



15 November 2013

Ms Mavis Tan
Secretariat
Corporate Governance Council
ASX
Exchange Centre
20 Bridge St
Sydney NSW 2000
Email: mavis.tan@asx.com.au

Dear Mavis,

Energetics' submission – Public Consultation on the updated Corporate Governance Principles and Recommendations

Energetics has 30 years of experience in sustainability, carbon and energy management working with large, complex, multi-site energy users spanning a wide range of economic sectors. Energetics works across all sectors, advises the government and Australian Top 200 ASX companies.

We are uniquely positioned to represent and advise government and the private sector on the full range of climate change issues. Energetics holds an Australian Financial Services License (AFSL # 329935).

Energetics welcomes increased focus on risk management at the Board level (Principle 7). Historically the failure to disclose risks has resulted in an unacceptable risk profile for investors and shareholders. We specifically welcome the addition of **Recommendation 7.4: A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks.** This aligns with global best practice.

Updated [Global Reporting Initiative \(G4\)](#) reporting provides guidance on the identification of material issues and risks. Companies need to look beyond the traditional business boundaries and consider the risks across their supply chain.

Our concern is the lack of **accountability** and limited internal challenge for disclosure of economic, environmental and social sustainability risks. Best practice management includes an **external review panel and external independent assurance.** This mitigates “group think” which may result in an unacceptable risk profile for investor and shareholders. As such, Energetics is interested in how the ASX intends to provide continued guidance over this issue.

Brisbane
Canberra
Melbourne
Perth
Sydney

energetics pty ltd
level 7, 132 arthur street
north sydney 2060 nsw

visit

po box 294
north sydney
2059 nsw australia

post

direct +61 2 9492 9701
mobile 0417 657 779
phone 02 9929 3911
fax 02 9929 3922
web
www.energetics.com.au
u
contact

abn 67 001 204 039
acn 001 204 039
afsl 329935

**Energetics is a carbon
neutral company**

Structure is required to enable shareholders and investors to understand material risks. This enables shareholders and investors to assess their risk profile in a transparent and consistent manner.

Failure to provide structure results in an unreliable risk disclosure for investors and shareholders to addressing sustainability risks.

Economic, environmental and social sustainability expertise at the Board level

Addressing sustainability related risks is a fiduciary duty of Directors. We believe sustainability risk management needs to be considered in the selection of board directors in alignment with Principle 2 and Principle 3. Expertise, qualifications and experiences in understanding economic, environmental and social sustainability risks needs to be demonstrated at a Board level.

Please do not hesitate to contact me if you wish to discuss further.

Yours sincerely,

Dr Peter Holt
Principal Consultant
Energetics Pty Ltd
peter.holt@energetics.com.au