

Mandatory Climate Reporting is Here: Are you Ready

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It is acknowledged that professional members in their employed capacity, may be active market participants in their respective industries who may compete with each other as defined by competition law.

Participants are, therefore, reminded that in accordance with their competition law compliance obligations they should not:

- discuss any matter that may be perceived as being cooperation by competitors in a market to influence that market;
- discuss any matters that could be regarded as fixing, maintaining or controlling prices, allocation of customers or territories, coordinating bids and/or restricting output or acquisitions in any circumstances;
- share commercially sensitive information relating to their employer; or
- share information for an anti-competitive purpose.





Actuaries Institute

Sustainability Reporting Update

November 2024



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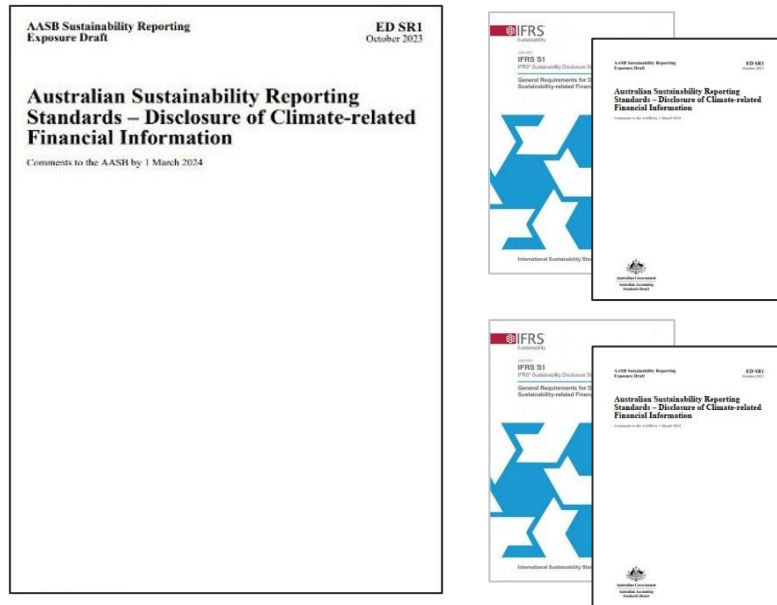
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Sustainability Reporting in Australia

Regulatory Overview

Mandatory Climate-related Reporting in Australia

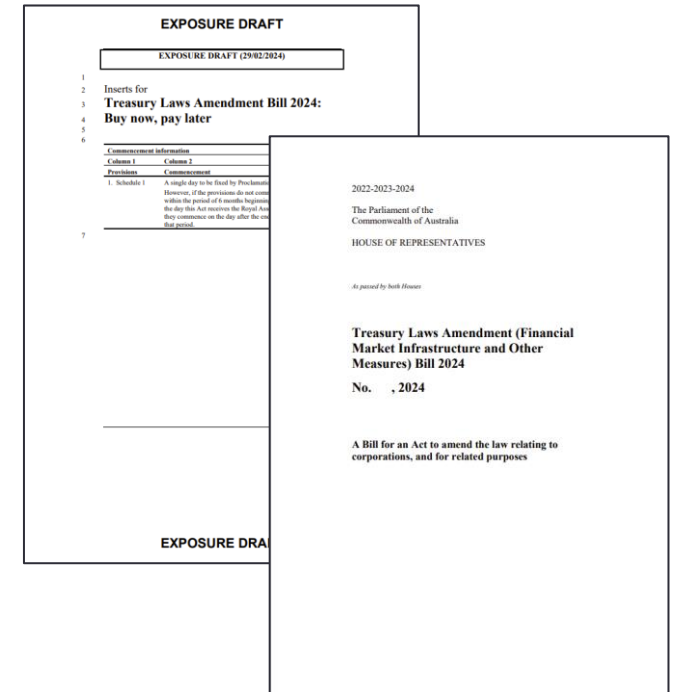
1 AASB Australian Sustainability Reporting Standards ASRS 1 & 2



2 AUASB Auditing and Assurance Standards



3 Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024



Legislative Overview and Update

Group	Timing of Reporting	Climate Reporting required when either		
		Size test (two or more are met)	Asset owners*	NGER Act reporters
1	1 January 2025 onwards	> 500 employees Consolidated total assets > \$1b Consolidated revenue > \$500m	Not applicable	Above NGER publication threshold
2	2026-2027 Onwards	> 250 employees Consolidated total assets > \$500m Consolidated revenue > \$200m	Assets under management > \$5b	All other NGER reporters
3	2027-2028 onwards	> 100 employees Consolidated total assets > \$25m Consolidated revenue > \$50m	Not applicable	Not applicable

*Includes registrable superannuation entities, retail CCIVs and registered schemes that meet the Group 1 size test and are excluded from Group 1.

Reporting Framework and Requirements

ASRS disclosure requirements by section*



Governance	Strategy
The governance processes, controls and procedures a reporting entity uses to monitor climate-related risks and opportunities (CRROs).	How an entity's strategy addresses significant climate-related risks and opportunities.
Board committees	CRRO, business model & value chain, time horizons
Management's role	Strategy & decision making
Executive remuneration	Current & anticipated financial impacts
	Climate resilience & scenario analysis

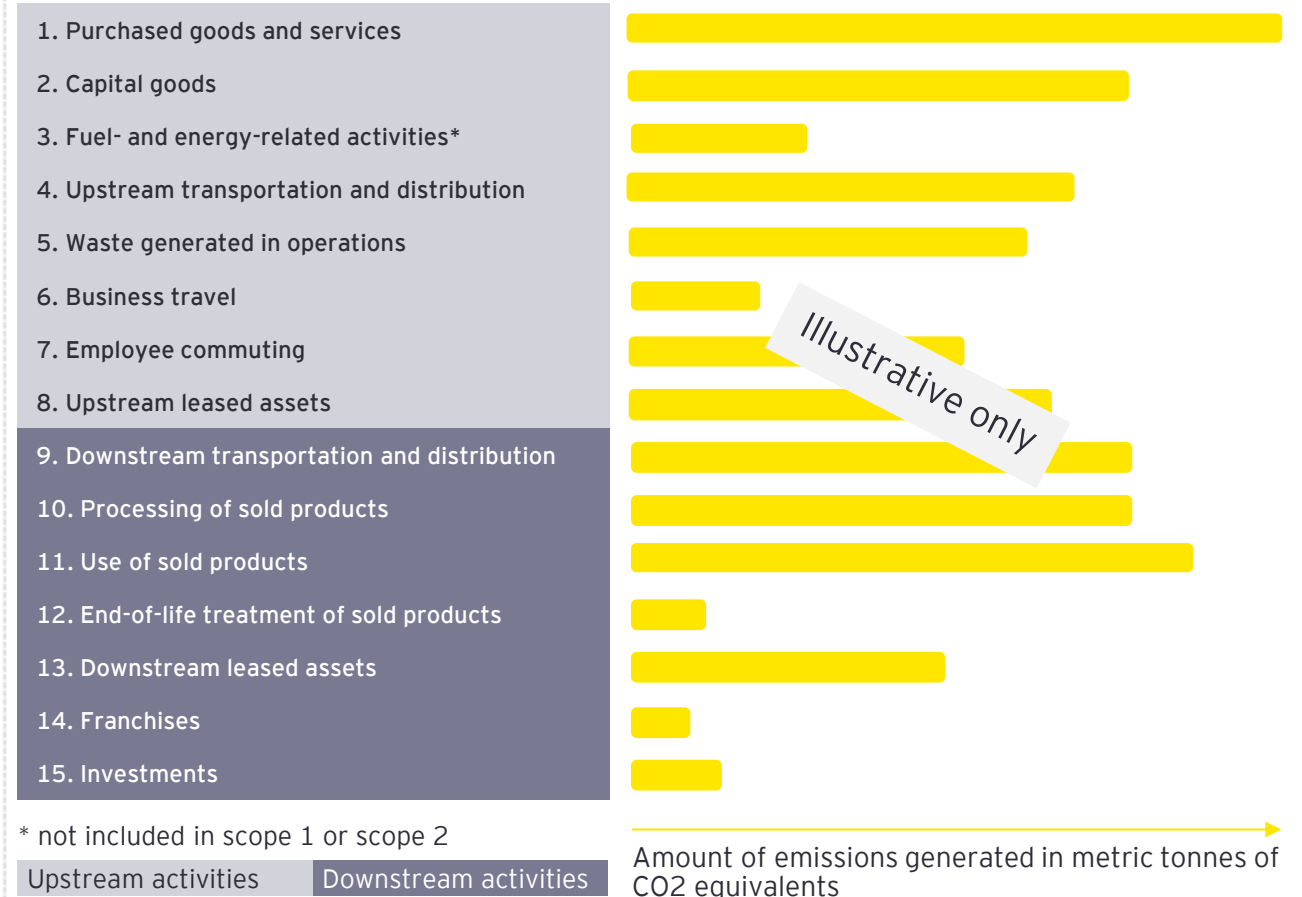
Risk Management	Metrics and Targets
How climate-related risks are identified, assessed, managed and mitigated.	Information used to manage and monitor the entity's performance in relation to climate-related risks and opportunities over time.
Risk management process	Targets in detail GHG Scope 1, 2 & 3
Overall risk profile	Carbon price Exec remuneration
	Industry-based Capital expenditure
	\$/% assets/business activities vulnerable to CRROs

ASRS Core Content Disclosures

Metrics and Targets - Greenhouse Gas (GHG) Emission Cross-industry Metrics

Scope 1	Direct emissions
Scope 2	Indirect emissions from the generation of purchased energy consumed by the entity*
Scope 3	All other indirect emissions that occur in the entity's value chain

The GHG Protocol's 15 Scope 3 categories are included as an example in ASRS, but are not mandatory:



Assurance Timing Overview

Indicative Roadmap for Group 1 Reporters

The table below represents the possible timeline of assurance requirements being considered by the AUASB and outline the phases over which entities will be expected to seek limited and reasonable assurance for each disclosure topic area considered within the ASRS ED SR1.

Disclosure topic area	Year commencing:					
	First reporting year*	Second reporting year	Third reporting year	Fourth reporting year	Fifth reporting year	Sixth reporting year
Governance	Limited	Limited	Limited	Reasonable	Reasonable	Reasonable
Strategy (including risk and opportunities)	Limited	Limited	Limited	Reasonable	Reasonable	Reasonable
Climate resilience assessments/ Scenario Analysis	None	Limited	Limited	Reasonable	Reasonable	Reasonable
Transition plans	None	Limited	Limited	Reasonable	Reasonable	Reasonable
Risk management	None	Limited	Limited	Reasonable	Reasonable	Reasonable
Scope 1 and 2 emissions	Limited	Reasonable	Reasonable	Reasonable	Reasonable	Reasonable
Scope 3 emissions	N/A	Limited	Limited	Reasonable	Reasonable	Reasonable
Climate-related Metrics and Targets	None	Limited	Limited	Reasonable	Reasonable	Reasonable



AUASB August 2024 update:
[Timeline for Audits and Reviews of information in Sustainability Reports](#)

* Group 1 - For financial years commencing on or after 1 January 2025.

** Final phased assurance approach to be confirmed by the Australian Assurance Standards Board (AuASB).

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Governments and organisations around the world are increasingly focusing on the environmental, social and economic impacts of climate change and the drive for sustainability. Your business may face new regulatory requirements and rising stakeholder concerns. There may be opportunities for cost reduction and revenue generation. Embedding a sustainable approach into core business activities could be a complex transformation to create long-term shareholder value.

The industry and countries in which you operate as well as your extended business relationships introduce specific challenges, responsibilities and opportunities.

Our global, multidisciplinary team combines our experience in assurance, consulting, strategy, tax and transaction services with climate change and sustainability knowledge and experience in your industry. You'll receive tailored service supported by global methodologies to address issues relating to your specific needs. Wherever you are in the world, EY can provide the right professionals to support you in reaching your sustainability goals.

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