Australian Government
Australian Accounting Standards Board

An Overview of Australian Sustainability Reporting Standards

AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information* [voluntary]

AASB S2 *Climate-related Disclosures*

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Overview

AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information* is the Australian equivalent of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*.

AASB S1 sets out the general requirements for an entity to disclose information about its **sustainability-related risks and opportunities** that is useful to users of general purpose financial reports (referred to as ‘investors’ throughout this document) in making decisions relating to providing resources to the entity.

AASB S1 is a **voluntary Standard** that entities can elect to apply.

AASB S2 *Climate-related Disclosures* is the Australian equivalent of IFRS S2 *Climate-related Disclosures*.

AASB S2 sets out the requirements for an entity to disclose information about its **climate-related risks and opportunities**. Appendix D to AASB S2 sets out the general requirements for disclosure of climate-related financial information and contains paragraphs drawn from the voluntary Standard AASB S1, however, the requirements apply only to climate-related financial information (not to the broader sustainability-related financial information).

AASB S2 integrates and builds on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

AASB S2 is a mandatory Standard that certain entities may be required to apply under the *Corporations Act 2001 (Cth)*.

The Australian Accounting Standards Board (AASB) issued two Australian Sustainability Reporting Standards (ASRS) in September 2024.

Decision-useful information

Global capital markets demand more consistent, comparable and verifiable information about entities' exposure to, and management of, climate-related risks and opportunities.

Having this information will enable investors to make more informed decisions relating to providing resources to entities.

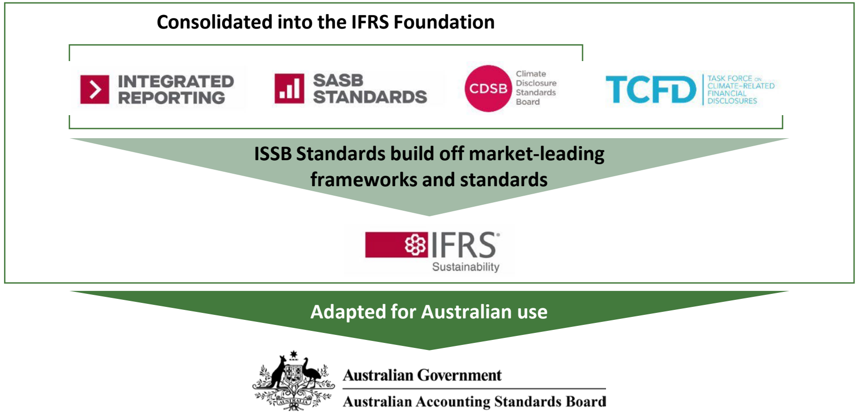
The AASB issued AASB S2 to support the Australian Government's decision to mandate climate-related financial disclosures for certain entities via the Corporations Act 2001.

AASB S2 provides an internationally aligned basis for disclosing climate-related financial information to primary users of general purpose financial reports.

ASRS align with the IFRS Sustainability Disclosure Standards, IFRS S1 and IFRS S2, enabling Australia to follow the IFRS global baseline for sustainability and climate reporting. The IFRS Sustainability Disclosure Standards are issued by the International Sustainability Standards Board (ISSB).

The global baseline provides a common language for sustainability information, enabling comparable and consistent disclosures across global capital markets.

The IFRS Sustainability Disclosure Standards consolidate the work of the Climate Disclosure Standards Board (CDSB), International Integrated Reporting Council (IIRC) and the Sustainability Accounting Standards Board (SASB), and are informed by the Task Force on Climate-related Financial Disclosures (TCFD).



Development of the ASRS

Australian stakeholder feedback indicated a strong preference for alignment with the ISSB's global baseline.

Rationale

The Australian Government released its final policy design for mandatory climate-related financial disclosure requirements in January 2024 following multiple consultations led by the Treasury. This confirmed the Government's intention to take a 'climate first, but not only' approach to mandatory disclosure requirements.

The AASB recognised that while the Australian Government's initial focus is on mandatory climate-related financial information disclosure requirements, mandatory disclosure requirements for other sustainability-related topics may be developed over time.

Accordingly, the AASB issued the ASRS to:

- **support the Australian Government's decision** to require large businesses and financial institutions to prepare climate-related financial disclosures
- **accommodate any potential expansion** of mandatory reporting requirements beyond climate-related disclosures
- **align disclosure requirements** in Australia as far as practical with the ISSB global baseline.

Public Consultation

The AASB undertook an extensive public consultation process to develop the ASRS. Key milestones in the development of ASRS:

- **June 2023** – IFRS S1 and IFRS S2 issued by the ISSB
- **October 2023** – Exposure Draft ED SR1 *Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information* published for 130-day comment period
- **October 2023 – March 2024** – Stakeholders provided extensive feedback to the AASB through survey responses, comment letters, and participation in virtual and in-person roundtables
- **April – September 2024** – Stakeholder feedback analysed and 46 staff papers discussed across six public AASB meetings to decide the requirements and drafting of the ASRS
- **September 2024** – Final ASRS approved and published by the AASB

Modifications from the IFRS baseline

Rationale

Australian stakeholder feedback generally favoured the ASRS incorporating the ISSB Standards' requirements with minimal or no modifications. However, many stakeholders were of the view that there are a few Australian-specific circumstances that would warrant departure from the ISSB's global baseline.

The AASB modified the ISSB's global baseline in a small number of areas within the ASRS in response to Australian-specific circumstances, including legislative and policy considerations, and references to Australia's jurisdictional context and relevant legislation.

Australian-specific paragraphs that are not included in IFRS S1 or IFRS S2 are identified with the prefix "Aus" in AASB S1 or AASB S2.

IFRS S1 or IFRS S2 paragraphs that have been omitted from AASB S1 or AASB S2 are identified with the text "[Deleted by the AASB]" appearing beside the relevant paragraph number.

AASB S1

AASB S1 incorporates IFRS S1 requirements, with modifications with respect to the following matters:

- Australian-specific paragraphs to help clarify the voluntary status of AASB S1
- some of the transition reliefs available under IFRS S1 have been modified or omitted due to the voluntary status of the Standard
- definition of users of a not-for-profit entity's general purpose financial report.

AASB S2

AASB S2 also incorporates IFRS S2 requirements, with modifications with respect to the following matters:

- Australian-specific appendix (Appendix D) detailing general requirements for the disclosure of climate-related financial information (drawn from the voluntary Standard AASB S1 but limited in scope to climate-related financial information only)
- options regarding consolidated reporting under the Australian legislation that requires sustainability reports
- omission of requirements to consider and disclose industry-based information
- definition of users of a not-for-profit entity's general purpose financial report.

To which entities does AASB S2 apply?

Who must report?

Climate-related financial reporting will be mandatory for certain entities that prepare a financial report under Chapter 2M of the Corporations Act 2001 and meet relevant criteria outlined under section 292A of the Act, including:

- entities meeting at least two of three size criteria (revenue, assets, employees)
- National Greenhouse and Energy Reporting (NGER) reporters
- asset owners with value of assets above specified thresholds

Further detail on which entities may fall within the climate-related financial reporting mandate can be found on the ASIC website.

Commencement date

Australian entities are subject to a phased approach to mandatory climate-related financial reporting, which classifies relevant entities into one of three groups.

The timing of the first reporting period for which an entity must apply AASB S2 is phased into groups:

- Group 1 entities: First annual reporting periods beginning on or after January 1, 2025
- Group 2 entities: First annual reporting periods beginning on or after July 1, 2026
- Group 3 entities: First annual reporting periods beginning on or after July 1, 2027.

Voluntary application

Entities can elect to apply AASB S1 and/or AASB S2 voluntarily.

If an entity voluntarily chooses to apply either or both Standards, the entity must comply with all of the requirements in order to state compliance with the Standard or Standards.

The AASB does not mandate which entities must apply ASRS or when they must do so—this is determined by Australian legislation

How to use the ASRS

Essentials

AASB S1 and AASB S2 set out the requirements for disclosing information about an entity's sustainability-related and climate-related risks and opportunities, respectively.

Requirements are set out in paragraphs in each Standard and its Appendices. These paragraphs have equal authority and **must be followed** if applying a Standard.

Appendices are mandatory parts of the Standards and contain important information regarding interpretation and application, such as definitions and Application Guidance.

Basis for Conclusions

The Standards also include a Basis for Conclusions, as indicated by the prefix "BC" in paragraphs. The Basis for Conclusions **does not form part of the mandatory requirements in a Standard.** It summarises the AASB's considerations in developing a Standard. While it does not impose any additional requirements, the content may be helpful for both users and preparers.

Accessing the ASRS

AASB S1 and AASB S2 can be accessed via the **AASB Standards Portal**. The Standards are free for personal, non-commercial use.

The Terms of Use for Users of Australian Sustainability Reporting Standards permits users to reproduce the Standards for the user's 'professional use' or private study and education. Professional use includes the preparation of financial statements or sustainability disclosure reports.

All other uses, such as commercial training and conferences, reporting software, investment analysis, data services and product development, are not permitted without a separate licence. Contact the AASB (**standard@aasb.gov.au**) or the IFRS Foundation (**permissions@ifrs.org**) for further information about a separate individual licence for such other uses.

Proportionate and phased requirements

Designed for proportionality

AASB S1 and AASB S2 seek to achieve a balance between the costs for entities in applying the requirements and ensuring investors are provided with consistent, comparable and verifiable information.

Many requirements in AASB S1 and AASB S2 are designed to be applied in a manner appropriate for an entity's circumstances—that is, the requirements are 'proportionate' to the range of capabilities and preparedness of Australian entities.

The Standards also allow for temporary or permanent relief from some requirements, depending on an entity's circumstances. For example, an entity need not provide quantitative information about the anticipated financial effects of a sustainability-related or climate-related risk or opportunity if the entity does not have the skills, capabilities or resources to provide quantitative information. The entity would instead provide qualitative information.

Use of reasonable and supportable information

AASB S1 and AASB S2 include the concept of **'reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort'** in key areas to mitigate the challenges entities might encounter when applying requirements that involve a high level of judgement or uncertainty. This includes identifying sustainability-related risks and opportunities, and using climate-related scenario analysis. For example, the efforts expected of an entity with more limited resources are likely to be less than those expected of a more well-resourced entity, with all else being equal.

First-year transition reliefs for entities

AASB S2 provides transition reliefs in the first year an entity applies the Standard, including relief from the requirements to:

- disclose Scope 3 greenhouse gas (GHG) emissions information, including the requirements for entities that have asset management, commercial banking or insurance activities to provide additional information about financed emissions
- use the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* (*GHG Protocol Corporate Standard*) to measure Scope 1, Scope 2 and Scope 3 GHG emissions in specific circumstances
- disclose comparative information.

AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information*

AASB S1 is a **voluntary Standard** that entities can elect to apply. There is currently no requirement in Australian legislation for entities to apply AASB S1. Applying AASB S1 allows an entity to disclose information about its sustainability-related risks and opportunities that is useful to investors in making decisions relating to providing resources to the entity.

It sets out the general requirements for how an entity should disclose that information, and the requirements for providing a complete set of sustainability-related financial disclosures.

Many of the conceptual foundations and general requirements of AASB S1 broadly replicate those from the AASB's *Conceptual Framework for Financial Reporting* and the AASB's Australian Accounting Standards, including AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

These foundations and requirements will be familiar to entities that prepare financial statements, particularly entities that prepare them in accordance with Australian Accounting Standards.

How is sustainability-related financial information useful to investors?

AASB S1 states that information about sustainability-related risks and opportunities is useful to investors because an entity's ability to generate cash flows over the short, medium and long term is inextricably linked to the interactions between the entity and its stakeholders, society, the economy and the natural environment throughout the entity's value chain.

Together, an entity and the resources and relationships throughout its value chain form an interdependent system in which the entity operates. The entity's dependencies and impacts on those resources and relationships give rise to its sustainability-related risks and opportunities.

AASB S1 does not require an entity to provide information about every sustainability-related risk and opportunity. Rather, the Standard requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect its 'prospects'—its cash flows, access to finance or cost of capital over the short, medium or long term. AASB S1 builds on concepts from the Integrated Reporting Framework, which helps entities articulate how they rely on, use and affect different types of resources and relationships (financial, social, human, natural, etc.) to create, preserve or erode value for investors over time.

How can sustainability-related risks and opportunities affect an entity's prospects?

When an entity's business model depends on a natural resource, such as water, it is likely to be affected by changes in the quality, availability and pricing of that resource. When an entity's activities result in adverse external impacts, like harm to local communities, it could be subjected to stricter government regulations or see its reputation damaged.

When an entity's business partners face significant sustainability-related risks and opportunities, the entity could be exposed to related consequences.

Core content of AASB S1

AASB S1 uses the four pillars of the TCFD Framework (governance, strategy, risk management, and metrics and targets) for disclosing information about sustainability-related risks and opportunities.

An entity's sustainability-related risks and opportunities (R&O) arise out of the interactions between the entity and its stakeholders, society, the economy and the natural environment throughout the entity's value chain.

Governance

Governance processes, controls and procedures to monitor, manage and oversee sustainability-related R&O

Strategy

Strategy for managing sustainability-related R&O

Risk Management

Processes to identify, assess, prioritise and monitor sustainability-related R&O

Metrics and Targets

Metrics used to measure and monitor performance in relation to sustainability-related R&O and progress towards targets

AASB S2 *Climate-related Disclosures*

AASB S2 requires an entity to disclose information about its governance, strategy and risk management, as well as metrics and targets, in relation to its climate-related risks and opportunities (R&O).

Climate-related risks refers to the potential negative effects of climate change on an entity. Climate-related risks are associated with both physical risks (such as those resulting from increased severity of extreme weather) and transition risks (such as those associated with policy action and changes in technology).

Climate-related opportunities refers to the potential positive effects arising from climate change for an entity. Efforts to mitigate and adapt to climate change can produce opportunities for entities, such as opportunities to develop new products or capture new business.

Governance

Governance processes, controls and procedures to monitor, manage and oversee climate-related R&O

Strategy

Strategy for managing climate-related R&O

Risk Management

Processes to identify, assess, prioritise and monitor climate-related R&O

Metrics and Targets

Metrics used to measure and monitor performance in relation to climate-related R&O and progress towards targets

Governance

AASB S2 requires an entity to disclose information that enables investors to understand the governance processes, controls and procedures the entity uses to monitor, manage and oversee climate-related risks and opportunities. An entity is required to identify the governance bodies, such as a board or committee (or individuals) with oversight of climate-related risks and opportunities.

An entity is required to disclose information about:

- how responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates and role descriptions of the governance bodies or individuals
- how the bodies or individuals determine whether the entity has people with the right skills and competencies, or whether these should be developed, to oversee its strategies
- management’s role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.

Integrating disclosures

Appendix D of AASB S2 emphasises that an entity is required to provide information that enables investors to understand the connections between various climate-related risks and opportunities. This information includes the climate-related risks and opportunities set out in AASB S2. When an entity uses the same governance and oversight processes for different climate-related risks and opportunities, it would also integrate its disclosures on governance—rather than providing separate governance disclosures for each climate-related risk and opportunity.

Strategy

AASB S2 requires an entity to disclose information that enables investors to understand the entity's strategy for managing climate-related risks and opportunities.

Climate-related risks and opportunities

Climate change is likely to present risks for nearly all entities and economic sectors. It also might create opportunities for entities, including those focused on mitigating and adapting to the effects of climate change. As such, an entity is required to disclose information about the climate-related risks and opportunities that could reasonably be expected to affect its prospects.

Strategy and decision-making

Climate-related risks and opportunities can affect how an entity sets its strategy and makes decisions. To help investors understand the effects of climate-related risks and opportunities on an entity's strategy and decision-making, the entity is required to disclose information about:

- current and anticipated changes to its business model
- current and anticipated direct and indirect adaptation or mitigation efforts
- plans, if it has any, to transition to a lower-carbon economy
- how it plans to achieve its climate-related targets.

An entity is also required to disclose information about how it is currently resourcing, or plans to resource, its response to climate-related risks and opportunities. Furthermore, an entity is required to disclose quantitative and qualitative information about the progress of plans disclosed in previous reporting periods.

Strategy

Current and anticipated financial effects

AASB S2 requires an entity to identify how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period. For example, an entity might disclose how an asset impairment was affected by its strategy for managing a transition risk. Or the entity could identify how an investment in new technologies reflected in the statement of financial position is related to its strategy to pursue a climate-related opportunity.

An entity is also required to explain the anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term. For example, an entity could disclose the anticipated financial effects of its transition to a lower carbon economy, such as increased revenue from products and services or anticipated costs associated with climate adaptation or mitigation. AASB S2 sets out criteria for when quantitative and qualitative information is required, and when disclosing only qualitative information is permitted.

Climate resilience

Climate-related changes, developments and uncertainties can affect the resilience of an entity's strategy and business model. To help investors understand its resilience, an entity is required to disclose information about the implications of climate change for its strategy and business model, and its financial and operational capacity to adjust or adapt over the short, medium and long term.

AASB S2 requires all entities to use climate-related scenario analysis to inform their disclosures about their resilience to climate change. However, climate-related scenario analysis can be carried out in varied ways and AASB S2 requires an entity to use an approach that is commensurate with the entity's circumstances.

AASB S2 contains application guidance on how an entity is required to determine the method of scenario analysis it uses to assess its climate resilience.

AASB S2 does not specify which scenarios an entity should use in its analysis but requires the entity:

- to use relevant scenarios and provide information about the scenarios it has selected
- to provide information about other relevant assumptions it has used in the scenario analysis to enable investors to understand its disclosures and the related methodology.

Beyond the requirements of AASB S2, entities subject to the climate-related financial reporting mandate must also ensure they comply with requirements relating to scenario analysis set out in Australian legislation, such as section 296D of the Corporations Act 2001.

Risk management

AASB S2 requires an entity to disclose information that enables investors to understand the processes the entity uses to identify, assess, prioritise and monitor climate-related risks and opportunities.

This information includes the extent to which, and how, the processes to identify, assess, prioritise and monitor climate-related risks and opportunities are integrated into, and inform, the entity's overall risk management process.

An entity is also required to explain whether and how it has used climate-related scenario analysis to inform its identification of climate-related risks and opportunities.

Integrating disclosures

When an entity uses the same risk management process to identify, assess, prioritise or monitor different climate-related risks and opportunities, it would also integrate its disclosures—rather than providing separate risk management disclosures for each climate-related risk and opportunity.

Metrics and targets

AASB S2 requires an entity to disclose information that enables investors to understand the entity's performance in relation to its climate-related risks and opportunities.

An entity is required to disclose:

- information related to cross-industry metric categories
- targets it has set, or those it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used to measure progress towards these targets.

GHG emissions disclosure

AASB S2 requires an entity to disclose its absolute GHG emissions, expressed as metric tonnes of carbon dioxide equivalent (CO2e). Emissions must be measured in accordance with the GHG Protocol Corporate Standard unless a jurisdiction, or an exchange on which an entity is listed, requires the entity to use a different approach to measurement. An entity is required to provide information about Scope 1, Scope 2 and Scope 3 GHG emissions.

The requirement to disclose Scope 3 GHG emissions reflects the importance of providing information related to an entity's value chain, to more fully inform investors' understanding of an entity's exposure to transition risk. An entity must consider the 15 categories of Scope 3 GHG emissions set out in the *GHG Protocol Corporate Value Chain (Scope 3) Standard*, with information being disclosed when material, and provide disaggregated information about its Scope 3 GHG emissions when material.

Entities with activities in asset management, commercial banking or insurance are required to disclose information about their 'financed emissions', including absolute gross financed emissions disaggregated by Scope 1, Scope 2 and Scope 3 GHG emissions (in some cases for each industry by asset class), in accordance with the application guidance in AASB S2.

Metrics and targets

Measuring Scope 3 GHG emissions

An entity's measurement of Scope 3 GHG emissions is expected to include the use of estimation.

AASB S2 does not specify the inputs an entity is required to use to measure its Scope 3 GHG emissions. Instead, AASB S2 requires an entity to prioritise inputs (such as data from specific activities in the value chain) that are most likely to enable a faithful representation of the measurement of the entity's Scope 3 GHG emissions.

An entity is required to use all reasonable and supportable information that is available at the reporting date without undue cost or effort when selecting the measurement approach, inputs and assumptions used in measuring its Scope 3 GHG emissions. As such, the approach taken will depend on an entity's facts and circumstances.

Cross-industry metric disclosures

In addition to GHG emissions, cross-industry metric disclosures include:

- climate-related transition risks—the amount and percentage of assets or business activities vulnerable to transition risks
- climate-related physical risks—the amount and percentage of assets or business activities vulnerable to physical risks
- climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities
- capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities
- internal carbon prices used to assess the cost of emissions
- remuneration of executives and management linked to climate-related considerations.

Climate-related targets

AASB S2 requires an entity to disclose the climate-related targets it has set, as well as those it is required to meet by law or regulation, including any GHG emissions targets. An entity is required to disclose information about the characteristics of each target, how it sets and reviews each target, and its performance against each target.

In disclosing this information, an entity is required to disclose how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.

If an entity has a GHG emissions target, the entity is required to specify whether the target is a gross emissions target or a net emissions target. If an entity discloses a net emissions target, it is also required to separately disclose its associated gross emissions target. When an entity discloses net GHG emissions targets it is required to include information about any carbon credits it plans to use.

Appendix D

Appendix D of AASB S2 contains paragraphs drawn from AASB S1. However, the requirements in Appendix D **only apply to climate-related financial information**, and not the broader sustainability-related financial information covered by AASB S1.

Entities are required to comply with all the requirements in Appendix D, as well as the other requirements in AASB S2, in order to make an explicit and unreserved statement of compliance with AASB S2.

Conceptual Foundations

Material information

The aim of AASB S2 is to meet the information needs of users of general purpose financial reports (‘investors’). To comply with the requirements of AASB S2, an entity will disclose material information about the climate-related risks and opportunities that could reasonably be expected to affect its prospects.

The definition of material information is aligned with that used in Australian Accounting Standards.

Definition of material information

‘In the context of climate-related financial disclosures, information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports, which include financial statements and climate-related financial disclosures and which provide information about a specific reporting entity.’ (Appendix D, paragraph 18)

Fair presentation

AASB S2 requires that a complete set of climate-related financial disclosures presents fairly all climate-related risks and opportunities that could reasonably be expected to affect an entity’s prospects. The fair presentation requirements in AASB S2 include a requirement for an entity to disclose relevant information about its climate-related risks and opportunities and to faithfully represent—provide a complete, neutral and accurate depiction of—those risks and opportunities.

Reporting entity

AASB S2 requires the reporting entity for climate-related financial disclosures to be the same as the reporting entity for the financial statements, unless otherwise permitted by law. For example, a parent entity that presents consolidated financial statements in accordance with Australian Accounting Standards typically would provide climate-related financial disclosures for itself and its subsidiaries.

Information related to an entity's value chain

AASB S2 requires disclosure of material information about climate-related risks and opportunities throughout an entity's value chain. In the Standard, the 'value chain' is the full range of interactions, resources and relationships related to an entity's business model and the external environment in which it operates.

Connected information

AASB S2 requires an entity to provide information that enables investors to understand connections, including:

- connections between various climate-related risks and opportunities
- connections within climate-related financial disclosures, such as connections between disclosures on governance, strategy, risk management, and metrics and targets
- connections across the climate-related financial disclosures and the financial statements.

An entity is required to use data and assumptions in preparing its climate-related financial disclosures that are consistent—to the extent possible—with the corresponding data and assumptions used in preparing its related financial statements.

Example of connected information

- An entity decides to discontinue a product associated with significant greenhouse gas emissions and therefore closes the related production facility. In its disclosures, the entity makes clear the link between its decision to manage the climate-related risk and any effects this has on its financial statements (as prepared in accordance with applicable Australian Accounting Standards). The entity discloses the linkage between this decision and other climate-related risks and opportunities, such as effects on the entity's reputation and its relationships with local communities.

General Requirements

Location of disclosures

An entity is required to provide disclosures required by ASRS as part of its general purpose financial reports, which include the entity's financial statements.

An entity may provide additional information on climate-related matters beyond what is required by AASB S2, but only if that additional information does not obscure material information required by AASB S2.

Timing of reporting

An entity is required to publish its climate-related financial disclosures at the same time as its related financial statements, both covering the same reporting period.

Comparative information

An entity is required to disclose comparative information for all amounts disclosed in the reporting period.

However, comparative information need not be provided in the first year an entity applies AASB S2.

Statement of compliance

An entity that complies with all requirements in AASB S2 is required to make an explicit and unreserved statement of compliance. An entity is able to assert compliance only if it meets all the requirements of AASB S2, including the requirements in Appendix D.

AASB S2 relieves an entity from disclosing information otherwise required by the Standard if law or regulation prohibits the entity from disclosing that information. The Standard also relieves an entity from disclosing information about a climate-related opportunity if that information is commercially sensitive.

Judgements, uncertainties and errors

An entity is required:

- to disclose information to help investors understand the judgements it has made in the process of preparing its climate-related financial disclosures and that have had the most significant effect on the information included in those disclosures
- to disclose information about the most significant uncertainties affecting the amounts reported in its climate-related financial disclosures
- to restate comparative information to correct prior period errors unless it is impracticable to do so.

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Access the ASRS through the AASB Standards Portal

https://standards.aasb.gov.au/