



# Appendix D:

## Better practices for sustainability reporting

We developed this appendix to help Victorian public entities strengthen their sustainability reporting.

**Figure D1:** VAGO guidance for better practices for sustainability reporting

Area	Better practices
 <p>Data quality</p>	<ul style="list-style-type: none"> <li>Maintain documented procedures that identify key datasets and outline how to generate, store, access and validate them</li> <li>Ensure data is traceable to its original source</li> <li>Do data quality checks and review key datasets</li> <li>Assess data quality and completeness by internally testing it, documenting results and tracking improvement actions</li> </ul>
 <p>Calculating metrics</p>	<ul style="list-style-type: none"> <li>Make it easier to trace source data from reported outputs, including reducing reliance on hard-coded values</li> <li>Where feasible, automate calculations to reduce manual intervention and spreadsheet-based errors</li> <li>Validate calculations, such as investigating year-on-year variances that exceed defined thresholds</li> <li>Independently review calculations before finalising reporting</li> </ul>
 <p>Record keeping</p>	<ul style="list-style-type: none"> <li>Document key decisions, assumptions and judgements in a basis of preparation document (or equivalent), including operational control assessments</li> <li>Store data and supporting evidence in an auditable and accessible format</li> <li>Regularly review key procedures to make sure they reflect current-year reporting practices</li> <li>Retain evidence of executive, board and subcommittee approvals in a secure and auditable location</li> </ul>
 <p>Governance</p>	<ul style="list-style-type: none"> <li>Establish documented approval processes for reporting, with clear roles, responsibilities and workflows</li> <li>Ensure the board and relevant subcommittees formally review and approve sustainability reporting</li> <li>Maintain board and subcommittee charters that clearly outline oversight responsibilities for sustainability information, including the frequency of expected updates</li> </ul>
 <p>Assurance activities</p>	<ul style="list-style-type: none"> <li>Internally audit sustainability information regularly, including data integrity, controls and compliance with reporting obligations</li> <li>Track and monitor actions from internal and external audits</li> <li>Organise legal reviews to assess greenwashing risks and narrative accuracy</li> <li>Assess readiness for future sustainability reporting requirements</li> </ul>
 <p>Processes and controls</p>	<ul style="list-style-type: none"> <li>Use structured checklists to support complete reporting against mandatory requirements</li> <li>Investigate systems and tools to review and verify sustainability information in annual reports</li> <li>Reduce key-person risks by developing multiple internal subject matter experts and building sustainable reporting capability</li> <li>Maintain implementation or project plans that outline key tasks, responsibilities and timeframes for sustainability reporting</li> <li>Do lessons-learnt reviews after reporting cycles and track improvement actions</li> </ul>
 <p>Identifying, assessing and managing climate risks</p>	<ul style="list-style-type: none"> <li>Embed climate-related risks and opportunities within the enterprise risk management framework</li> <li>Require risk owners to review key climate risks and opportunities periodically, such as every 6 months</li> <li>Do operating environment scans to identify emerging climate-related risks and opportunities</li> <li>Assess climate risks using at least 2 scenarios and relevant time horizons</li> <li>Maintain a consolidated risk register that captures risk ratings, treatments, actions and accountabilities</li> <li>Regularly update relevant governance committees on climate-related risks, actions and performance, including targeted deep-dive reviews where appropriate</li> <li>Ensure risk assessments consider relevant scientific developments and scenario frameworks where practical</li> </ul>
Annual report disclosures	Present sustainability information cohesively in one location within the annual report to improve clarity, readability and accessibility for users

Source: VAGO.