



Australian Sustainability Reporting Standard S2 Climate-related Disclosures (mandatory standard) Update

Overview

- Reporting of climate-related financial disclosures from 1 January 2025 is now law. The climate-related financial disclosures legislation – Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024 received Royal Assent
- The first sustainability report will be issued for annual reporting periods starting 1 January 2025. The timing of first reporting is based on size or level of emissions.
- The first ASRS standards were also issued in September 2024 by the AASB. They include :
 - AASB S1 General Requirements for Disclosure of Sustainability-related Financial Information (voluntary)
 - AASB S2 Climate-related Disclosures (mandatory) Standard.

Reporting Entities in Scope

Reporting Entities in Scope	Required to lodge financial reports under Chapter 2M of the Corporations Act 2001 AND falls within one (or more) of the categories below			NGER Reporting
	Meet two of three reporting thresholds			
	Consolidated gross revenue	Consolidated assets	Employees (FTE)	
Group 1 First annual reporting periods beginning on or after 1 January 2025	\$500 million or more	\$1 billion or more	Over 500	Above NGER publication Threshold
Group 2 First annual reporting periods beginning on or after 1 July 2026	\$200 million or more	\$500 million or more	Over 250	Other NGER reporters
Group 3 First annual reporting periods beginning on or after 1 July 2027	\$50 million or more	\$25 million or more	Over 100	N/A



Core Reporting Components



GOVERNANCE

Governance **processes, controls and procedures** to **monitor, manage and oversee** climate-related risks and opportunities



STRATEGY

- **Identify** climate-related risks and opportunities
- **Strategic response** to climate-related risks and opportunities
- **Quantitative and qualitative** progress tracking



RISK MANAGEMENT

Processes to **identify, assess, prioritise, and monitor** climate-related risks and opportunities



METRICS & TARGETS

Climate-related Metrics
transition and physical risks, opportunities, capital deployment, internal carbon price, Scope 1,2,3 disclosure
Climate-related Targets
qualitative & quantitative, use of carbon credits



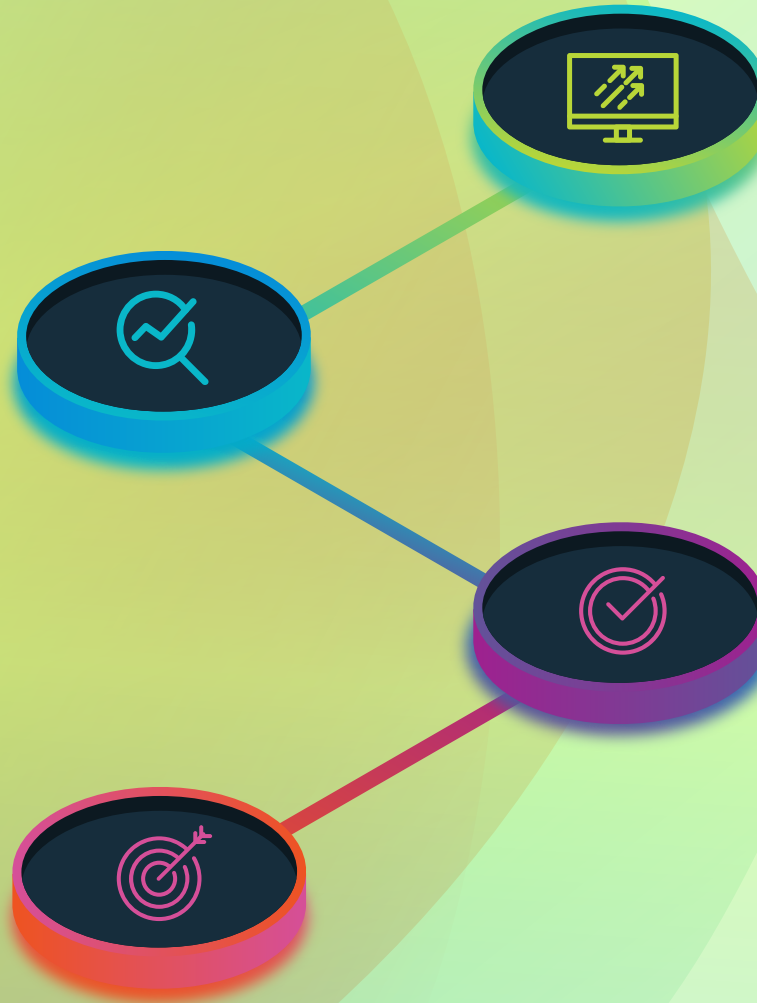
Key Reporting Aspects

Strategy & Decision Making

- Effects of climate-related risks and opportunities on business model, value chain),
- Detail direct and indirect mitigation and adaptation efforts (including use of offsets).
- Key assumptions and dependencies

Climate-related Targets

- Qualitative & quantitative
- Absolute or intensity (e.g., productivity)
- Target review process



Climate Resilience

- Understand the resilience of the business' strategy and business model to climate-related changes.
- Use climate-related scenarios to assess climate resilience.

Climate-related Metrics

- Greenhouse gas (GHG) emissions – Scope 1, 2 and 3,
- Transition & physical risks (amount/percentage business affected)
- Climate-related opportunities (amount/percentage business affected)
- Capital deployment (amount of expenditure)
- Internal carbon price (IF used)
- Executive remuneration linked to climate-related considerations (IF used)



Get in Touch

Get in touch with our team to understand how Foresion can support you in your sustainability reporting needs



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