



Australian Sustainability Reporting Standards

Climate-related Disclosures

Wednesday 26 November 2025





Acknowledgement of Country

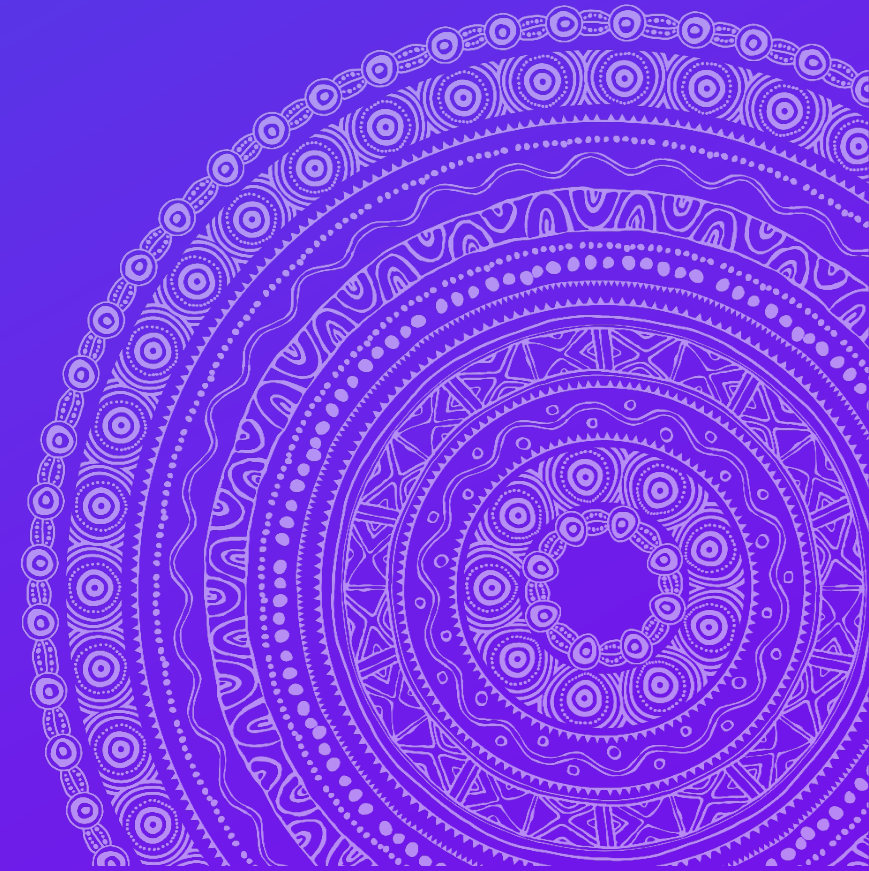
KPMG acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia. We pay our respects to Elders past, present, and future as the Traditional Custodians of the land, water and skies of where we work.

At KPMG, our future is one where all Australians are united by a shared, honest, and complete understanding of our past, present, and future. We are committed to making this future a reality. Our story celebrates and acknowledges that the cultures, histories, rights, and voices of Aboriginal and Torres Strait Islander People are heard, understood, respected, and celebrated.

Australia's First Peoples continue to hold distinctive cultural, spiritual, physical and economical relationships with their land, water and skies. We take our obligations to the land and environments in which we operate seriously.

Guided by our purpose to 'Inspire Confidence. Empower Change', we are committed to placing truth-telling, self-determination and cultural safety at the centre of our approach. Driven by our commitment to achieving this, KPMG has implemented mandatory cultural awareness training for all staff as well as our Indigenous Peoples Policy. This sincere and sustained commitment has led to our 2021-2025 Reconciliation Action Plan being acknowledged by Reconciliation Australia as 'Elevate' – our third RAP to receive this highest level of recognition. We continually push ourselves to be more courageous in our actions particularly in advocating for the Uluru Statement from the Heart.

We look forward to making our contribution towards a new future for Aboriginal and Torres Strait Islander peoples so that they can chart a strong future for themselves, their families and communities. We believe we can achieve much more together than we can apart.



Agenda

- 01** Introduction
- 02** Regulatory update
- 03** Assurance update
- 04** Implementation considerations
- 05** Q&A



Julia Bilyanska
Partner in Charge
Climate Change &
Sustainability
Services



Adrian King
Partner In Charge
ESG Advisory &
Assurance
AASB Board Member



Julie Locke
Director
Department of
Professional Practice



Jennifer Travers
Partner
Department of
Professional Practice
AUASB Board Member



Peter Trace
Partner
ESG Reporting Lead
Finance Advisory



Daniel Camilleri
Partner
Audit & Assurance

01

Introduction

Julia Bilyanska and Adrian King

Australian Boards and Executives – Current Focus Areas

What we're hearing

1

Questions on obligations, directors' declarations and liabilities

2

Concerns over broader reporting boundaries for value chain CROs* and Scope 3

3

Alignment of CROs with material business risks

4

Accuracy of quantification of future financial impacts

Solutions



Board training



Briefing papers on materiality and CROs to be reported



Developing proformas



Gross CROs less mitigating activities = financially material "net" business risk

*CROs = Climate-related risks and opportunities

02

Regulatory update

Julie Locke

Developments supporting implementation

Count down to first mandatory sustainability reports



Legislation | Extending modified liability to certain voluntary reports

And to sustainability reports required as a condition of an ASIC relief order

Treasury Bill on passage through Parliament – expect finalisation by 31 December 2025

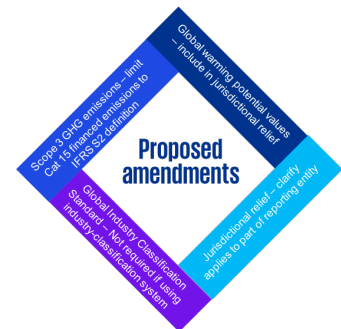
!! Does not cover AASB S1 voluntary disclosures



Sustainability standards | IFRS/AASB S2 amendments

GHG emissions related: Scope 3 emissions, jurisdictional relief, global warming potential values, Global industry classification standard

Final due process stages – expect finalisation by 31 December 2025



AASB Resources | AASB S2 Knowledge Hub

Dedicated webpage with guidance publications

- Proportionality mechanisms
- GHG emissions disclosure requirements
- Anticipated financial effects



International | ISSB Transition implementation group

Discussing practical implementation issues

ASIC | What is the regulator doing?



Register of relief decisions

- Purpose: transparency
- **Key takeaways:**
 - Relief granted is **entity specific** – does not automatically extend to others
 - **Apply** for relief **early**, well before end of applicable reporting period
 - ASIC register useful reference for relief applications

Relief instance granted: entities will be included in sustainability report in subsequent year



Observations from public voluntary disclosures

- Disclosures repetitive, lacking in detail & connectivity & difficult to understand
- Scope 3 GHG: measured using primary & secondary data
- **Key takeaways:**
 - Disclosures: clearly identified and not obscured
 - ASIC enforcement: **pragmatic and proportionate approach**



Keep greenwashing in mind!

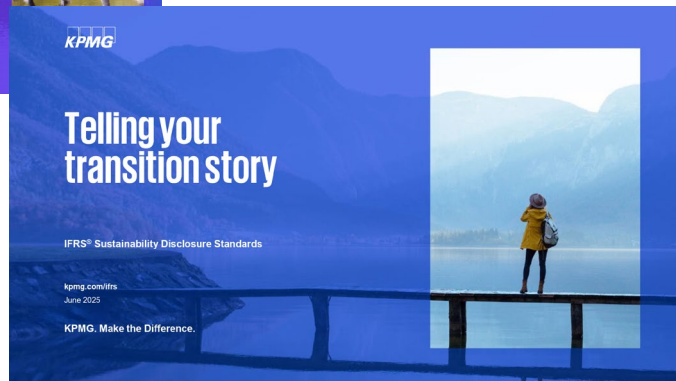
- Unsubstantiated sustainability claims and commitments
- Inadequate disclosures
- **Key takeaways:**
 - Be vigilant and mindful of greenwashing in financial and sustainability reports – civil penalties can and have been imposed!
 - Refer ASIC INFO 271

From Boilerplate to Breakthrough



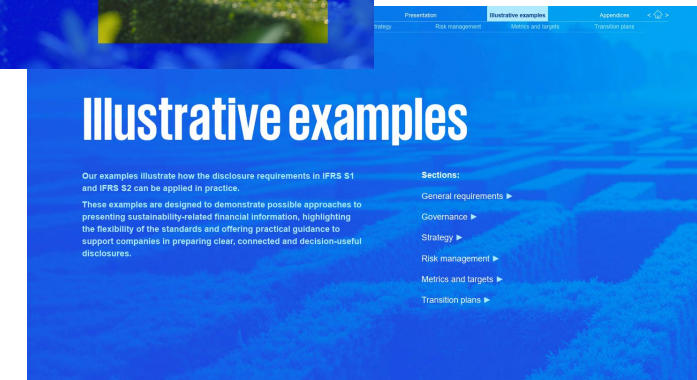
Materiality for sustainability reporting

A how-to-guide



Telling your transition story

Introducing transition plan disclosures under IFRS Sustainability Disclosure Standards



Illustrative disclosures

Over 40 illustrative examples – a practical resource to guide and inspire your reporting.

Illustrates a range of options to kickstart your thinking and to demonstrate the flexibility, scalability and connectivity embedded in the standards

03

Assurance update

Jennifer Travers

Assurance Matters



Discuss **timelines** with your auditor

- Signing financial statement audit vs assurance report
- Providing pro formas



Agree **auditor expectations and thresholds**

- Qualitative vs quantitative
- Relief application
- PBC listing, documentation
- Version control



Auditor obligations re: **Other information**

- Additional time and effort due to connectivity to assured areas
- Impacted by cross referencing to other reports



Limited vs Reasonable **assurance effort**

- Limited assurance for Year 1 is not equivalent to a financial statement review

04

Implementation considerations: How our clients are preparing

Daniel Camilleri and Peter Trace, facilitated by Adrian King

05

Q&A

Julie Locke



KPMG.com.au

The information contained in this document is of a general nature and is not intended to address the objectives, financial situation or needs of any particular individual or entity. It is provided for information purposes only and does not constitute, nor should it be regarded in any manner whatsoever, as advice and is not intended to influence a person in making a decision, including, if applicable, in relation to any financial product or an interest in a financial product. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

This publication contains copyright © material of the IFRS® Foundation. All rights reserved. Reproduced by KPMG Australia with the permission of the IFRS Foundation. Reproduction and use rights are strictly limited. For more information about the IFRS Foundation and rights to use its material please visit www.ifrs.org.

Disclaimer: To the extent permitted by applicable law the Board and the IFRS Foundation expressly disclaims all liability howsoever arising from this publication or any translation thereof whether in contract, tort or otherwise (including, but not limited to, liability for any negligent act or omission) to any person in respect of any claims or losses of any nature including direct, indirect, incidental or consequential loss, punitive damages, penalties or costs.

To the extent permissible by law, KPMG and its associated entities shall not be liable for any errors, omissions, defects or misrepresentations in the information or for any loss or damage suffered by persons who use or rely on such information (including for reasons of negligence, negligent misstatement or otherwise).

©2025 KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

Liability limited by a scheme approved under Professional Standards Legislation

'ISSB™' is a Trade Mark and 'IFRS®', 'IASB®', 'IFRIC®', 'IFRS for SMEs®', 'IAS®' and 'SIC®' are registered Trade Marks of the IFRS Foundation and are used by KPMG Australia under licence subject to the terms and conditions contained therein. Please contact the IFRS Foundation for details of countries where its Trade Marks are in use and/or have been registered.