-corporate-governance-principles-adoption.pdf>
- Ridehalgh, N., 2019. “Adopting the principles of integrated reporting: The future is clear”.
Available at: <https://newsroom.kpmg.com.au/adopting-principles-integrated-reporting-future-clear/>

Endnotes

1. In this report, the term “ASX 300” is used to refer to the Australia’s top 300 companies by market capitalisation (i.e., not the S&P constituents) as obtained from the [Market Index website](#).
2. This report complements the report produced by KPMG and ASX (2022) on the current implementation of Corporate Governance Council Principles and Recommendations by ASX 500. However, the scope of this report is specifically on the review and analysis of Recommendation 4.3 among ASX 300 and provides a more detailed analysis of Recommendation 4.3 adoption.
3. In accordance with the Corporate Governance Principles (ASX 2019, footnote 49), the principles of integrated reporting can be used in preparing such periodic corporate reports.
4. Domino’s Pizza Enterprises Limited indicated that the entity does not follow Recommendation 4.3 for the financial year 2021 because the Continuous Disclosure and External Communications Policy was under review during the reporting period.
5. iSignthis Limited is excluded because it was suspended from trading by the ASX.
6. A report by EY (2022) finds that 36% of ASX200 in 2021 disclose using assurance within their sustainability report. In contrast, our analyses focus on disclosures within the Appendix 4G, the corporate governance statement or the annual report.

Appendix 1

Group 1: ASX 100 (N= 85)

Entity	Source
Afterpay Ltd	Corporate Governance Statement
Als Ltd	Corporate Governance Statement
Alumina Ltd	Corporate Governance Statement
Ampol Ltd	Corporate Governance Statement
APA Group	Corporate Governance Statement
Argo Investments Ltd	Corporate Governance Statement
Aristocrat Leisure Ltd	Corporate Governance Statement
ASX Ltd	Annual Report
Atlas Arteria	Corporate Governance Statement
Aurizon Holdings Ltd	Annual Report
Ausnet Services Ltd	Corporate Governance Statement
Australia and New Zealand Banking Group Ltd	Annual Report
Australian Foundation Investment Company Ltd	Corporate Governance Statement
Bank of Queensland Ltd	Corporate Governance Statement
BHP Group Ltd	Corporate Governance Statement
Bluescope Steel Ltd	Corporate Governance Statement
Boral Ltd	Annual Report
Brambles Ltd	Corporate Governance Statement
Carsales.com Ltd	Corporate Governance Statement
Charter Hall Group	Corporate Governance Statement
Cimic Group Ltd	Corporate Governance Statement
Cleanaway Waste Management Ltd	Corporate Governance Statement
Cochlear Ltd	Corporate Governance Statement
Coles Group Ltd	Corporate Governance Statement
Commonwealth Bank of Australia	Corporate Governance Statement
Computershare Ltd	Annual Report
Crown Resorts Ltd	Annual Report
CSL Ltd	Corporate Governance Statement
Dexus	Corporate Governance Statement
Endeavour Group Ltd	Corporate Governance Statement
Evolution Mining Ltd	Corporate Governance Statement

Entity	Source
Fortescue Metals Group Ltd	Corporate Governance Statement
Goodman Group	Corporate Governance Statement
GPT Group	Corporate Governance Statement
Harvey Norman Holdings Ltd	Corporate Governance Statement
Idp Education Ltd	Corporate Governance Statement
IGO Ltd	Corporate Governance Statement
Incitec Pivot Ltd	Corporate Governance Statement
Insurance Australia Group Ltd	Corporate Governance Statement
Lendlease Group	Corporate Governance Statement
Lynas Rare EARTHS Ltd	Corporate Governance Statement
Macquarie Group Ltd	Corporate Governance Statement
Magellan Financial Group Ltd	Corporate Governance Statement
Magellan Global Fund (Open Class) (Managed Fund)	Corporate Governance Statement
Medibank Private Ltd	Annual Report
Mineral Resources Ltd	Corporate Governance Statement
Mirvac Group	Corporate Governance Statement
National Australia Bank Ltd	Corporate Governance Statement
Newcrest Mining Ltd	Corporate Governance Statement
NEXTDC Ltd	Corporate Governance Statement
Northern Star Resources Ltd	Corporate Governance Statement
Orica Ltd	Corporate Governance Statement
Origin Energy Ltd	Corporate Governance Statement
OZ Minerals Ltd	Corporate Governance Statement
Pilbara Minerals Ltd	Corporate Governance Statement
Pro Medicus Ltd	Corporate Governance Statement
Qantas Airways Ltd	Corporate Governance Statement
QBE Insurance Group Ltd	Annual Report
QUBE Holdings Ltd	Corporate Governance Statement
Ramsay Health Care Ltd	Corporate Governance Statement
REA Group Ltd	Corporate Governance Statement
Reece Ltd	Corporate Governance Statement
RIO Tinto Ltd	Annual Report

REVIEW OF ASX 300 CORPORATE GOVERNANCE RECOMMENDATION 4.3 DISCLOSURES

Entity	Source
Santos Ltd	Corporate Governance Statement
Scentre Group	Corporate Governance Statement
Seek Ltd	Corporate Governance Statement
Seven Group Holdings Ltd	Annual Report
Sonic Healthcare Ltd	Annual Report
SOUTH32 Ltd	Corporate Governance Statement
Stockland	Annual Report
Suncorp Group Ltd	Annual Report
Sydney Airport	Corporate Governance Statement
Tabcorp Holdings Ltd	Corporate Governance Statement
Telstra Corporation Ltd	Corporate Governance Statement
TPG Telecom Ltd	Corporate Governance Statement
Transurban Group	Corporate Governance Statement
Treasury Wine Estates Ltd	Corporate Governance Statement
Vicinity Centres	Corporate Governance Statement
Washington H Soul Pattinson & Company Ltd	Corporate Governance Statement
Wesfarmers Ltd	Corporate Governance Statement
Westpac Banking Corporation	Corporate Governance Statement
Wisetech Global Ltd	Annual Report
Woodside Petroleum Ltd	Corporate Governance Statement
Woolworths Group Ltd	Corporate Governance Statement
Worley Ltd	Corporate Governance Statement

Group 2: ASX 101-200 (N= 80)

Entity	Source
Abacus Property Group	Corporate Governance Statement
Adbri Ltd	Corporate Governance Statement
AGL Energy Ltd	Corporate Governance Statement
Altium Ltd	Corporate Governance Statement
AMP Ltd	Corporate Governance Statement
Ansell Ltd	Corporate Governance Statement
ARB Corporation Ltd	Annual Report
Bapcor Ltd	Corporate Governance Statement
Beach Energy Ltd	Corporate Governance Statement
Bendigo and Adelaide Bank Ltd	Corporate Governance Statement

Entity	Source
Breville Group Ltd	Annual Report
Brickworks Ltd	Corporate Governance Statement
BWP Trust	Corporate Governance Statement
Centuria Capital Group	Corporate Governance Statement
Centuria Industrial REIT	Corporate Governance Statement
Chalice Mining Ltd	Corporate Governance Statement
Challenger Ltd	Corporate Governance Statement
Champion Iron Ltd	Corporate Governance Statement
Charter Hall Long Wale REIT	Corporate Governance Statement
Charter Hall Retail REIT	Corporate Governance Statement
Codan Ltd	Corporate Governance Statement
Corporate Travel Management Ltd	Corporate Governance Statement
Cromwell Property Group	Annual Report
CSR Ltd	Annual Report
Dicker Data Ltd	Corporate Governance Statement
Domain Holdings Australia Ltd	Annual Report
Downer Edi Ltd	Annual Report
Eagers Automotive Ltd	Corporate Governance Statement
Event Hospitality and Entertainment Ltd	Corporate Governance Statement
Flight Centre Travel Group Ltd	Corporate Governance Statement
Galaxy Resources Ltd	Corporate Governance Statement
Growthpoint Properties Australia	Corporate Governance Statement
Healius Ltd	Corporate Governance Statement
Home Consortium	Corporate Governance Statement
Iluka Resources Ltd	Corporate Governance Statement
Imugene Ltd	Corporate Governance Statement
Ingenia Communities Group	Corporate Governance Statement
IOOF Holdings Ltd	Corporate Governance Statement
Iress Ltd	Corporate Governance Statement
JB Hi-Fi Ltd	Annual Report
Latitude Group Holdings Ltd	Corporate Governance Statement
Liberty Financial Group	Corporate Governance Statement
Lifestyle Communities Ltd	Corporate Governance Statement
Link Administration Holdings Ltd	Corporate Governance Statement
Liontown Resources Ltd	Corporate Governance Statement

Entity	Source
Magellan Global Fund	Corporate Governance Statement
Megaport Ltd	Corporate Governance Statement
Metcash Ltd	Corporate Governance Statement
Milton Corporation Ltd	Corporate Governance Statement
National Storage REIT	Corporate Governance Statement
Netwealth Group Ltd	Corporate Governance Statement
New Hope Corporation Ltd	Corporate Governance Statement
Nib Holdings Ltd	Corporate Governance Statement
Nickel Mines Ltd	Corporate Governance Statement
Nine Entertainment Co. Holdings Ltd	Annual Report
Novonix Ltd	Corporate Governance Statement
Orocobre Ltd	Annual Report
Orora Ltd	Annual Report
Pendal Group Ltd	Corporate Governance Statement
Perpetual Ltd	Corporate Governance Statement
Pexa Group Ltd	Corporate Governance Statement
Pinnacle Investment Management Group Ltd	Corporate Governance Statement
Pointsbet Holdings Ltd	Annual Report
Premier Investments Ltd	Corporate Governance Statement
Reliance Worldwide Corporation Ltd	Corporate Governance Statement
Shopping Centres Australasia Property Group	Corporate Governance Statement
Sims Ltd	Corporate Governance Statement
Spark Infrastructure Group	Corporate Governance Statement
Steadfast Group Ltd	Corporate Governance Statement
Super Retail Group Ltd	Corporate Governance Statement
Technology One Ltd	Corporate Governance Statement
The Star Entertainment Group Ltd	Corporate Governance Statement
Uniti Group Ltd	Corporate Governance Statement
Viva Energy Group Ltd	Corporate Governance Statement
WAM Capital Ltd	Corporate Governance Statement
Waypoint REIT	Corporate Governance Statement
Webjet Ltd	Corporate Governance Statement
Whitehaven Coal Ltd	Corporate Governance Statement
Yancoal Australia Ltd	Annual Report
ZIP Co Ltd	Corporate Governance Statement

Group 3: ASX 201-300 (N= 75)

Entity	Source
29METALS Ltd	Corporate Governance Statement
Accent Group Ltd	Corporate Governance Statement
Appen Ltd	Corporate Governance Statement
Arena REIT	Corporate Governance Statement
AUB Group Ltd	Corporate Governance Statement
Australian Strategic Materials Ltd	Corporate Governance Statement
Australian United Investment Company Ltd	Annual Report
Aventus Group	Annual Report
AVZ Minerals Ltd	Corporate Governance Statement
Bega Cheese Ltd	Corporate Governance Statement
BKI Investment Company Ltd	Corporate Governance Statement
Blackmores Ltd	Corporate Governance Statement
Centuria Office REIT	Corporate Governance Statement
Charter Hall Social Infrastructure REIT	Corporate Governance Statement
City Chic Collective Ltd	Corporate Governance Statement
Clinuvel Pharmaceuticals Ltd	Corporate Governance Statement
Collins Foods Ltd	Corporate Governance Statement
Core Lithium Ltd	Corporate Governance Statement
Costa Group Holdings Ltd	Corporate Governance Statement
Credit Corp Group Ltd	Annual Report
Dalrymple Bay Infrastructure Ltd	Corporate Governance Statement
De Grey Mining Ltd	Corporate Governance Statement
Deterra Royalties Ltd	Corporate Governance Statement
Diversified United Investment Ltd	Corporate Governance Statement
Elders Ltd	Corporate Governance Statement
EML Payments Ltd	Corporate Governance Statement
G.U.D. Holdings Ltd	Corporate Governance Statement
Gold Road Resources Ltd	Corporate Governance Statement
Graincorp Ltd	Corporate Governance Statement
Hansen Technologies Ltd	Corporate Governance Statement
Hearts and Minds Investments Ltd	Corporate Governance Statement
Homeco Daily Needs REIT	Corporate Governance Statement

REVIEW OF ASX 300 CORPORATE GOVERNANCE RECOMMENDATION 4.3 DISCLOSURES

Entity	Source
HUB24 Ltd	Corporate Governance Statement
Hutchison Telecommunications (Australia) Ltd	Corporate Governance Statement
Inghams Group Ltd	Annual Report
Integral Diagnostics Ltd	Corporate Governance Statement
Invocare Ltd	Corporate Governance Statement
IPH Ltd	Corporate Governance Statement
Johns LYNG Group Ltd	Corporate Governance Statement
Jumbo Interactive Ltd	Corporate Governance Statement
Kogan.com Ltd	Corporate Governance Statement
L1 Long Short Fund Ltd	Corporate Governance Statement
LIFE360 Inc	Corporate Governance Statement
Lovisa Holdings Ltd	Corporate Governance Statement
Maas Group Holdings Ltd	Corporate Governance Statement
Macquarie Telecom Group Ltd	Annual Report
Magellan High Conviction Trust (Managed Fund)	Corporate Governance Statement
Mesoblast Ltd	Corporate Governance Statement
MFF Capital Investments Ltd	Corporate Governance Statement
Monadelphous Group Ltd	Corporate Governance Statement
Nanosonics Ltd	Corporate Governance Statement
Nearmap Ltd	Corporate Governance Statement
Nufarm Ltd	Annual Report
Objective Corporation Ltd	Corporate Governance Statement
Pact Group Holdings Ltd	Corporate Governance Statement
Paladin Energy Ltd	Corporate Governance Statement
Pepper Money Ltd	Corporate Governance Statement
Perseus Mining Ltd	Corporate Governance Statement
Platinum Asset Management Ltd	Corporate Governance Statement
Polynovo Ltd	Corporate Governance Statement
PPK Group Ltd	Corporate Governance Statement
PSC Insurance Group Ltd	Annual Report
Ramelius Resources Ltd	Corporate Governance Statement
Regis Resources Ltd	Corporate Governance Statement
Sandfire Resources Ltd	Corporate Governance Statement

Entity	Source
Sealink Travel Group Ltd	Corporate Governance Statement
Silver Lake Resources Ltd	Corporate Governance Statement
ST Barbara Ltd	Corporate Governance Statement
Stanmore Resources Ltd	Corporate Governance Statement
TELIX Pharmaceuticals Ltd	Corporate Governance Statement
Temple & Webster Group Ltd	Corporate Governance Statement
Tyro Payments Ltd	Corporate Governance Statement
United Malt Group Ltd	Corporate Governance Statement
Vulcan Energy Resources Ltd	Annual Report
Wam Leaders Ltd	Corporate Governance Statement

Appendix 2

		Communication Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities
ASX 100	N	4	5	3	4	11	9	7	5	33	3	1
	Mean of Effective Communication	2.25	1.80	2.33	2.75	2.27	1.67	2.57	2.00	2.12	2.00	1.00
ASX 101–200	N	4	3	2	4	9	6	7	4	25	3	0
	Mean of Integrity Enhancing Technique	1.50	2.00	1.50	1.75	2.00	1.67	1.86	1.75	1.96	2.00	N/A
ASX 201–300	N	2	9	1	2	12	4	7	9	27	5	2
	Mean of Effective Communication	2.50	2.22	1.00	2.50	1.50	2.25	2.00	1.67	1.81	1.60	1.50
ASX 300	N	2	8	0	2	7	4	6	7	22	3	1
	Mean of Integrity Enhancing Technique	2.00	2.13	N/A	2.00	1.86	2.50	1.67	1.29	1.95	2.33	3.00
ASX 100	N	4	4	2	2	14	6	3	6	27	6	1
	Mean of Effective Communication	1.75	1.74	1.50	0.50	1.57	1.33	1.67	1.83	1.52	2.00	1.00
ASX 101–200	N	3	3	1	0	9	3	2	4	16	5	0
	Mean of Integrity Enhancing Technique	1.67	1.67	2.00	N/A	2.11	1.67	1.50	2.25	1.75	1.80	N/A
ASX 201–300	N	10	18	6	8	37	19	17	20	87	14	4
	Mean of Effective Communication	2.10	2.06	1.67	2.00	1.81	1.63	2.18	1.75	1.82	2.14	1.25
ASX 300	N	9	14	3	6	25	13	15	15	63	11	1
	Mean of Integrity Enhancing Technique	1.67	2.00	1.67	1.83	2.00	1.92	1.73	1.67	1.90	2.00	3.00

Contact us

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