

Accounting For Sustainability

Early in 2022, the Group of 100 (G100) joined A4S (Accounting for Sustainability). A4S, set up by HRH King Charles III, aims to inspire action by finance leaders in order to drive a fundamental shift towards resilient business models and a sustainable economy. A4S has three core aims:

- Inspire finance leaders to adopt sustainable and resilient business models
- Transform financial decision making to enable an integrated approach, reflecting the opportunity risks posed by environmental and social issues
- Scale up action across the global finance and accounting community

Companies, investors and governments are recognising that long term sustainable performance relies on an understanding of the interdependence between financial, social and environmental factors. Ongoing action and leadership is needed to drive change so that sustainability becomes embedded in an organisation's strategy, operations and reporting.

Work by the ISSB and the Australian Department of the Treasury, continues to highlight the need for action on nature and social issues. It is clear all finance professionals across the globe will have to continue to step up their actions if we are to meet the critical milestones needed to achieve sustainable outcomes for the planet, society and the economy.

The G100 believes in the urgent need to build capacity and drive action to embed sustainability into the heart of Australian organisations. To support this outcome, the G100 has joined A4S as an associate member.

The A4S work programs are designed to make sustainable business, business as usual. They define sustainable businesses as ones that deliver financial returns in a way that generates positive value for society and the environment, that operate within environmental constraints and contribute to the ongoing resilience of social and environmental systems.

A4S supports CFOs, finance teams and the broader finance community achieving three critical outcomes across climate, nature and people:

- *Climate:* global warming is limited to 1.5 degrees, in line with the Paris agreement ambition
- *Nature:* global economies, including business operations and capital flows, are nature positive and support natural capital/biodiversity restoration
- *People and communities:* businesses support resilient communities and people through the generation of social and human capital

These outcomes are interdependent, and all are needed to achieve sustainable businesses and a sustainable economy.

Opportunities

There are three near term opportunities for collaboration:

1. Setting targets and embedding them into decision making

The [A4S CFO Leadership Network](#) has developed the [A4S Essential Guide series](#) and accompanying maturity maps. The guides address each key area of the finance function – from risk management through to strategy, budgeting, capex and financing – providing a range of practical tools, guidance and case studies. A number of the guides are being revised this year and the bank of case studies is updated on an ongoing basis to reflect the latest developments and help CFOs and their teams overcome challenges faced.

Additionally, the A4S CFO Leadership Network is developing an online self-assessment tool to enable finance teams to evaluate their current status across the A4S Maturity Maps and identify actions that will enable them to progress.

2. Reporting and disclosure

A4S's work on reporting and disclosure has two key aims:

- **Mobilise** our networks to promote the benefits of efficient and effective reporting standards and frameworks, including providing platforms for CFOs, accountants, and investors to work together towards alignment
- **Equip** finance professionals with the appropriate tools and knowledge to tackle sustainability reporting, including providing insights into challenging areas of reporting

3. Capacity building

In addition to its extensive [Knowledge Hub](#), A4S has a number of opportunities available for G100 members to participate and build capacity.

One of the key programs for supporting practical action is the A4S Academy. The program is designed for senior finance professionals with the ability to take the learning and apply to their day-to-day roles as part of their finance teams. It offers a peer-to-peer learning experience in a 'live' teaching environment, delivered virtually, alongside personal ongoing support. This aims to assist participants in implementing the learning and driving change within their own organisations. The program content draws on leading practice and utilises tools and guidance from the A4S Essential Guide Series developed by finance for finance.

[A4S Sustainability in Action](#) webinars are available for G100 members and their teams to attend. These interactive webinars cover specific topics focusing on how organisations can embed sustainability considerations into finance processes.

The G100 is also exploring developing a series of sessions tailored for the Australian market, leveraging A4S workshop materials.

If you wish to get involved, please contact the Group of 100's Secretariat by email info@group100.com.au.