

New climate reporting for Australian organisations

The standard has been set. Starting January 2025, the Australian Sustainability Reporting Standards (ASRS) will begin to be phased in. The first phase will require the largest listed and unlisted entities to disclose their climate-related financial information. This is a step towards net zero and a climate-resilient nation.

Is your organisation ready? Do you know how to get started?

TSA Riley’s Environment, Social and Governance experts can support your organisation to prepare for the ASRS at every stage.

The ASRS requires organisations to prepare a sustainability report which discloses a transition plan, current and anticipated financial impacts of climate risks, and the results of a climate resilience assessment against at least 2 scenarios; one being consistent with rapid transition and restricted warming to +1.5°C, the other for amplified warming of +2.5°C or higher.

When do you need to start reporting?

	Group 1: large organisations	Group 2: mid-tier organisations	Group 3: small organisations
Implementation date	January 2025	July 2026	July 2027
Group thresholds	<p>Companies with annual revenue greater than AUD \$500m</p> <p>Assets greater than AUD \$1b</p> <p>Greater than *500 employees</p> <p>Also –</p> <ul style="list-style-type: none"> • NGER reporting entities (see ** below) with emissions above the publication threshold in s 13(1) of the NGER Act • Main thresholds are: <ol style="list-style-type: none"> 1: 50 kt of greenhouse gas emissions 2: 200 TJ of energy produced; or 3: 200TJ of energy consumed 	<p>Companies with annual revenue greater than AUD \$200m</p> <p>Assets greater than AUD \$500m</p> <p>Greater than *250 employees</p> <p>Also –</p> <ul style="list-style-type: none"> • Asset owners with greater than \$5b in assets • All other ** NGER reporting entities 	<p>Companies with annual revenue greater than AUD \$50m</p> <p>Assets greater than AUD \$25m</p> <p>Greater than *100 employees</p>

* Part-time employees are to be included as an appropriate fraction of a full-time equivalent employee.

** NGER reporting entities are corporations registered under the National Greenhouse and Energy Reporting Act 2007 (Cth) (NGER Act) at the end of the financial year, or corporations required to make an application to be registered under subs 12(1) of the NGER Act for the Financial Year.

Preparing sustainability reporting

All entities within Group 1 and Group 2 will be required to prepare a sustainability report for the year consistent with the relevant sustainability standards issued by the Australian Accounting Standards Board (AASB). All entities within Group 3 are also subject to this requirement, unless the entity publishes a disclosure statement explaining that they do not have material climate risks and opportunities, and the justifications for this assessment.

Five steps to prepare for ASRS disclosure requirements

1.	Understand your reporting obligations	<ul style="list-style-type: none">Review the exposure draft of the ASRS requirements to understand the specific reporting requirements and deadlines for your organisation's reporting group.Scope 3 reporting commences one year after disclosure requirements begin.	TSA Riley can assist you to identify requirements and deadlines.
2.	Conduct a Gap Analysis against the ASRS requirements	<ul style="list-style-type: none">Evaluate your organisation's current sustainability reporting against the ASRS.Assess the need for new or enhanced policies and procedures.Develop a priority-order action plan to address any gaps.	TSA Riley can help you identify any gaps in your organisation's data collection, risk assessment, monitoring and disclosure processes, and develop an action plan for success.
3.	Conduct a Climate Risk and Opportunity Assessment	<ul style="list-style-type: none">Evaluate your organisation's current and future climate risk exposure.Using scenarios and stress tests, identify where climate change could create material impacts to your operations, supply chain, and financial performance over the short, medium and long-term.Use a holistic approach to identify likely material exposures and vulnerabilities across climate, nature and water impact drivers.Evaluate opportunities to address climate risks by utilising nature-based solutions which provide resilience and an array of social and environmental co-benefits.	Ask us about TSA Riley's new Holistic Exposure Assessment Tool (HEAT). HEAT provides an easy 7-step workflow to guide the process of creating a robust climate risk assessment for any portfolio of any size, anywhere in the world.

4.

Establish an internal ASRS task force and engage stakeholders

- Form a team with members from finance, sustainability, compliance, legal, and operations to oversee ASRS implementation.
- Ensure the team is well-versed in ASRS requirements and have a clear mandate to drive compliance efforts.
- Assign roles and responsibilities and set clear communication channels for effective coordination.
- Communicate with internal and external stakeholders about your climate reporting intent.
- Provide training and resources for key stakeholders including board members, senior management, and relevant departments, on the ASRS framework, its implications, responsibilities, and the strategic importance of compliance.

TSA Riley can support and empower your team. We can train and advise your task force and stakeholders on ASRS requirements.

5.

Implement data collection systems

- Review and upgrade existing data management systems to capture and report sustainability data to ASRS, including:
- carbon emissions,
 - water usage,
 - nature impacts and dependencies, and
 - climate-related financial risks.
- Consider investing in software tools or platforms that facilitate climate data collection, monitoring and reporting.
 - Ensure data accuracy, consistency and timeliness for reliable reporting.

TSA Riley's ESG team will help you understand your data requirements and prioritisation. Our new Holistic Exposure Assessment Tool (HEAT) applies the best data to your organisation's climate assessments. We make it easy to explore and visualise the right data to inform your critical decisions.

TSA Riley is an independent, global advisor on built assets and projects with a 130-year heritage.

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