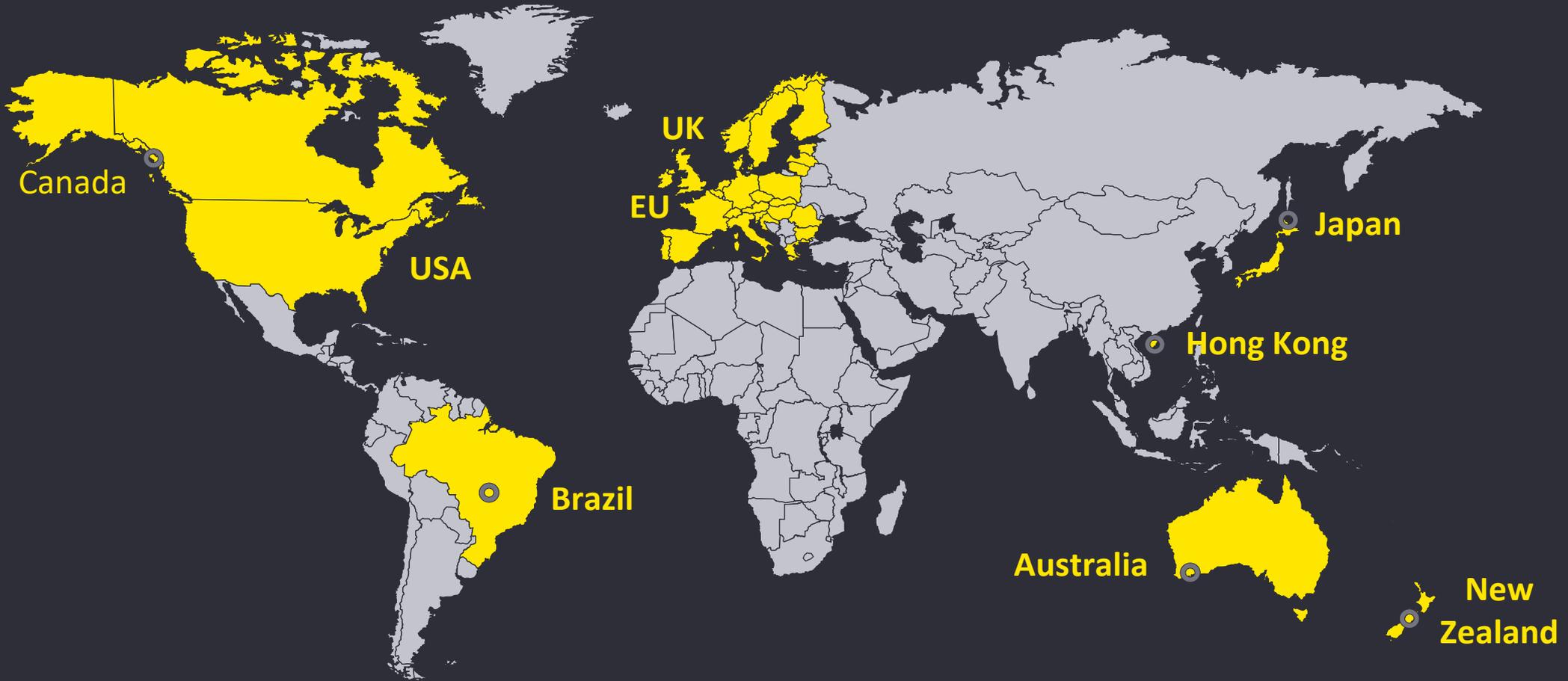




Status of Australian Sustainability Reporting Requirements

September 2024

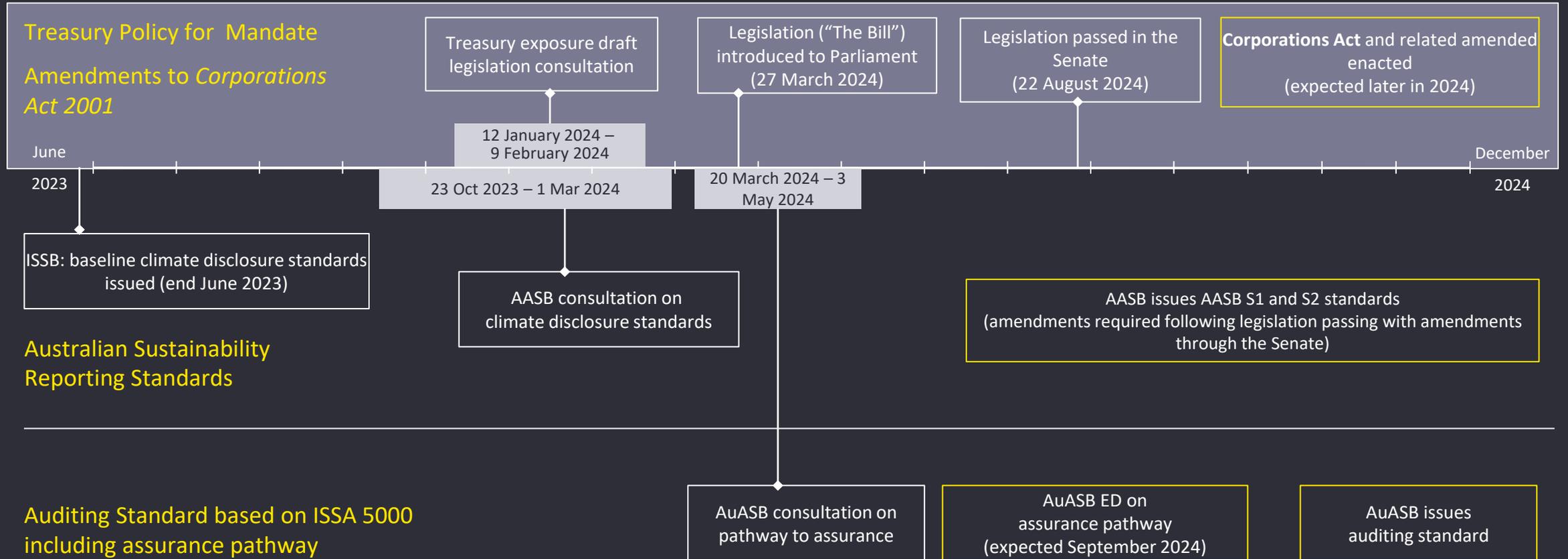
Regulators around the world are mandating sustainability disclosure requirements with a strong focus on climate



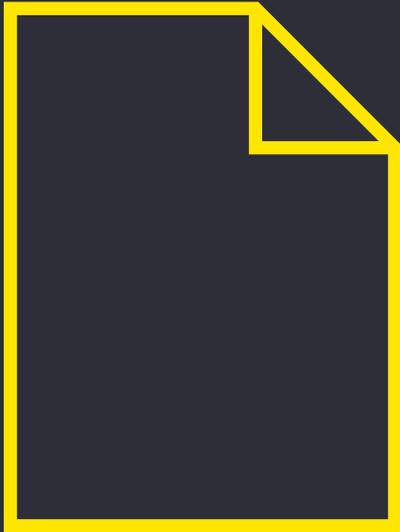
Note: This map highlights some examples of sustainability reporting regimes in relevant markets but is not exhaustive and is subject to change.

Status of Australian reporting requirements

Anticipated timeline



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



Sustainability report
in accordance with
Australian Sustainability
Reporting Standards

Entities required to lodge financial reports under Chapter 2M of the Corporations Act



Group	Timing of reporting	Climate reporting criteria and thresholds		
		Size test (two or more are met)	Asset owners	NGER Act reporters
1	1 Jan 2025 onwards	<ul style="list-style-type: none"> ≥ 500 employees Consolidated total assets ≥ \$1b Consolidated revenue ≥ \$500m 	Not applicable	Above NGER publication threshold (50kt)
2	1 July 2026 onwards	<ul style="list-style-type: none"> ≥ 250 employees Consolidated total assets ≥ \$500m Consolidated revenue ≥ \$200m 	Assets under management ≥ \$5b	All other NGER reporters
3	1 July 2027 onwards	<ul style="list-style-type: none"> ≥ 100 employees Consolidated total assets ≥ \$25m Consolidated revenue ≥ \$50m 	Not applicable	Not applicable

Requiring an assured sustainability report



- The sustainability report for a financial year includes:
 - The climate statements for the year
 - Any notes to the climate statements
 - The directors' declaration about the statements and notes

Climate disclosures must be lodged within existing financial reporting timeframes

Transitional relief for first three years from 1 January 2025 effective date

Directors' declarations

As transition relief, directors can declare simply that the entity has taken reasonable steps to ensure that the sustainability report is in accordance with the Corporations Act

Modified liability for directors

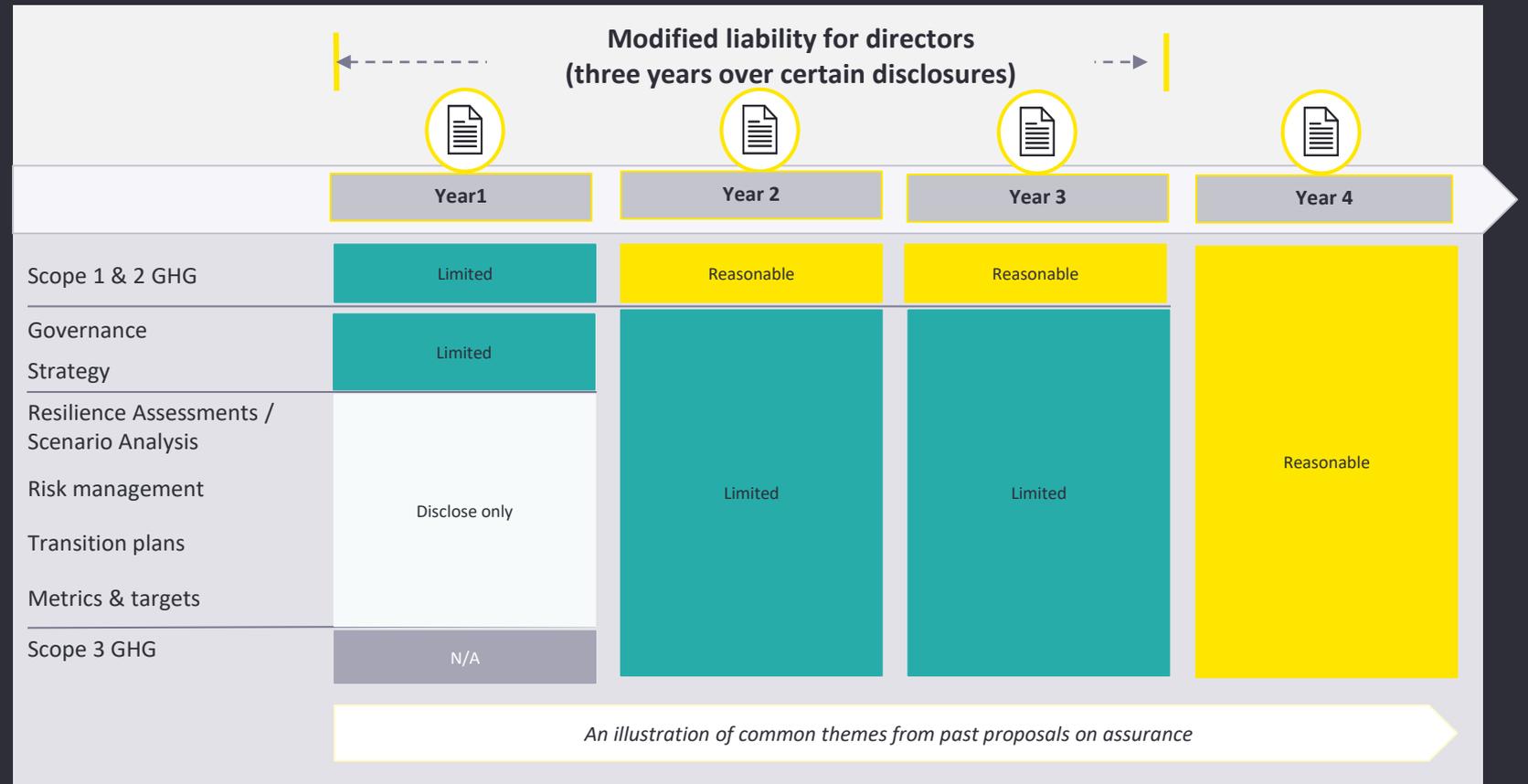
Modified liability requirements apply to misleading and deceptive conduct for the transitional period in relation to statements about an entity's:

- Scope 3 greenhouse gas emissions (including financed emissions)
- Scenario analysis
- Transition plan

Assurance pathways

AUASB expected to publish Exposure Draft with proposed assurance pathway in September 2024

Indicative illustration of possible pathway for Group 1 entity with 30 June year end

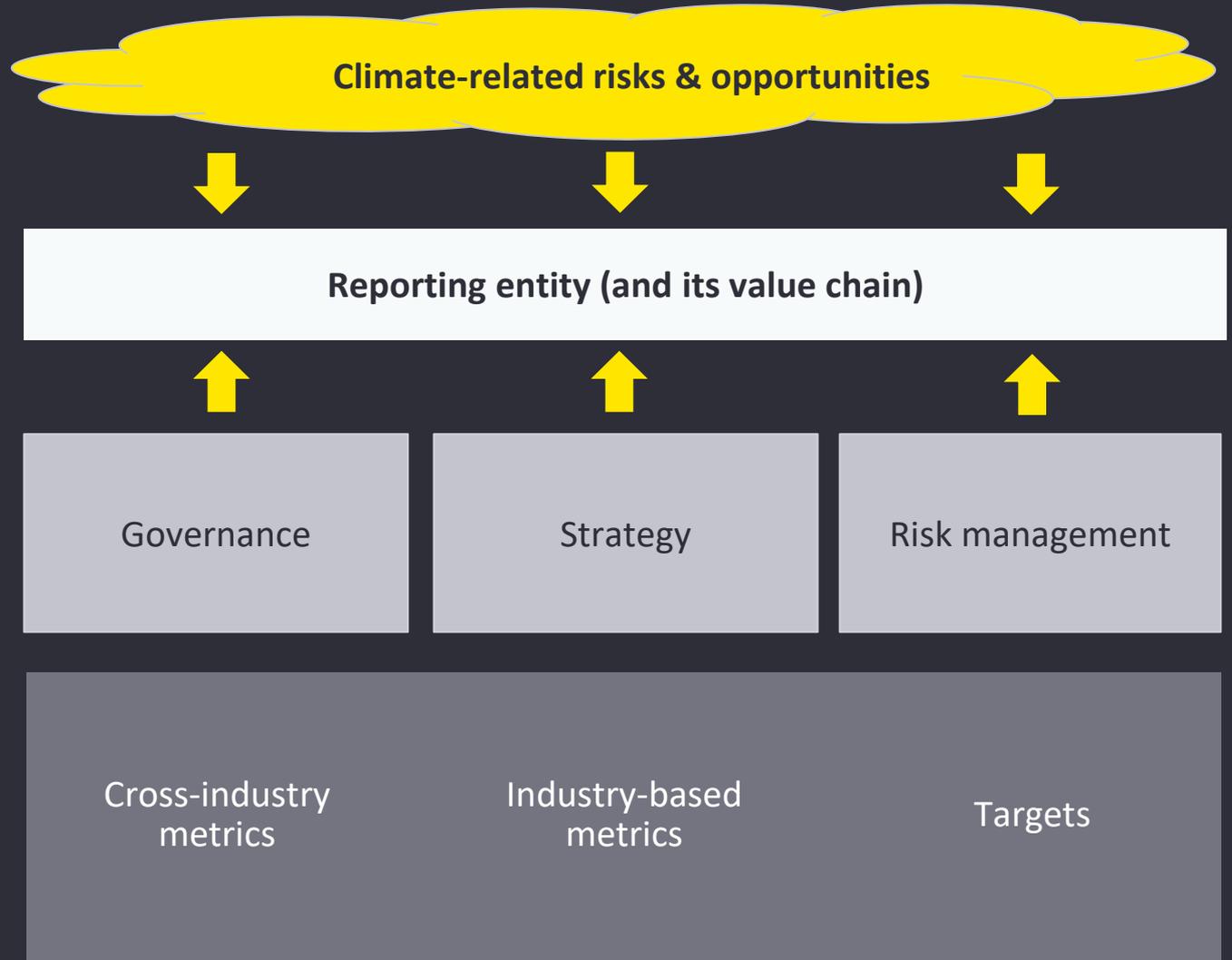


ASRS core content disclosure requirements

1 Disclose information about the entity's **exposure** to climate-related risks & opportunities that could reasonably be expected to affect the entity's prospects

2 Disclose information about the entity's **response** to its exposure to climate-related risks & opportunities

3 Disclose information about the entity's **performance** in managing its climate-related risks & opportunities



The sustainability context: increasing stakeholder pressure

Shareholder pressure



Employee demands



Customer expectations



Social licence to operate



Regulatory developments



of investors devote significant effort to evaluating the impact of ESG in financial statements⁴



of the ASX100 reported against TCFD in 2022⁵



ASIC
Australian Securities & Investments Commission

Regulators focus on greenwashing



ACCC
AUSTRALIAN COMPETITION & CONSUMER COMMISSION



Mandatory reporting on climate and modern slavery in Australia

- 1 EY Global Corporate Reporting and Institutional Investor Survey November 2022
- 2 Lightspeed and Rubbermaid Commercial Products: "Recycling in the Workplace: A Millennial View."
- 3 EY Future Consumer Index
- 4 EY Global Investor survey
- 5 EY survey of 2022 sustainability reporting

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