ASRS IP

AUSTRALIAN SUSTAINABILITY
REPORTING STANDARDS
INTELLIGENCE PLATFORM

Q1 2026 State of the Market

What Australia's debut ASRS cohort reveals.

A quarterly synthesis of Group 1 climate-related disclosures lodged with ASIC.

PREPARED BY

Purpose Bureau and Monash Business School

Edition One · May 2026

Disclaimer

Important information regarding the scope and purpose of this report.

This report has been prepared by Purpose Bureau in partnership with Monash Business School for general information and research purposes. The views, findings, interpretations and conclusions expressed in this report are those of the authors and do not necessarily reflect the views of any partner institution or their respective affiliates.

While reasonable care has been taken to ensure the accuracy of the information presented, the authors make no representations or warranties, express or implied, as to the completeness, accuracy, reliability or suitability of any information contained in this report.

This report does not constitute legal, accounting, financial, taxation or other professional advice. Readers should obtain independent professional advice before acting on any information contained in this report. To the maximum extent permitted by law, the authors accept no liability for any loss, damage, cost or expense incurred by, or arising from, any person using or relying on the information contained in this report.

Where individual entities are referenced in the underlying data set, no individual reporter is named in this publication. All insights are presented in aggregate or by characteristic class such as industry, ownership category or listing status. This report does not seek to provide an evaluation of how corporates should be reporting under the Australian Sustainability Reporting Standards, or what constitutes the quality of an individual disclosure. The operational profile, materiality assessment and reporting boundaries of each entity are critical determinants of what its disclosure ought to contain and remain outside the scope of this report.

About this report

An evolving evidence base on Australia's first cohort of ASRS reporters.

The Australian Sustainability Reporting Standards came into legal effect on 1 January 2025. Group 1 reporters, being large entities that meet defined size or NGER thresholds, are the first cohort required to report.

This publication provides a quarterly synthesis of the disclosures lodged in that first cohort, prepared by Purpose Bureau in collaboration with Monash Business School.

Purpose Bureau is an environmental, social and governance bureau monitoring approximately 2.5 million Australian businesses.

The ASRS Intelligence Platform (ASRS IP) is the underlying database compiled for the analysis presented in this report. ASRS IP retrieves and parses every Group 1 sustainability report against the AASB S2 disclosure taxonomy.

The dataset and the analytical infrastructure are made available to coalition partners for joint research and policy work.

COALITION PARTNERS

purpose bureau

MONASH University | MONASH BUSINESS SCHOOL

TECHNICAL PARTNER

FORESIGHT

01

Foreword and methodology

Context, approach and the boundary of analysis.

Foreword

From the coalition publishing this report.

The Australian Sustainability Reporting Standards (ASRS) came into legal effect on 1 January 2025, introducing a mandatory climate-related disclosure regime, supported by mandatory assurance, across a wide cross-section of Australian business activity.

This report synthesises that body of disclosure for reporting periods ending on or before 31 December 2025, with a focus on the demographic composition of the reporting cohort, the architecture of the disclosures themselves, the substance of what has been reported under each of the four pillars of AASB S2 — governance, strategy, risk management, and metrics and targets — and the structure of the assurance market that has formed around it.

The report does not seek to evaluate, rank or rate the quality of any individual disclosure. The analytical approach throughout is to document the patterns observable across the cohort and to provide the structural context that allows readers to interpret these patterns according to their own analytical priorities.

Several cross-cutting observations are worth noting at the outset. Board-level oversight of climate has been broadly institutionalised across the reporting cohort, but its translation into executive remuneration, management processes and capital allocation remains uneven. Scenario analysis is disclosed by the great majority of reporters, but only half present quantified scenario outcomes. The assurance market is concentrated in its first year and by firm and by engagement scope, with substantial room to evolve before the step-up to reasonable assurance commences in FY 2028-29.

Methodology

A bottom-up view of every identified Group 1 filer, decomposed against the AASB S2 taxonomy.

Purpose Bureau identifies and tracks the Group 1 reporter universe through its bureau infrastructure, which is mapped to the ASIC and Australian Business Registers. The reports obtained and analysed capture the first batch of reporters, covering reporting period calendary year 2025. The remainder of the Group 1 universe, predominantly entities with June or other non-December balance dates, will lodge reports in subsequent quarters of 2026.

Australian listed businesses are required under the requirements to publish their ASRS report as the principle mechanism to provide it to their investors. Unlisted entities and foreign-listed domestic-registered businesses will typically not be required to publish their ASRS report publicly in order to meet this requirement.

The data model transforms each disclosure into a structured record covering more than 400 fields, organised across analytical pillars. The model is designed to capture every required AASB S2 disclosure element with source evidence traceability back to the underlying report PDF.

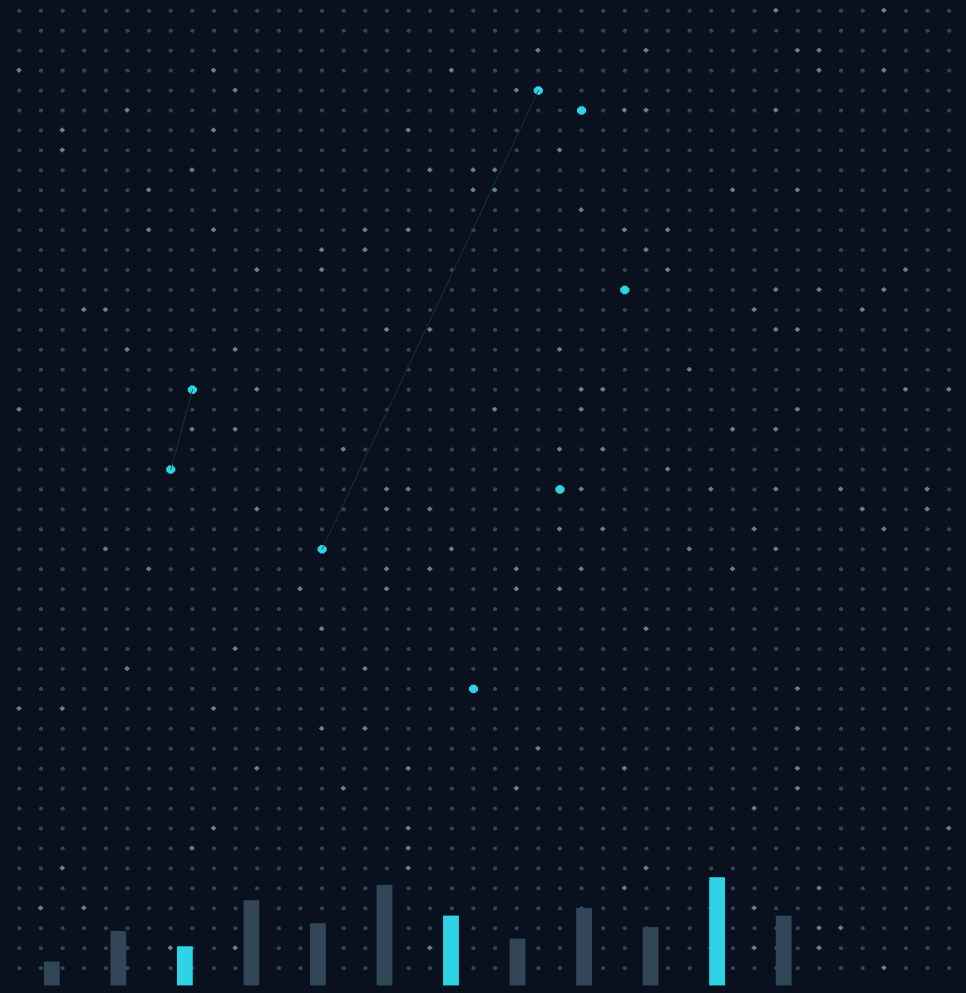
THE Q1 2026 EVIDENCE BASE

238	Group 1 reports analysed
400+	Fields captured from each report against the AASB S2 disclosure taxonomy
1,175	Estimated total Group 1 universe per the Purpose Bureau cohort estimate
6	Analytical pillars covering profile, structure, governance, risk, metrics and targets, and assurance

02

Key findings

Ten observations from the Q1 2026 cohort.



Ten findings from the Q1 2026 cohort

01 **Around 20% of Group 1 has reported**

238 of the estimated 1,175 entity Group 1 universe captured by ASRS IP. The cohort comprises entirely December balance date reporters.

02 **Mining, financial and insurance, and manufacturing lead industry mix**

Mining (20%), financial and insurance (18%), and manufacturing (16%) together account for approximately 54% of the cohort.

03 **Long-term horizons cluster around 25 years**

Median horizons of 3, 10 and 25 years define short, medium and long term; long-term horizons span 4 to 75 years.

04 **Strategy and Targets & Metrics dominate the page count**

Across the four AASB S2 pillars, Strategy accounts for 38% of average disclosure content and Targets & Metrics account for an additional 17% of content.

05 **6.2 risks and 1.7 opportunities, on average**

Reporters identify on average 6.2 transition or physical risks and 1.7 opportunities. Businesses are three times more likely to report a risk than an opportunity.

06 **Scope 3 disclosure largely deferred under transitional relief**

Only 7% of reporters disclose any categories of Scope 3, which may not capture all material categories to those businesses.

07 **Scenario analysis is quantified by half of reporters**

Around 98% of reporters disclose scenario analysis, and 50% present quantified scenario outcomes. Quantification of risks and opportunities is one of the principle intended outcomes for use by investors of the ASRS regime.

08 **Transition plans exist for approximately four in ten reporters**

44% of reporters have disclosed a formal transition plan. Among those, Scope 3 reduction pathways are the least common element of disclosed transition plans.

09 **Net-zero targets get disclosed, progress less so**

Of the 36% of reporters with a net-zero target, only 38% include current progress reporting against the target.

10 **Assurance is concentrated with the Big Four and with the financial-statement auditor**

Approximately 90% of engagements sit with a Big Four firm, and 96% use the same firm as the financial statement audit. 27% of reporters use a different audit partner for their ASRS report than their financial report auditor, despite these being from the same audit firm.

03

Who are the reporters

Demographic composition of the Q1 2026 cohort.

Q1 2026 represents approximately 20% of the Group 1 universe

Reporters with non-December balance dates are largely yet to lodge their first ASRS report.

The figure represents approximately 20% of the estimated 1,175 entity Group 1 universe. The remainder, the great majority of which will lodge reports through Q3 and Q4 of 2026.

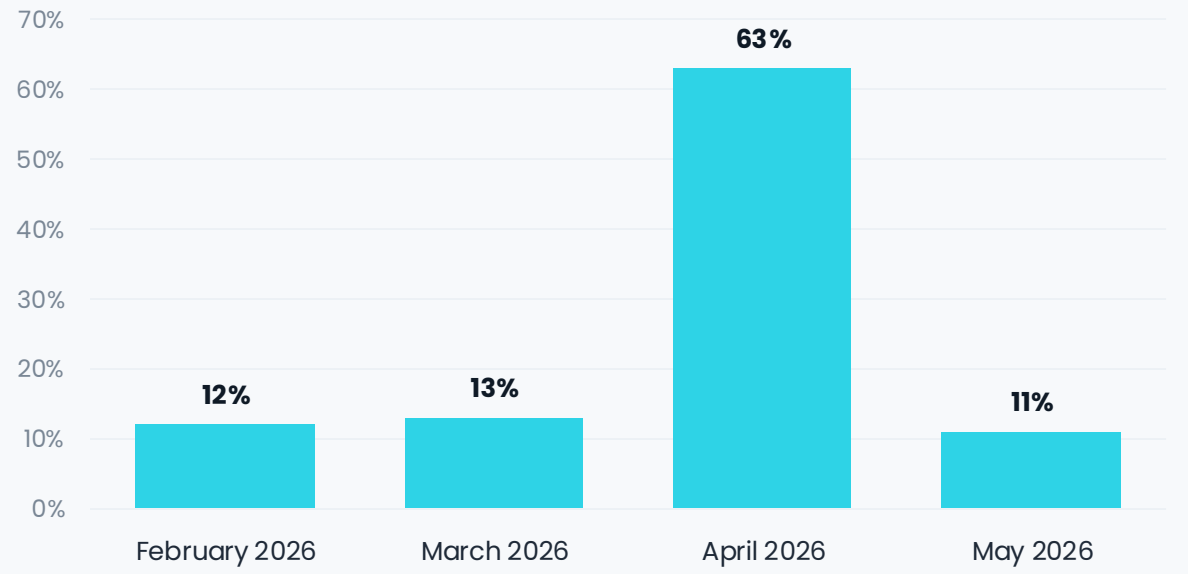
The analytical surface will expand materially from Q3 onward as the June-balance cohort lodges and the picture broadens to industries, financial services, professional services and others, that are under-represented in this first cut.

238

Group 1 entities captured by ASRS IP

LODGEMENT MONTH · Q1 2026 COHORT

Share of cohort by month, per cent



The cohort splits across four ownership and listing categories

Foreign-controlled entities listed on overseas exchanges are the single largest segment, accounting for almost half of the cohort.

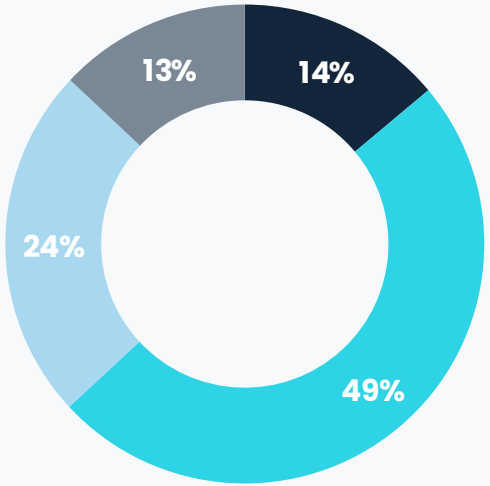
ASRS is administered by reference to size thresholds and does not differentiate by listing status. The regime captures a broad cross-section of corporate Australia.

49%

of the Q1 cohort is foreign-controlled and listed offshore

WHY THE COHORT SPLITS THIS WAY

Australian subsidiaries of foreign-listed multinationals make up the largest segment, reflecting the size thresholds that bring many global groups into ASRS through their AU operations. This shape influences disclosure practices and assurance approaches.



Domestic listed
33 entities

Foreign listed
117 entities

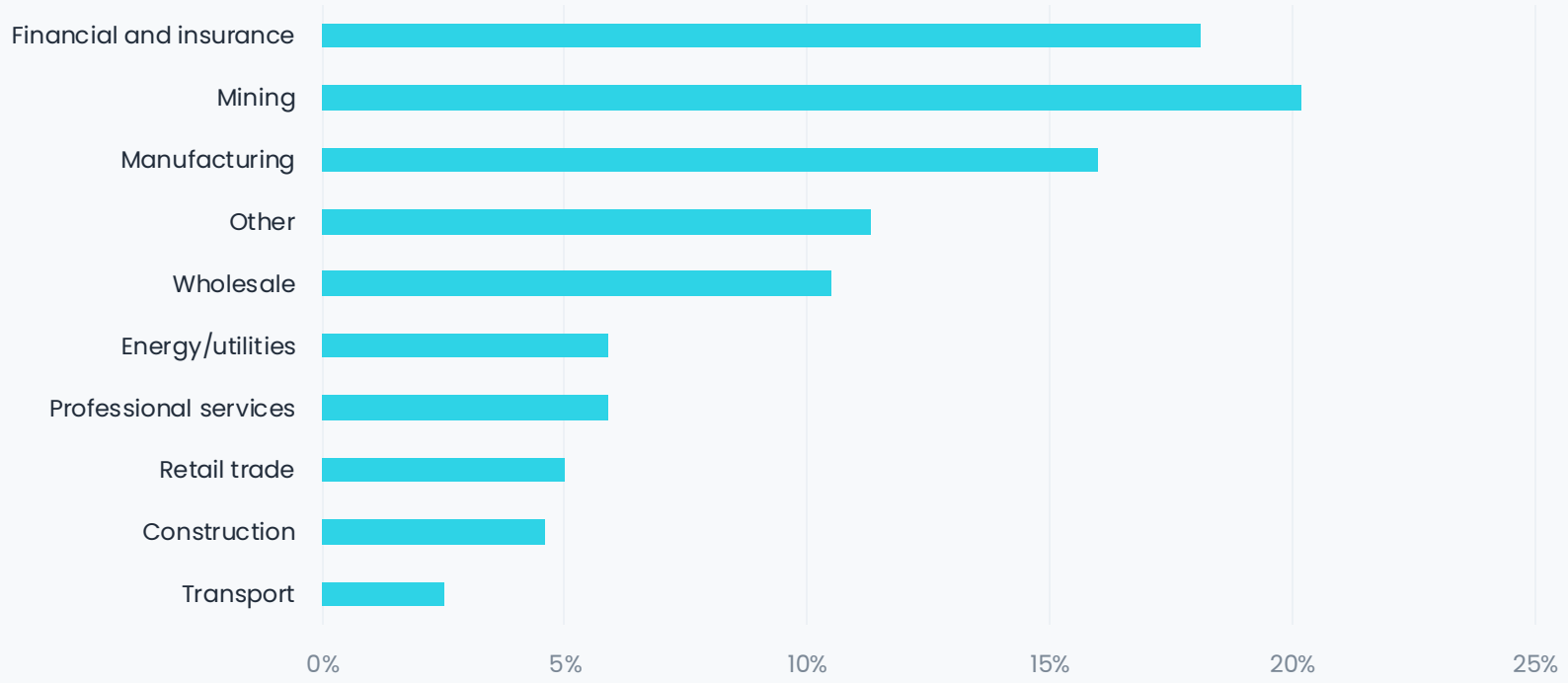
Domestic unlisted
57 entities

Foreign unlisted
31 entities

Three industries account for more than half of the Group 1 first reporters

Mining, Financial and insurance and Manufacturing together represent approximately 54% of first reporters.

INDUSTRY SHARE · Q1 2026 COHORT



INTERPRETATION

The Q1 cohort over-represents industries with December balance dates and industrial operations.

Mining, Financial and insurance and Manufacturing are heavily over-represented in the Q1 cohort relative to the broader Group 1 universe, while retail trade and construction are materially smaller shares.

How business model drives reporting decisions

Business-to-business models dominate the Q1 cohort, followed at distance by hybrid and business-to-consumer reporters.

- **63%** **Business-to-business**
- **13%** **Business-to-consumer**
- **19%** **Hybrid**
- **5%** **Business-to-government**

WHY ORIENTATION IS CAPTURED

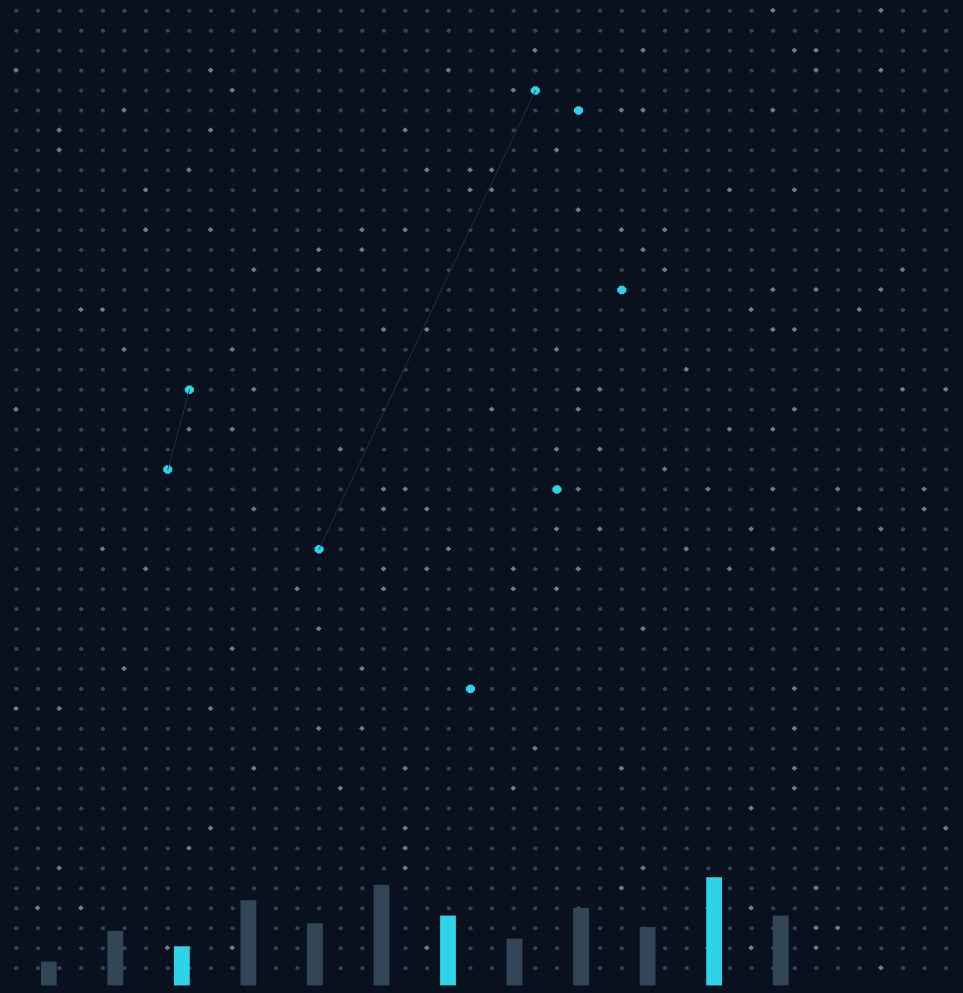
Customer orientation is a structural variable that correlates with the profile of climate-related risks and opportunities a reporter is likely to identify, and with the form in which it is likely to be disclosed.

Business-to-consumer reporters in the Q1 cohort more frequently discuss reputation, social licence and supply-chain transparency. Business-to-business reporters more frequently discuss policy, regulation, and supply chain exposure, and disclose a higher average number of decarbonisation levers per report.

04

How they are publishing

Where disclosures appear, how long they are, and the use of transitional relief.



Report length varies with NGER status and physical-risk exposure

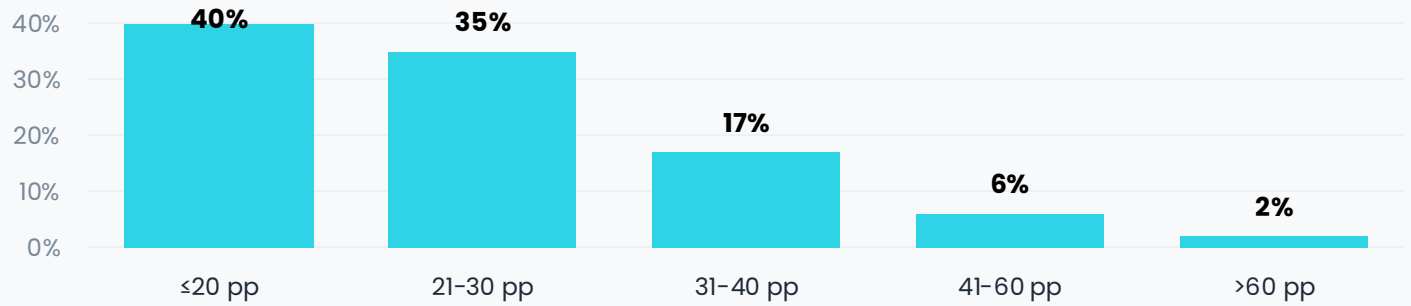
Median report length is 24 pages. Energy and resources entities, and reporters with NGER obligations, produce the longest disclosures.

24
Median report length, pages

4–78
Range across reporters, pages

+24%
Longer for NGER reporters

DISTRIBUTION OF REPORT LENGTH BY PAGE BAND



WHY REPORT LENGTH VARIES

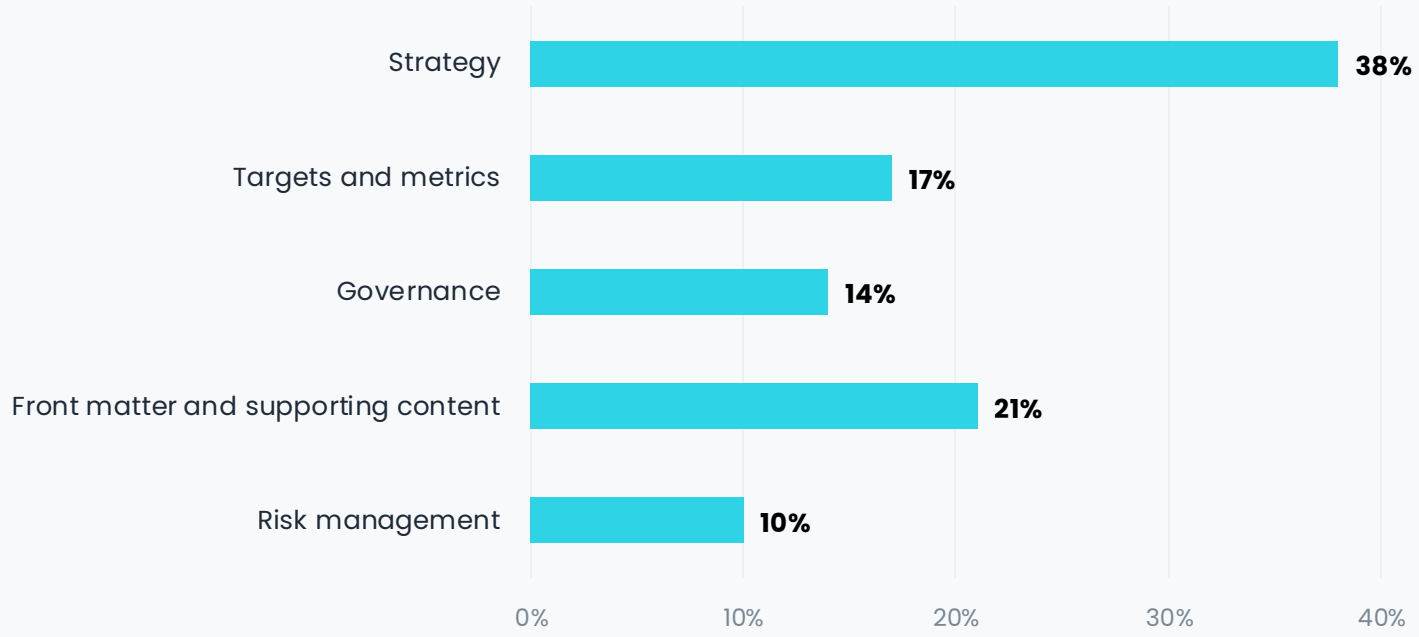
Two factors are associated with longer reports. First, NGER status drives more elaborate emissions methodology disclosures. Second, exposure to physical climate risk drives more elaborate scenario analysis and risk disclosures.

Reporters with both characteristics typically produce reports in the upper quartile of the distribution.

Strategy and Targets dominate the page count

Across the four pillars of AASB S2, Strategy alone accounts for approximately 38% of average disclosure content.

AVERAGE PAGE-SHARE CONTENT BY AASB S2 PILLAR

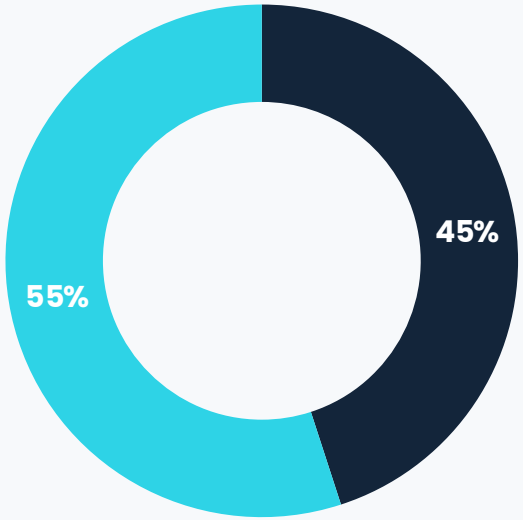


INTERPRETATION

Strategy is the longest pillar by page count, reflecting the substantive width of its requirements. Risk management, by contrast, is the shortest, often driven by a one-page recital of the risk identification process or a cross-reference to enterprise risk frameworks.

Embedded reporting is concentrated among ASX-listed entities

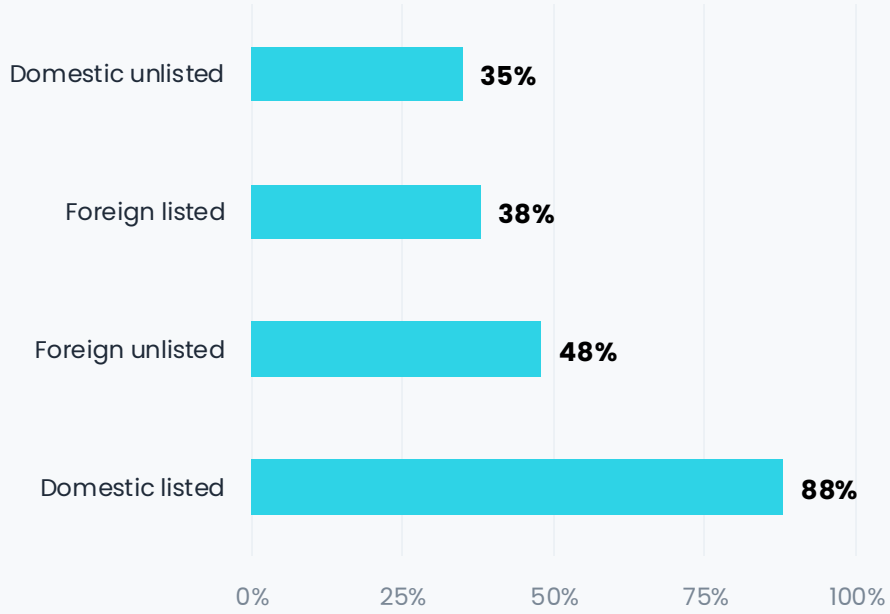
Among ASX-listed reporters, ~88% embed within the annual financial report. Among domestic unlisted reporters, the embedded share falls to ~35%.



Embedded in annual financial report

Standalone sustainability report

EMBEDDED SHARE BY OWNERSHIP CATEGORY



WHY EMBEDDING MATTERS

Embedded reporting integrates the disclosure within the annual financial report cycle, aligning the climate disclosure with audit and the board reporting cadence.

Unlisted reporters, which do not face the same continuous-disclosure conventions as ASX-listed entities, are more likely to publish a standalone report.

Use of transitional relief is widespread, particularly for Scope 3

All reporters lodge an unreserved compliance statement, but the majority rely on the c4(b) relief permitting limited Scope 3 disclosure in year one.

USE OF RELIEF PROVISIONS AND COMPLIANCE STATEMENTS · PER CENT OF Q1 COHORT

*explicit statement on the application of transitional relief

Approximately 93% of reporters relied on the Scope 3 transitional relief, with the very large majority deferring total Scope 3 disclosure to subsequent reporting cycles.

WHAT TO EXPECT NEXT

The transitional relief regime is structured to phase out across the first three reporting cycles. The c4(b) Scope 3 relief reduces in scope from FY 2026-27 and is the most consequential of the reliefs.

Reports lodged in subsequent quarters and years will progressively present a fuller Scope 3 picture.

05

What they are reporting

The substance of disclosure across the four pillars of AASB S2.

05.01 Governance

05.02 Risk management

05.03 Strategy

05.04 Targets and metrics

05.01

Governance

Board oversight, committee composition, engagement, and the linkage between climate performance and executive remuneration.

The disclosure requirements for governance

What AASB S2 expects reporters to disclose under this pillar.

The Governance pillar of AASB S2, Australia's version of IFRS S2, asks a straightforward question: who is responsible for climate at this company, and how do they actually do the job? It sets the accountability chain that every other disclosure in the report hangs from.

Reporters need to name the body or individual that oversees climate, describe how the right skills are brought to the table, and explain how climate considerations show up in board decisions on strategy, major transactions and risk. The disclosure also reaches down to management — how climate-related risks and opportunities are handled in the day-to-day running of the business.

WHAT REPORTERS MUST DISCLOSE

Responsibility for oversight

The body or individual charged with oversight, how that responsibility is reflected in mandates, terms of reference or other constitutional documents.

Skills and competencies

How the body ensures appropriate skills and competencies are available, including any climate-related training or assessment processes.

Information flow and frequency

How and how often the body is informed about climate-related risks and opportunities, including the management reporting cadence.

Linkage to remuneration

Whether and how performance metrics related to climate are included in remuneration policies for the responsible body and senior management.

Board-level oversight of climate is near-universal

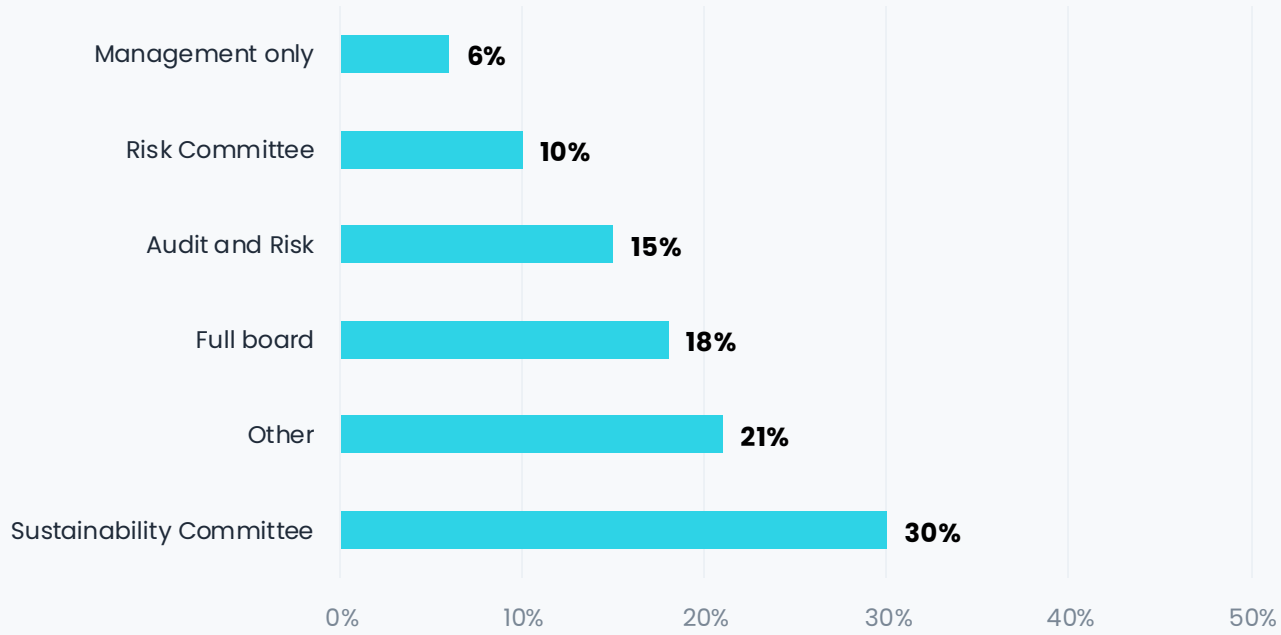
Dedicated Sustainability Committees are now the most common venue for board oversight, ahead of Audit and Risk Committees and full-board oversight.

96%

of Q1 reporters disclose explicit board-level climate oversight

Climate is firmly anchored at the top of the governance structure. The remaining 4% comprises a small group of reporters whose disclosure is limited to management-only oversight or broader ESG committees without explicit climate identification.

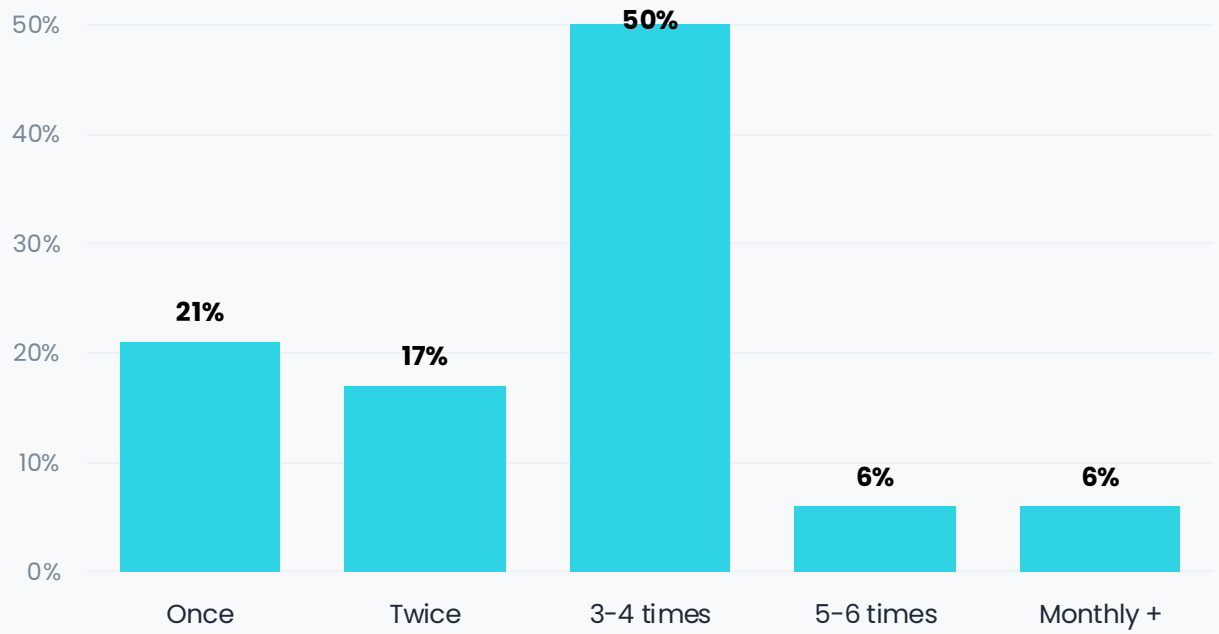
VENUE OF BOARD-LEVEL OVERSIGHT · PER CENT OF COHORT



Most boards engage on climate at least three times a year

Engagement frequency and climate skills training are widely disclosed; the depth of training is rarely described.

DISCLOSED ANNUAL BOARD ENGAGEMENT FREQUENCY



BOARD CLIMATE SKILLS AND TRAINING

85% of reporters disclose that boards/members received climate-related skills training

47% include a visual governance structure diagram in the disclosure

Climate-linked executive remuneration is in use at approximately 34% of reporters

Among these reporters, the typical share of executive pay linked to *climate KPIs sits around 10% with a wide distribution from below 5% to above 20%.

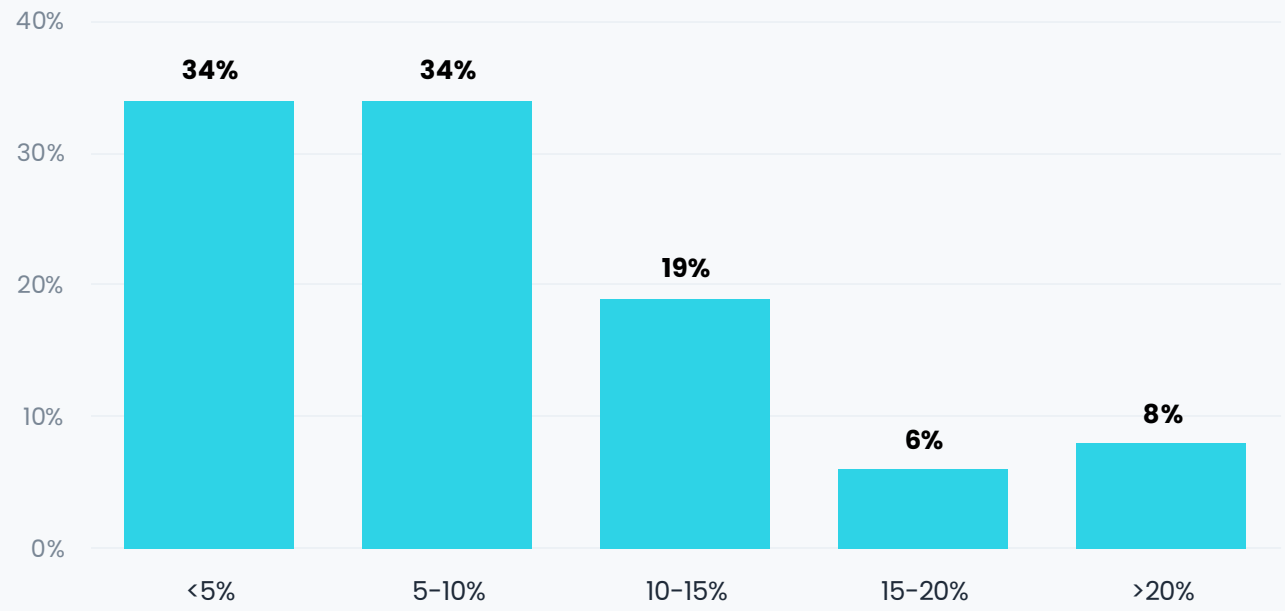
34%

of Q1 reporters tie executive remuneration to climate-related performance

Among those reporters, the median executive pay share linked to climate is 10% of total variable pay. Domestic listed reporters use climate-linked remuneration at substantially higher rates than unlisted reporters.

*the model tags executive remuneration as climate-linked if the remuneration framework explicitly states at least one climate-related performance metric

SHARE OF EXECUTIVE PAY LINKED TO CLIMATE KPIs · PER CENT OF REPORTERS WITH CLIMATE-LINKED REM



What the Q1 cohort tells us about governance

Conclusions from the first wave of disclosures under this pillar.

ANALYSIS

Board-level oversight of climate is firmly established in the Q1 cohort, with near-universal disclosure of an identified body responsible for oversight. The substantive variation lies in venue: dedicated Sustainability Committees host oversight more frequently than Audit and Risk Committees, with full-board and risk-committee venues making up a meaningful additional share.

Engagement cadence and climate skills training are widely disclosed, but the depth of training and the way competencies are assessed are rarely described. Beyond the headline percentages, governance disclosures remain procedural in character.

The linkage between climate performance and executive remuneration is the most uneven element of the pillar. Where it exists, it is concentrated in domestic-listed reporters and clustered around a 10% median share of variable pay, with a wide distribution. Among AU-owned unlisted reporters the linkage is the exception rather than the rule.

KEY FINDINGS

01 Board-level oversight is disclosed by 96% of reporters; full-board oversight sits at 18%.

02 Sustainability Committees host oversight at 30%; Audit and Risk Committees at 15%; Risk Committees at 10%.

03 Half of disclosing reporters engage on climate three to four times per year.

04 Climate skills training is disclosed by 85% of reporters; a governance-structure diagram appears in 47%.

05 Climate-linked executive remuneration is in use at 34% of reporters, with a median 10% of variable pay.

06 Domestic listed reporters use climate-linked remuneration at 52%; domestic unlisted at 21%.

05.02

Risk management

Climate-related risks and opportunities identified by the cohort, including physical and transition risk profiles.

The disclosure requirements for risk management

What AASB S2 expects reporters to disclose under this pillar.

AASB S2 requires entities to disclose the processes used to identify, assess, prioritise and monitor climate-related risks and opportunities, and whether and how those processes are integrated into the entity's overall risk management. The Risk Management pillar describes the machinery that produces the risk and opportunity inventory used elsewhere in the report.

The disclosures cover both physical risks (acute hazards such as flooding and storms; chronic hazards such as sustained higher temperatures) and transition risks (market, policy and legal, technology, and reputational categories). Climate-related opportunities are disclosed under the same framework. The standard prescribes the substance of the processes, not the risks themselves.

WHAT REPORTERS MUST DISCLOSE

Identification process

The processes and input parameters used to identify climate-related risks and opportunities, including whether scenario analysis is used as an identification tool.

Assessment and prioritisation

How the entity assesses the nature, likelihood, magnitude and time horizon of identified risks, and how it prioritises them relative to other risks.

Monitoring

How the entity monitors climate-related risks and opportunities once identified, including any changes in the processes used since the previous reporting cycle.

Integration

Whether and how processes for identifying, assessing, prioritising and monitoring climate-related risks are integrated into the entity's overall risk management process.

Reporters identify approximately 6.2 risks and 1.7 opportunities on average

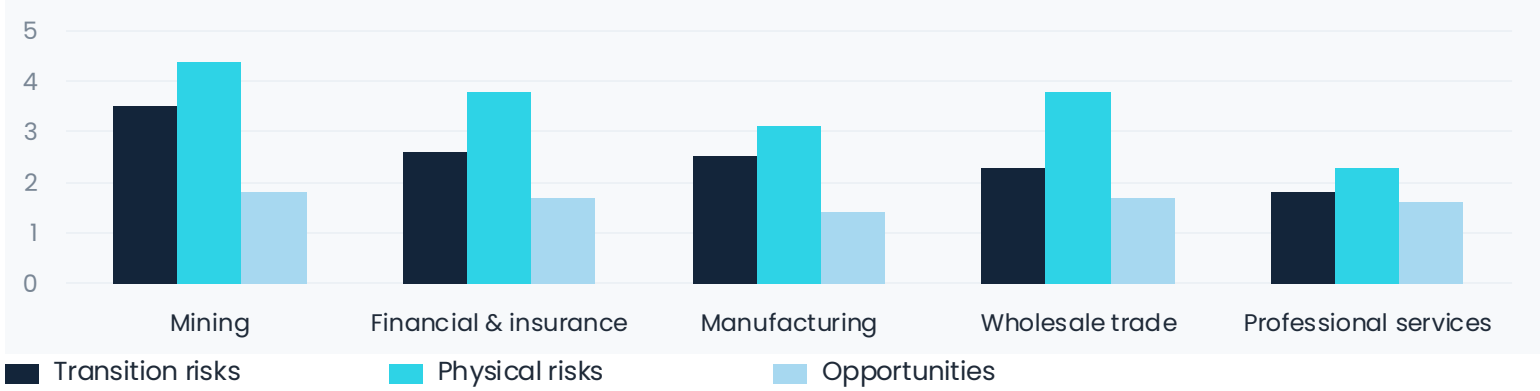
Physical risks now exceed transition risks per reporter on average. Opportunity disclosure is markedly thinner than risk disclosure.

2.6
transition risks identified, on average

3.6
physical risks identified, on average

1.7
opportunities identified, on average

AVERAGE COUNT OF DISCLOSED CLIMATE-RELATED RISKS AND OPPORTUNITIES BY INDUSTRY



INTERPRETATION

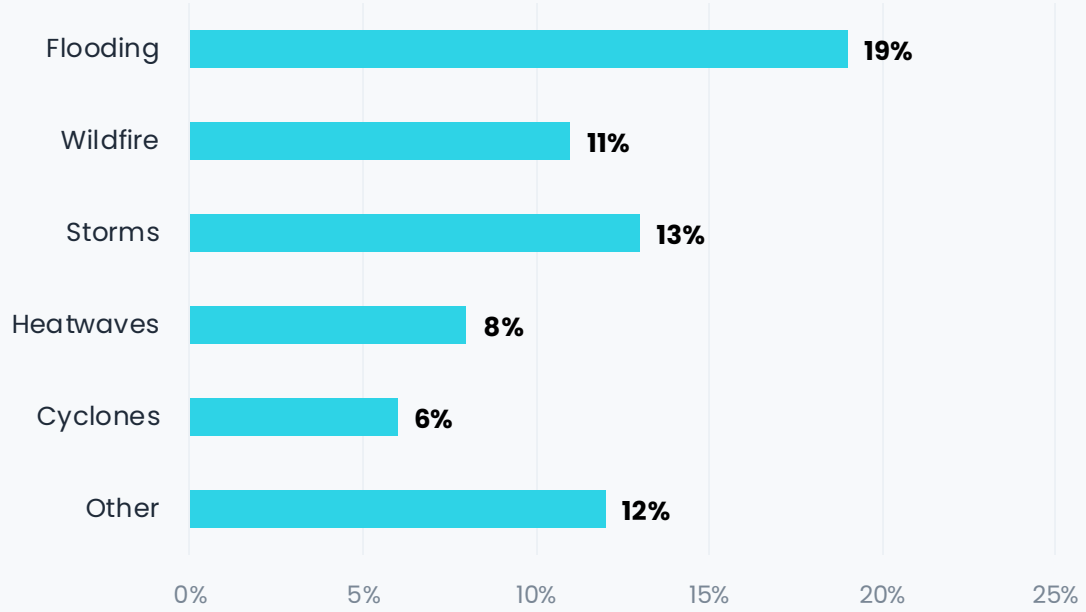
Risk identification is more developed than opportunity identification in this first cohort. Mining and Financial & insurance identify the highest counts of risks among the top-five industries by sample size in the Q1 cohort, reflecting direct exposure to both energy-transition policy and physical climate. Opportunity disclosure varies more sharply than risk disclosure, with utilities (electricity, gas and waste) and construction leading on opportunity identification (see slide 32).

Physical risks: acute hazards account for the majority of disclosures

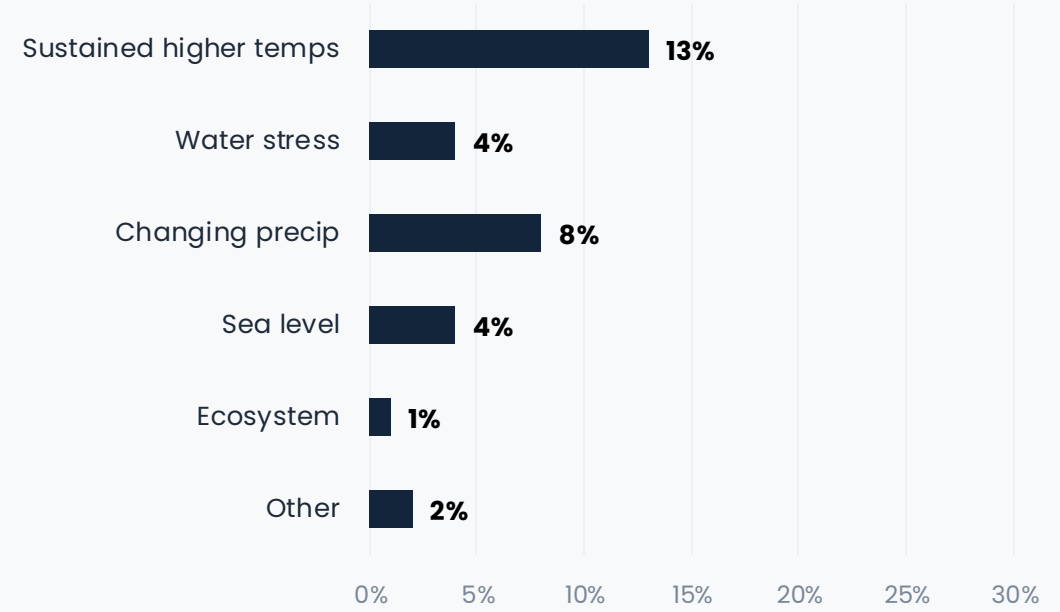
Flooding, storms, wildfire and heatwaves dominate acute disclosures. Chronic risks centre on sustained higher temperatures and changing precipitation patterns.

Concreteness of the 854 physical-risk lines: **narrative financial impact 86%, quantified 24%, mitigation disclosed 94%.**

ACUTE HAZARDS · PER CENT OF PHYSICAL-RISK LINES

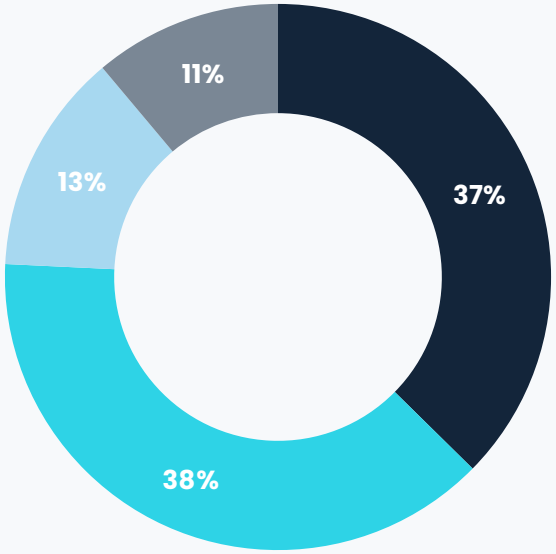


CHRONIC HAZARDS · PER CENT OF PHYSICAL-RISK LINES



Transition risks: policy and market categories dominate the disclosed list

Quantification of financial impact remains the exception, disclosed by approximately one in four transition risks. Time horizons are now consistently assigned.



- Market
- Policy and legal
- Technology
- Reputational

CONCRETENESS OF RISK DISCLOSURES

88% include a narrative description of financial impact

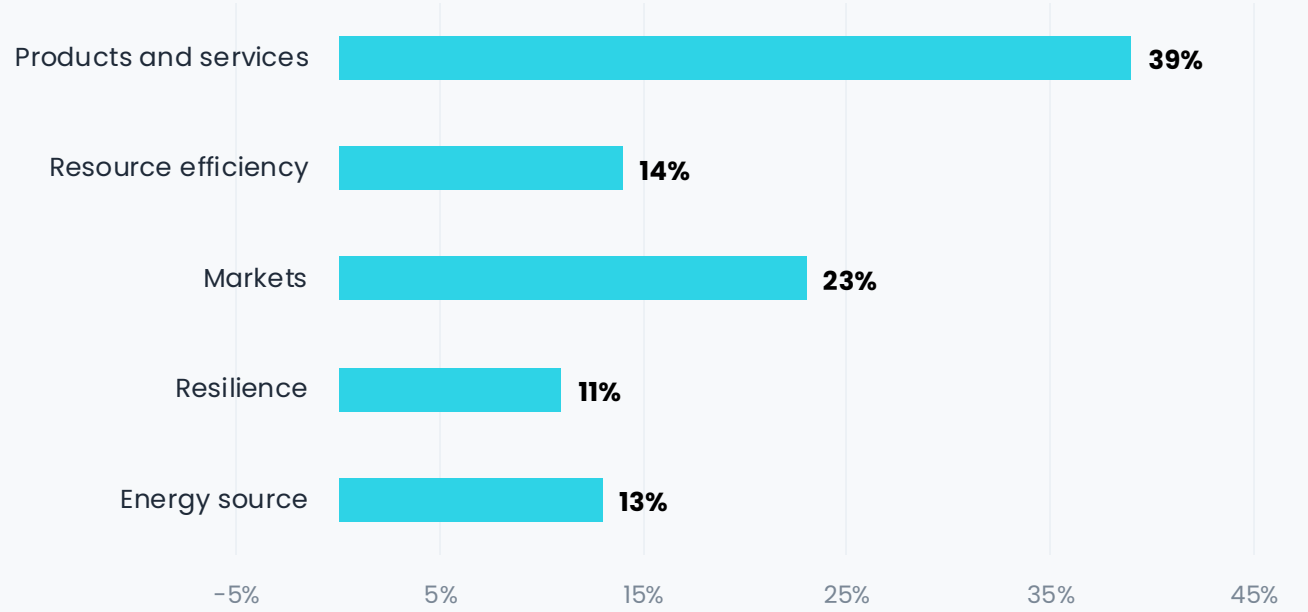
25% include a quantified financial impact figure

93% are accompanied by a stated mitigation

Opportunities: products and services dominate the disclosed list

Quantification of opportunity impact is less common than for risks. Approximately 28% of reporters disclose no climate-related opportunities at all.

OPPORTUNITY CATEGORIES · SHARE OF ALL OPPORTUNITY LINES DISCLOSED



RISK / OPPORTUNITY ASYMMETRY

78%

of disclosed opportunities include a narrative description of financial impact

19%

include a quantified figure; the equivalent for risks is 25%

Utilities and transport lead on opportunity identification

Electricity, gas, water and waste reporters identify 2.6 climate-related opportunities per reporter — well above the cohort average of 1.7.

AVERAGE OPPORTUNITIES PER REPORTER · TOP 5 ANZSIC DIVISIONS

INTERPRETATION

Utilities lead the cohort on opportunity counts, reflecting an industry whose business model is most directly reshaped by the energy transition — new generation capacity, network upgrades and demand-side services all register as climate opportunities.

Transport and construction follow, both showing how decarbonisation reshapes the addressable market.

Manufacturing — the third-largest industry in the Q1 cohort — sits below the cohort average at 1.4 opportunities per reporter, reflecting a more incremental decarbonisation pathway.

What the Q1 cohort tells us about risk management

Conclusions from the first wave of disclosures under this pillar.

ANALYSIS

Risk identification is the more developed half of this pillar. Q1 reporters average approximately 6.2 climate-related risks per report, with physical risks now exceeding transition risks on average. Opportunity disclosure, by contrast, is markedly thinner, with approximately 1.7 opportunities per report and a concentration in the products-and-services category.

Physical-risk disclosures cluster around acute hazards familiar to the Australian operating environment (flooding, wildfire, storms, heatwaves) and chronic hazards centred on sustained temperature change and water stress. Transition-risk disclosures are dominated by market and policy and legal categories.

The substantive gap across this pillar is concreteness. Narrative descriptions of financial impact are near-universal, but quantified financial impact is disclosed for only about a quarter of risks and an even smaller share of opportunities.

KEY FINDINGS

01 Reporters identify 6.2 risks per report on average (2.6 transition, 3.6 physical) and 1.7 opportunities.

02 Mining and Financial & insurance lead on both transition and physical risk counts; utilities lead on opportunities (see slide 32).

03 Top acute hazards: flooding (19%), storms (13%), wildfire (11%), heatwaves (8%). Top chronic: sustained higher temperatures (13%).

04 Transition risk subtypes: policy and legal (38%), market (37%), technology (13%), reputational (11%).

05 Narrative financial impact disclosed for 88% of risks; quantified impact for 25%; mitigation disclosed for 93%.

06 Top opportunity categories: products and services (39%), markets (23%), resource efficiency (14%).

05.03

Strategy

Scenario analysis, time horizons, transition planning, and the translation of climate-related impact into the financial statements.

The disclosure requirements for strategy

What AASB S2 expects reporters to disclose under this pillar.

AASB S2 requires entities to disclose information that enables users to understand the entity's strategy for managing climate-related risks and opportunities, and the current and anticipated effects of those risks and opportunities on the entity's business model, strategy and decision-making. The Strategy pillar is the substantive and widest of the four.

The disclosures span the time horizons over which risks and opportunities could reasonably be expected to affect the entity, the assessed effects on financial position, financial performance and cash flows, and the entity's assessment of its climate resilience. Where an entity has a climate-related transition plan, the standard prescribes specific disclosures about that plan.

WHAT REPORTERS MUST DISCLOSE

Risks, opportunities and time horizons

A description of the climate-related risks and opportunities that could reasonably affect the entity, and the short, medium and long-term horizons over which each could occur.

Effects on business model and strategy

The current and anticipated effects of climate-related risks and opportunities on the entity's business model, value chain, strategy and decision-making.

Effects on financial position

The current and anticipated financial effects on the entity's financial position, financial performance and cash flows, qualitatively and, where practicable, quantitatively.

Climate resilience and transition plan

The entity's assessment of its climate resilience, the scenario analysis used to support that assessment, and the elements of any transition plan disclosed.

Half of reporters present quantified scenario outcomes

Scenario analysis is a mandatory disclosure under AASB S2 and is universally provided. The substantive insight lies in the share that is quantified and in the pathways selected.

3.2

scenarios disclosed on average; the legislated minimum is two

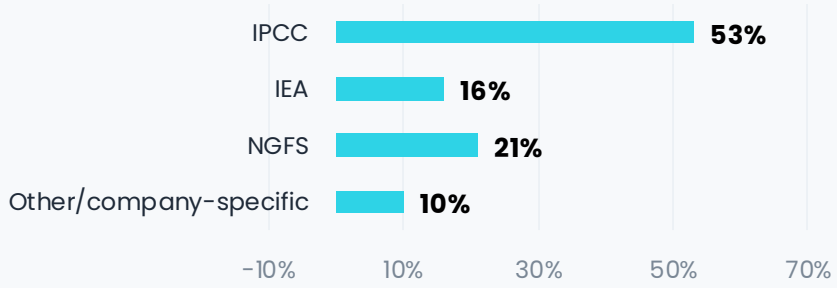
50%

present *quantified scenario outcomes

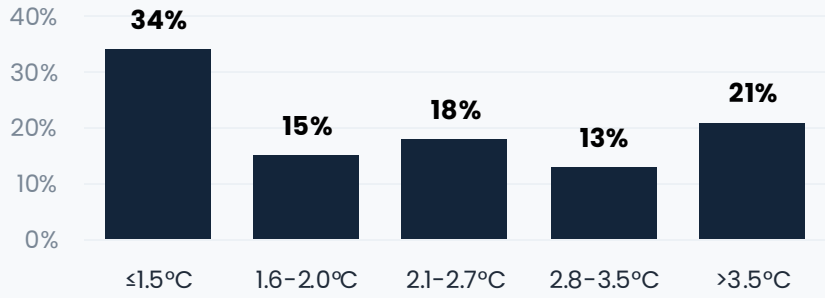
53%

disclose scenario lines sourced from IPCC pathways

SCENARIO SOURCE · SHARE OF DISCLOSED USE



DISCLOSED WARMING PATHWAY · SHARE OF SCENARIO LINES



A single reporter typically discloses scenarios sourced from multiple sources. Percentages reflect the share of all disclosed scenario lines, not the share of reporters.

INTERPRETATION

Scenario analysis disclosure is required by AASB S2. The substantive findings are that half of reporters present quantified outcomes, that pathways are anchored on the discrete IPCC RCP and SSP scenarios, and that reporters routinely disclose more than the two-scenario minimum.

*include scenario analyses that present quantified financial impact, physical asset exposure, transition cost, emissions trajectory, probabilities and frequencies

Time horizons are widely defined but vary substantially in length

Short, medium and long-term horizons span wide ranges across the cohort: 1-15 years, 2-35 years, and 4 to 75 years. Medians sit at 3, 10 and 25 years.

SHORT TERM

3 years

Range 1 to 15 years. Typically aligned to the strategic planning cycle. Some reporters use a one-year financial budgeting horizon.

MEDIUM TERM

10 years

Range 2 to 35 years. Commonly aligned to interim emissions target year, most frequently 2030 or 2035. Substantial divergence between sectors and industries.

LONG TERM

25 years

Range 4 to 75 years. Anchored to the disclosed net-zero target year for the majority of reporters; most commonly 2050.

Approximately 98% of reporters explicitly define short, medium and long-term horizons in their disclosure.

Climate transition plans are disclosed by approximately four in ten reporters

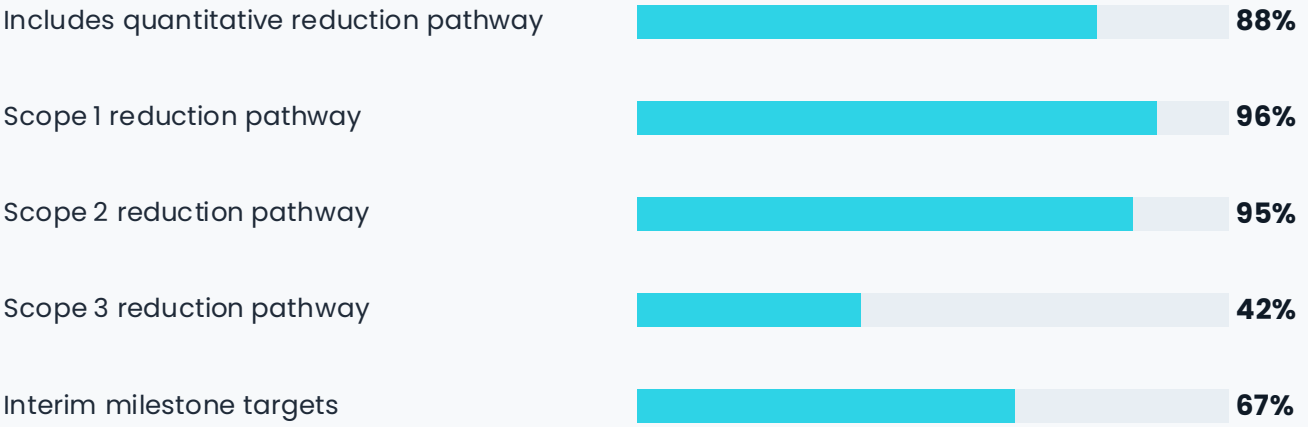
Plans average Scope 1 and 2 reduction pathways in detail. Scope 3 reduction pathways are the least common element of disclosed transition plans.

44%

of Q1 reporters disclose a formal climate transition plan

Plans identify, on average, approximately 4.9 decarbonisation levers. The most frequently identified are energy efficiency, on-site renewable generation and fleet electrification. Levers vary substantially by industry.

AMONG REPORTERS WITH A PLAN · CONTENT COVERAGE



Financial effects are widely described, less often quantified

AASB S2 requires reporters to disclose current and anticipated financial effects qualitatively and, where practicable, quantitatively. It does not require integration into the financial statements themselves.

45%

quantify one or more current or anticipated financial effects of climate-related risks or opportunities

96%

disclose anticipated financial effects of climate-related risks or opportunities

64%

disclose the percentage of assets vulnerable to physical climate risk

58%

disclose the percentage of assets vulnerable to transition climate risk

68%

disclose capital expenditure allocated toward climate-related risk mitigation or opportunity capture

27%

disclose flow through of climate related financial disclosure to the general purpose financial statements

What the Q1 cohort tells us about strategy

Conclusions from the first wave of disclosures under this pillar.

ANALYSIS

Strategy is the longest pillar of AASB S2 by page count, and qualitative and quantitative disclosure under it are the most developed in the cohort. Scenario analysis is required under AASB S2 and almost all reporters have complied, with half presenting quantified outcomes.

Time horizons are widely defined but vary substantially in length. Short-term horizons cluster around the strategic planning cycle, medium-term horizons typically align to an interim emissions target year, and long-term horizons anchor on the disclosed net-zero target — most commonly 2050.

Quantification of financial effects is the gap most likely to be material to capital markets. Qualitative description of current and anticipated effects is widespread, but quantified figures, asset vulnerability percentages and detailed time-horizoning of those effects remain the exception.

KEY FINDINGS

01 Scenario analysis is required by AASB S2; 50% quantified outcomes; an average of 3.2 scenarios sits against the legislated minimum of two.

02 Pathways cluster on discrete IPCC RCP and SSP scenarios. IPCC is the dominant scenario source at 53%.

03 Median time horizons: short-term 3 years, medium-term 10 years, long-term 25 years.

04 Long-term horizons stretch widely, from 4 to 75 years, predominantly anchored on a disclosed net-zero year.

05 A formal transition plan is disclosed by 44% of reporters, averaging 4.9 decarbonisation levers.

06 Qualitative description of financial effects is required by AASB S2; Quantified effects sit at 45%.

05.04

Targets and metrics

Emissions disclosure across Scopes 1, 2 and 3, target prevalence and ambition, use of carbon credits, and the internal carbon price.

The disclosure requirements for targets and metrics

What AASB S2 expects reporters to disclose under this pillar.

AASB S2, modelled on IFRS S2 Climate-related Disclosures, requires entities to disclose information that enables users to understand the entity's climate-related performance. The Targets and Metrics pillar covers the quantitative substance of the entity's response: how it measures progress against its strategy and risk management processes.

On metrics, reporters disclose absolute gross Scope 1, 2 and 3 emissions in tCO_2-e using the GHG Protocol (2004), alongside cross-industry measures covering risk and opportunity exposure, capital deployed, internal carbon prices, and any climate link in executive pay.

On targets, setting them isn't mandatory, but disclosing any you've set is. For each target, explain the metric, the objective (mitigation, adaptation or science-based), the part of the entity it covers, and the time frame, base period, milestones and progress to date.

WHAT REPORTERS MUST DISCLOSE

Cross-industry metrics

GHG emissions (Scope 1, 2, 3 absolute gross), climate-related risks and opportunities, capital deployment, internal carbon prices, and remuneration linkage.

Industry-based metrics

Optional metrics associated with particular business models or activities, drawn from the industry-based guidance accompanying the standard. Not required under AASB S2.

Targets

Qualitative and quantitative targets the entity uses to manage its climate-related risks, including the metric, time frame, base period, milestones and progress.

Methodology and assumptions

The measurement approach, inputs and assumptions for each metric, including the GHG consolidation approach and the Scope 3 categories included.

Scope 1 and 2 baseline coverage is in place; Scope 3 is the principal gap

Scope 1 and Scope 2 (location-based) are required disclosures. Scope 3 sits under c4(b) transitional relief in Year 1, and approximately 93% of reporters relied on that relief — only 7% disclose any category of Scope 3 figure.

SCOPE 3

7%

disclose any category of emissions

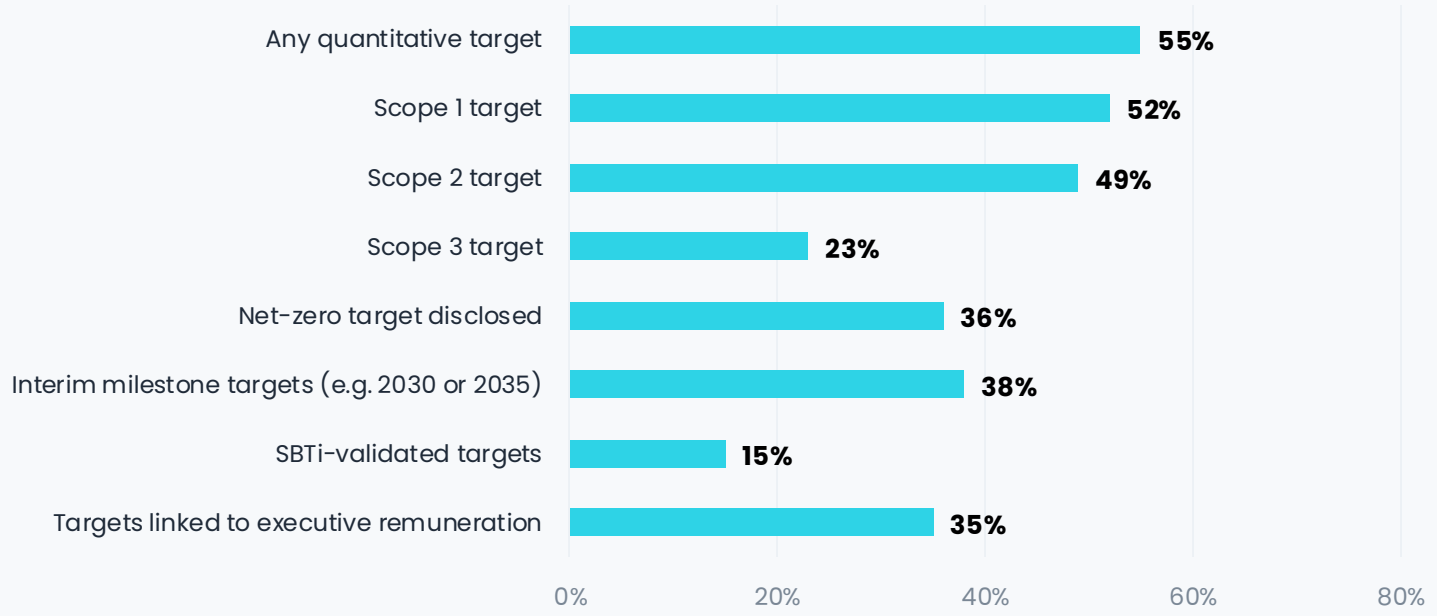
Value-chain emissions across 15 GHG Protocol categories

DEPTH OF DISCLOSURE · PER CENT OF FULL Q1 COHORT

Targets are widely disclosed; Scope 3 targets lag Scope 1 and 2

Approximately 55% of reporters disclose at least one quantitative emissions target. Scope 3 targets are present in fewer than one in four.

TARGET PREVALENCE · PER CENT OF Q1 REPORTERS DISCLOSING EACH TARGET TYPE



SCOPE 3 AMBITION GAP

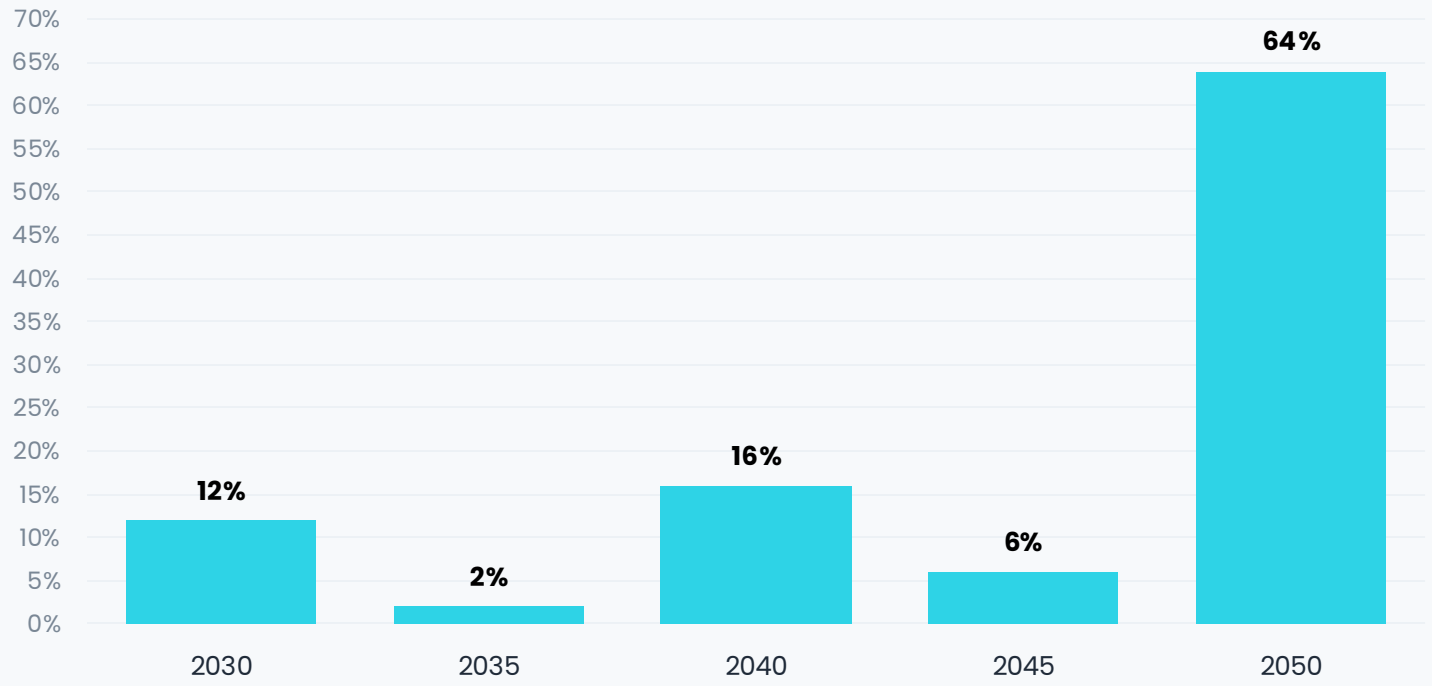
Of the ~7% of reporters that disclose any Scope 3 emissions figure, around six in ten go on to set a Scope 3 reduction target — but most reporters under transitional relief have not yet engaged Scope 3 targeting.

Targets are only required to be disclosed where they exist. ASIC's May 2026 observations on sustainability reporting flagged targets generally, and noted that Safeguard Mechanism reduction obligations may also count as climate-related targets for AASB S2 purposes.

Net-zero target maturity beyond the headline year

Net-zero commitments cluster heavily on 2050. Progress reporting and interim milestone disclosure are less consistently provided.

DISCLOSED NET-ZERO TARGET YEAR · PER CENT OF REPORTERS WITH A NET-ZERO TARGET



38%

of disclosed net-zero targets include current-progress reporting

25%

of targets disclose reliance on carbon credits or offsets within the reduction pathway

Carbon credits and renewable energy certificates remain the exception

Approximately two-thirds of reporters disclose carbon credit use; just under half disclose use of renewable energy certificates.

66%

disclose the use of carbon credits within current or planned emissions strategy

44%

disclose the use of renewable energy certificates

44%

disclose the volume of credits retired in the reporting period

19%

disclose the use of third-party verified credits (ICVCM CCP, ACCU)

10%

disclose the use of nature-based credits specifically

3%

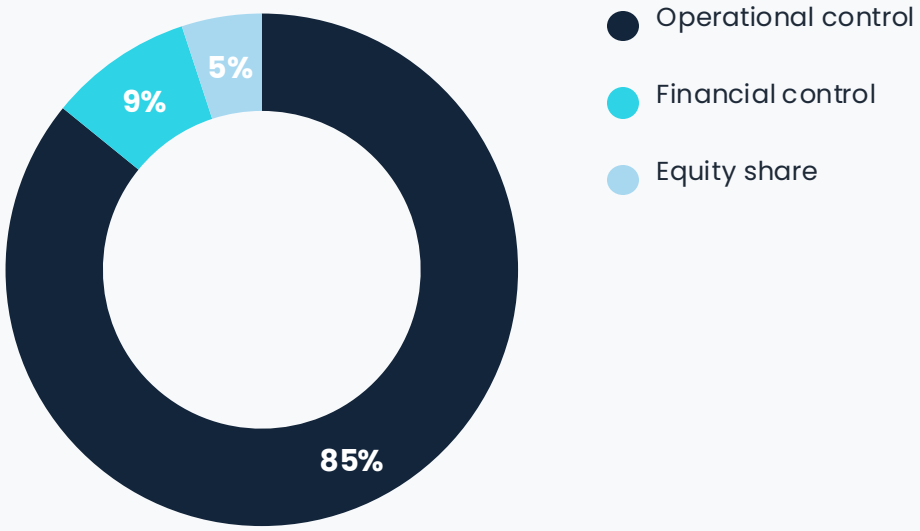
disclose the use of technological or engineered carbon removals

Disclosure of credit quality — vintage, registry, additionality and third-party verification — is the most material transparency gap in the offset disclosures of the Q1 cohort.

GHG accounting methodology and the internal carbon price

Operational control dominates the consolidation approach. Approximately one in five reporters now apply an internal carbon price in decisions.

GHG CONSOLIDATION APPROACH · PER CENT OF SCOPE 1 DISCLOSURES



INTERNAL CARBON PRICE

84%

disclose whether an internal carbon price is in use. The majority disclose that it is not yet adopted.

21%

apply an internal carbon price in capital allocation or risk-management decisions

Median disclosed ICP among Q1 reporters is A$79 / tCO_2e (range A$13 to A$252).

What the Q1 cohort tells us about targets and metrics

Conclusions from the first wave of disclosures under this pillar.

ANALYSIS

Scope 1 and Scope 2 disclosure is established at near-universal coverage. Scope 3 is the principal gap — only 7% of reporters disclose any category figure in Year 1, with 93% relying on the c4(b) transitional relief. The Scope 3 picture will broaden materially as the relief reduces in scope from FY 2026-27.

Targets are disclosed in headline form by approximately 55% of reporters. Coverage thins as the framing tightens: Scope 3 targets sit at 23%, SBTi validation at 15%, and the linkage between targets and executive remuneration at 35% — each meaningful but uneven.

Instruments used to support target attainment — carbon credits, renewable energy certificates, internal carbon prices — are disclosed inconsistently, and the credit-quality disclosures most relevant to assurance are the least developed.

KEY FINDINGS

01 Disclosure of any Scope 3 category sits at 7% and is the principal gap — c4(b) transitional relief was used by 93% of reporters.

02 55% of reporters disclose at least one quantitative emissions target. Scope 3 targets are present at 23%.

03 Net-zero target years cluster heavily on 2050 (64%), with smaller groups on 2040 (16%) and 2030 (12%). Interim milestones are disclosed by 38%.

04 SBTi-validated targets sit at 15%. Targets linked to executive remuneration sit at 35%.

05 Carbon credits are disclosed by 66% of reporters; renewable energy certificates by 44%. Third-party-verified credits are disclosed by 19%.

06 Internal carbon price is disclosed by 84%, and applied in capital allocation decisions by 21%. Average and median disclosed ICP are A$93 / tCO_2e and A$79/ tCO_2e, respectively (range A$13 to A$252).

06

Assurance

Engagement level, audit firm market and the scope of assurance.

All Q1 reports carry assurance, predominantly at the limited level

Limited assurance is the dominant engagement level in the Q1 cohort. A small number of reporters sought reasonable assurance over their Scope 1 and Scope 2 emissions specifically.

ASSURANCE UNDER ASRS

Sustainability assurance under ASRS is regulated by ASSA 5000, the Australian Standard on Sustainability Assurance. Engagements may be limited or reasonable in level, with limited assurance providing a lower level of assurance than reasonable assurance.

COVERAGE PHASE-IN

YEAR 1 · FY 2024-25

Year 1 assurance covers Scope 1 and 2 emissions, governance, and elements of strategy relating to climate-related risks and opportunities (ASSA 5010 paras 9a, 10a, 10b).

YEAR 2 AND BEYOND

Assurance coverage expands to Scope 3 emissions and additional disclosure elements. Mandatory reasonable assurance commences from FY 2027-28.

100%

of Q1 reports carry a limited-assurance opinion overall; a small share also include reasonable assurance over Scope 1 and 2 specifically

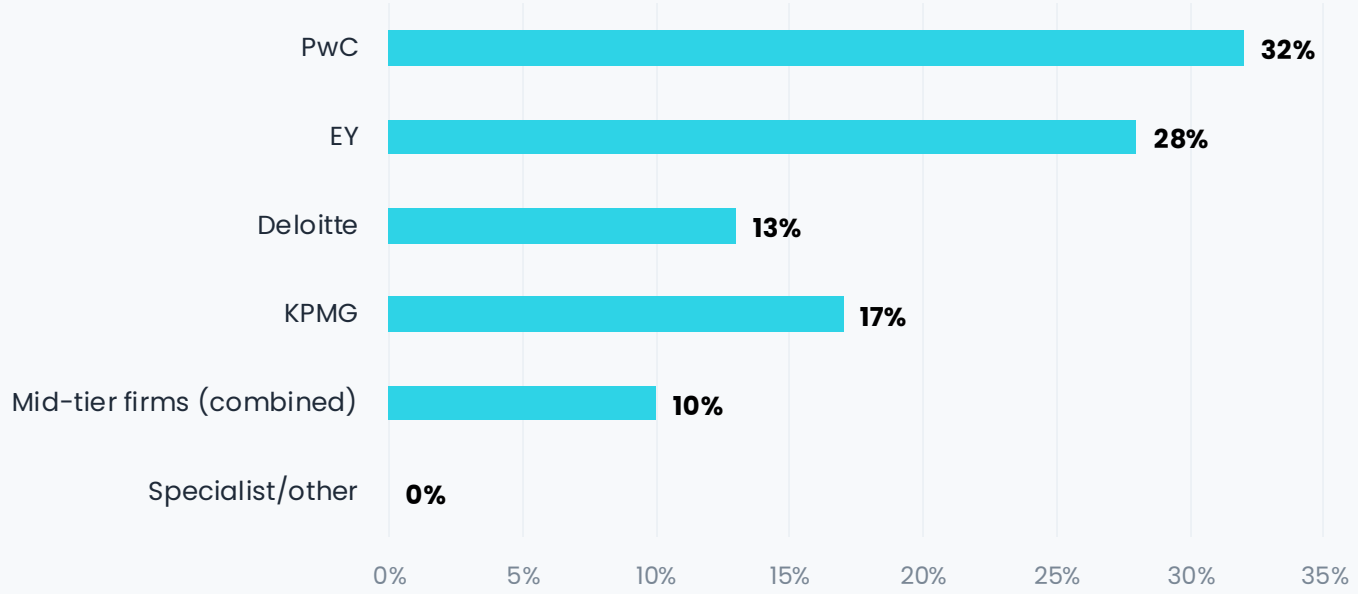
OPINION TYPE AND MODIFICATIONS

4%	Include an 'emphasis of matter' paragraph
8%	Include an 'other matter' paragraph

The Big Four firms hold approximately 90% of the engagement market

Mid-tier and specialist firms have a measurable but minority share. Auditor selection mirrors the financial statement audit relationship in the substantial majority of engagements. This Q1 view will firm up materially as the remaining Group 1 cohort lodges through 2026.

AUDITOR FIRM SHARE OF Q1 ASRS ENGAGEMENTS · PER CENT



SAME FIRM AS FINANCIAL AUDIT

96%

of Q1 engagements use the same firm for ASRS assurance and the financial statement audit

Confirmed same signatory partner: 27% of full cohort.

Scope 3 is rarely within assurance scope; extended assurance is the exception

The areas of disclosure most exposed to assurance scrutiny in future reporting periods are also those most often outside the current engagement scope.

2%

of Q1 reporters obtained Scope 3 emissions within the assurance scope

4%

obtained assurance over disclosures beyond the AASB S2 minimum topics

20%

disclose the sustainability assurance fee separately from the financial audit fee

A$95k

Median disclosed sustainability assurance fee. Range across the cohort A$14k to A$585k.

With Q1 engagement scope concentrated on the Year 1 ASSA 5010 minimum, the gap between current scope and the FY 2027-28 reasonable assurance regime remains substantial.

07

Implications and outlook

Five themes that will shape disclosure through the remainder of 2026 and beyond.

Five themes that will shape the remainder of the 2026 reporting wave

Patterns observable in the Q1 2026 cohort, and the way the shifting mix of reporters across the remainder of 2026 (more domestic, more listed, more June balance-date reporters) is likely to reshape the findings.

01	**Scope 3 disclosure will deepen materially**	Approximately 93% of reporters relied on c4(b) transitional relief, with most deferring any Scope 3 disclosure altogether. The June-balance reporters lodging through later 2026 will indicate whether voluntary Scope 3 depth begins to emerge ahead of the legislated minimum.
02	**Quantification of financial impact will increase**	Q1 reporters identified the population of climate-related risks and articulated qualitative responses, including scenario analysis. The transition from narrative description to quantified financial impact is the next material development capital markets will be watching.
03	**Auditor-rotation pressure will surface as a Q1 anomaly**	96% of Q1 engagements use the same firm as the financial-statement audit, but the same signatory partner sits at just 27%. Whether that is transitional staffing or a durable independence posture will become clearer as the Q3-Q4 cohort lodges and ASIC's first inspection findings test the boundary.
04	**Unlisted and foreign-controlled segments require dedicated benchmarks**	Approximately 85% of Q1 reporters are foreign-controlled, and 86% of the cohort is non-ASX-listed. Disclosure practice in these segments differs materially from the listed cohort. Subsequent ASRS IP releases will dedicate analysis to each.
05	**Industry-level analysis will follow the June reporting wave**	Industries with December balance dates are over-represented in the Q1 sample. Industry-level benchmarking will become substantially more meaningful once the broader Group 1 universe is in the dataset later in 2026.

ASRS Intelligence Platform

The interactive research environment behind this report and the coalition's evolving research infrastructure.

The insights presented in this report are drawn from the ASRS Intelligence Platform dataset. Coalition partners and an expanding community of corporate, regulatory and academic users access the underlying data through ASRS IP, a web-based research environment that compares reporters against benchmarks defined by industry, ownership category, listing status, revenue band and customer orientation.

THREE MODES OF ACCESS

Research access

Full database access, unrestricted query and raw data export for coalition partners.

Corporate access

A benchmarking, comparison and engagement tool for reporters. Forthcoming.

Regulator and academic access

Building access for accredited researchers and regulatory institutions under MoU.

PLATFORM CAPABILITIES

- Query approximately 400 disclosure fields across every Group 1 reporter
- Build custom peer groups by industry, ownership, size or any other characteristic
- View source-evidence (PDF page and excerpt) for every captured data point
- Track disclosure evolution across reporting cycles
- Export via or aggregate data for further analysis
- Engage with Purpose Bureau analysts through the broader Purpose Bureau dataset

The coalition and forthcoming releases

THE COALITION

The ASRS IP State of the Market is jointly published by Purpose Bureau, Monash Business School with several participating bodies.

Foresight are participating as a Technical Partner in the development of the reports.

CONTRIBUTION

Coalition partners have access to the underlying database and contribute analytical capacity and standards expertise. The coalition's role is to surface objective, aggregate evidence at the highest fidelity to support analysis and decision-making. Additional accreditation bodies and university research groups whose work has policy relevance to the coalition under the published participation framework.

FORTHCOMING RELEASES

JUNE 2026

Deep dive: Assurance

Audit fee structure, the same-firm and same-partner question, and the trajectory from limited assurance in Year 1 to mandatory reasonable assurance

JULY 2026

Deep dive: Investor landscape

Ownership profile, board-investor accountability mechanics, and how investor-facing disclosure quality varies across capital-market segments.

AUGUST 2026

Deep dive: Scope 3 disclosure landscape

Forecasted Scope 3 disclosure coverage and quality once c4(b) transitional relief is unwound.

SEPTEMBER 2026

Deep dive: Scenario analysis in practice

Pathway selection, the dividing line between quantified and qualitative outputs, and the link between disclosed scenarios and material capital-allocation decisions.

OCTOBER 2026

Q2 2026 State of the Market

Updated cohort view as the June balance-date wave lodges, and the first comparison between December-balance and June-balance reporters.

ASRS IP

AUSTRALIAN SUSTAINABILITY
REPORTING STANDARDS
INTELLIGENCE PLATFORM

END OF Q1 2026 RELEASE

The next State of the Market release will be published in October 2026.

CONTACT

Report enquiries and coalition partnerships sales@purposebureau.com

PUBLISHED BY

Purpose Bureau

Monash Business School

Edition One · May 2026 · Version 1.0 · © Purpose Bureau 2026, all rights reserved. · Commercial in confidence