



Australian Government

Australian Accounting Standards Board

**Subject:** Summary of the 1<sup>st</sup> meeting of the AASB S2 Implementation Advisory Panel

**Meeting date:** 30 May 2025

**Contact:** [sustainabilityreporting@asb.gov.au](mailto:sustainabilityreporting@asb.gov.au)

### Establishment of the AASB S2 Implementation Advisory Panel

The AASB S2 Implementation Advisory Panel (IAP) held its first meeting in Melbourne on 30 May 2025.

The IAP aims to support the implementation of AASB S2 *Climate-related Disclosures* and is a forum for:

- (a) Australian stakeholders to submit implementation questions related to Australian-specific issues in implementing AASB S2;
- (b) identifying information to enable the AASB to determine what action (if any) may be needed to address Australian-specific issues in implementing AASB S2; and
- (c) hearing from a range of Australian stakeholders to inform the AASB on matters being considered by the ISSB's Transition Implementation Group on IFRS S1 and IFRS S2 (ISSB TIG) that are relevant to AASB S2 (including Appendix D of AASB S2).

The following individuals have been appointed to a 12-month term on the IAP by the Chair of the AASB, beginning on 30 May 2025. IAP members serve in an individual capacity:

Penny Barker, Stockland (not present)	James Murphy, Santos
Julia Bilyanska, KPMG	Rachel Poo, QBE Insurance
Benjamin Clifford, CBA	Samantha Sing Key, Grant Thornton
Kim Farrant, HESTA	Anna Stewart, Coles Group
Paul Hurley, Charter Hall	Lydia Watson, South 32
Stephanie Ingram, Officeworks	Fiona Wild, Westpac
Ian Lilley, TPG Telecom	Megan Wilson, EY
Ming Long, Non-Executive Director	

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## Summary of the AASB S2 Implementation Advisory Panel meeting held on 30 May 2025

AASB staff welcomed IAP members and guests to the inaugural meeting and explained the IAP's purpose.

Guest representatives from the Treasury and ASIC shared updates on the policy settings and planned enforcement activities, respectively, underpinning Australia's mandatory climate-related financial disclosure regime.

Special guest Sue Lloyd, the Vice-Chair of the International Sustainability Standards Board (ISSB), commented on the IAP's importance in supporting the implementation of AASB S2 within Australia and noted that it will complement the work of the ISSB's *Transition Implementation Group on IFRS S1 and IFRS S2*.

IAP members engaged in a discussion on experiences relating to implementing AASB S2. Key discussion points from IAP members included:

### Governance

- The significance of engaging directors in the climate-related financial disclosure journey. Engaging directors early in the journey can help to build director capability and expertise and ensure directors can establish a sufficient understanding of an entity's climate-related financial disclosures.

### Materiality

- The application of materiality is important to scope climate-related financial disclosures to information that is decision-useful for investors and other report users.
- That applying a financial materiality lens under AASB S2 helps an entity to understand what information is financially material and should be disclosed as part of the general purpose financial reports.
- The application of materiality can be helpful in limiting the length of climate-related financial disclosures.

### Scenario analysis

- The importance of selecting business relevant short-, medium- and long-term time frames when conducting scenario analysis to ensure that the analysis provides useful information for preparers and report users.
- The need to disclose key assumptions in how scenario analysis is conducted to provide useful context for report users.
- That scenario analysis is an important tool to acknowledge, understand and, where appropriate, plan for uncertainty within an entity's strategy.

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## Uncertain and imperfect information

- That information required to be disclosed under AASB S2 is often forward-looking and based on estimates, meaning some information is inherently uncertain. This particularly applies to topics such as Scope 3 greenhouse gas emissions, and current and anticipated financial effects.
- The need for preparers and users to recognise that ‘perfect information’ does not exist and there is a need to be comfortable with uncertainty and estimation.
- An emphasis on the importance of communicating to report users where uncertainty and estimation lies within climate-related financial disclosures.

## Future meetings

The IAP will meet periodically to discuss questions arising from implementing AASB S2 that meet the submission criteria. Any stakeholder can submit a question.

Details on the IAP submission criteria and the question submission form are available on the [AASB website](#).

This paper has been prepared to summarise a meeting of the AASB S2 Implementation Advisory Group. It does not purport to represent the views of any individual member of the Australian Accounting Standards Board or staff. Comments on the application of Australian Sustainability Reporting Standards do not purport to set out acceptable or unacceptable application of Australian Sustainability Reporting Standards.