

# ED 331 Climate-related and Other Uncertainties in the Financial Statements

UNISUPER SUBMISSION TO AUSTRALIAN ACCOUNTING  
STANDARDS BOARD (AASB)

## About UniSuper

UniSuper is one of Australia's largest super funds with more than 647,000 members and approximately \$139 billion in funds under management as at 30 June 2024.

## Consultation feedback

UniSuper welcomes the opportunity to provide feedback to the Australian Accounting Standards Board (AASB) consultation on the ED 331 Climate-related and Other Uncertainties in the Financial Statements.

The ISSB Sustainability disclosure (IFRS S1 and S2) Standards were designed only for profit-oriented entities reporting (i.e. reporting entities or companies that receive external capital – debt or equity - to fund their operations) and whose end users are 'primary users of general-purpose financial reports'. The Standard is built around the premise that the reporter is an issuer of capital that will report operational information and meet the information needs of investors.

In Australia, the intention is to apply this standard to pension funds, amongst others, who are not profit-orientated. ISSB states that *"if entities with not-for-profit activities in the private sector or the public sector apply this Standard, they might need to amend the descriptions used for particular items of information when applying IFRS Sustainability Disclosure Standards"*.

While the provided examples of guidance are helpful, industries that are not profit-orientated need greater guidance than provided in these notes. We suggest further guidance is needed, in particular, for the materiality principles.

Example 2 'Materiality judgements not leading to additional disclosure' applies to service providers operating in industries that have limited exposure to climate-related transition risks. We believe this would apply to UniSuper's administration entity (USM) which provides administration and investment services to the members of UniSuper (the Fund). The climate-related transition risks for our administration company, UniSuper Management Pty Ltd (USM), are immaterial. After all, climate-related disclosures for the Fund itself will be prepared in line with the requirements for Group 2 entities.

We recommend that final guidance makes it clear that UniSuper's administration company can rely on the materiality principles set out in Example 2. We also recommend that the guidance should contain examples on how to apply materiality to entities which are not profit-orientated.

It is important to note:

- (a) USM is a separate entity for mandatory climate reporting purposes provides administration and investment services to UniSuper (The Fund).
- (b) USM is not a manufacturer of goods, and thus has lower greenhouse gas emissions (Scope 1 and Scope 2) from its office operations and omitting this information would not significantly influence the decision making of superannuation fund members or users of its financial statements. This is because members invest in the specific investment products offered by UniSuper the Fund, and not directly in USM.
- (c) Applying materiality on this basis would not apply to the investments of UniSuper (the Fund) and these will be separately disclosed in line with the reporting requirements for Group 2 entities.

UniSuper would welcome the opportunity to discuss the submission further and to provide additional information in respect of the comments made in this submission.