



Note that should sustainability-related financial reporting requirements be developed as part of existing Australian Accounting Standards, they would form part of the AASB's authoritative guidance and be considered as mandatory requirements.

- D.1.1 QBE considers that if the AASB is to issue sustainability-related standards, they should be a separate suite of standards from Australian Accounting Standards. QBE notes that the AASB currently has sets of standards with different status – some have legal backing under the Corporations Law and others do not. Until the status of the sustainability standards globally is better understood and their potential status within the Australian legal system can be determined, they should remain a separate set of standards.
- D.1.2 The sustainability-related standards should initially be non-mandatory and not subject to audit until experience has been gained with their application, and processes and methodologies have evolved to the point where the disclosures are regarded as reliable and faithful representations. International developments as well as the preparedness of Australian entities should be monitored to determine whether and, if so, when such requirements might become mandatory.
- D.1.3 QBE considers that it would be useful for sustainability information to be either included in annual reports or cross-references from annual reports to help provide a holistic view of entity performance. However, QBE thinks it would be inappropriate for sustainability-related disclosures to form part of an entity's general purpose financial statements for the following reasons:
- the materiality considerations are potentially different as between the conventional financial statements and sustainability-related disclosures, as acknowledged in the Basis for Conclusions ([Draft] IFRS S1.BC71);
 - the auditing of sustainability-related disclosures is to be based on different standards from the auditing of conventional financial statements;
 - this would not be consistent with global peers.
- D.1.3 As noted in response to Q9 and Q10 in relation to [Draft] IFRS S1, the timelines for conventional general purpose financial reporting are typically the same for QBE's current sustainability reporting. However, it would be challenging to make the breadth of sustainability-related information proposed by the ISSB available at the same time as general purpose financial reports, particularly with respect to quantitative information and the information more generally about Scope 3 emissions, which would be heavily reliant on third party data and would often not be available within a reasonable timeframe. Accordingly, QBE considers there should be phased implementation to allow third party data to develop to enable an entity to report its sustainability related financial disclosures at the same time as its related financial statements.

AASB [D2] Are the proposals in Exposure Drafts on [Draft] IFRS S1 and [Draft] IFRS S2 in the best interests of the Australian economy?

- D.2 QBE considers that, in principle, the proposals would result in greater transparency in disclosure which should lead to more informed investment decisions and drive more sustainable and socially responsible outcomes for the benefit of the future economy. However, the transition to the widespread provision of useful sustainability-related information should be staged to help ensure the effective preparation, audit and use of the information.