AGENDA PAPER

Item Number:	6
Date of Meeting:	25 November 2026
Subject:	Sustainability Reporting, Assurance and Ethics Developments

☐	**Action required**	X	**For discussion**	X	**For noting**	☐	**For information**

Purpose

To update the Board on recent International and Australian sustainability-related developments.

Key developments

APESB is currently monitoring international and Australian sustainability developments. This paper sets out key developments since the last update on sustainability-related matters provided to the Board at the September 2026 Board Meeting.

International and Other Developments

International Ethics Standards Board for Accountants (IESBA)

New IESBA Staff Q&As Support Implementation of Global Ethics and Independence Standards for Sustainability Assurance

In September 2026, the IESBA Staff released a new Questions & Answers (Q&As) publication to support the implementation of the *International Ethics Standards for Sustainability Assurance (including International Independence Standards)* (IESSA). The Q&As address matters relating to the effective date and transitional provisions, the rotation of engagement leaders and other key sustainability assurance leaders, and non-assurance services. Further details are available in the IESBA's News.

International Sustainability Standards Board (ISSB)

ISSB consults on its proposals for nature-related disclosures

In October 2026, the ISSB published the exposure draft *IFRS Sustainability Disclosure Practice Statement 1 Nature-related Disclosures*, which is open for comment until 19 February 2027. The proposals have been developed to help companies provide material information to investors about nature-related risks and opportunities, including material information about how their dependencies and impacts on nature give rise to those risks and opportunities. Further details are available in the IFRS Foundation's News.

International Public Sector Accounting Standards Board (IPSASB)

IPSASB Recognised with ISAR Honours for Advancing Sustainability Reporting Globally

In October 2026, the IPSASB received a 2026 International Standards of Accounting and Reporting (ISAR) Honours recognition from UN Trade and Development (UNCTAD) for its work developing *IPSASB SRS 1, Climate-related Disclosures*, the first global sustainability reporting standard designed specifically for the public sector. Further details are available in the IPSASB's News.

IPSASB– Climate-related Disclosures: Public Policy Outcomes

In September 2026, the IPSASB continued developing its second IPSASB SRS Standard, which focuses on public policies with climate-related outcomes. The Board reviewed and responded to respondent feedback and deliberated key issues, including the application of materiality, disclosures of financial implications, proportionality, timing and location of reporting, and transition provisions. The Board will continue discussions and review an updated draft final pronouncement in December. Further details are available in the IPSASB's September 2026 eNews.

External Reporting Board (XRB)

NZ CS 1 amendments in relation to GHG emissions exclusions approved

In October 2026, the XRB approved amendments to NZ CS 1 *Climate-related Disclosures* to exclude certain GHG emissions. The changes will be gazetted before the end of the year. The amendments better align NZ CS 1 with international requirements by permitting specified exclusions from scope 3 GHG emissions disclosures. They also provide greater clarity on exclusions by incorporating existing XRB guidance into NZ CS 1. The mandatory application date is 1 January 2027, with early adoption permitted. Further details are available on the XRB's Climate Alert.

Draft climate reporting roadmap consultation

In October 2026, the XRB updated the public on its consultation on a draft climate reporting roadmap, which closed on 30 September 2026. The XRB is currently analysing the 51 written submissions it received, along with verbal feedback.

As the *Financial Markets Conduct Amendment Bill* was not enacted before the end of Parliament's term, the XRB has adjusted the publication timing of its final climate reporting roadmap. Instead of publishing in December 2026 as originally envisaged, the XRB will publish a summary of consultation feedback and the key themes from stakeholder responses. Further details are available on the XRB's Climate Alert.

Australian Developments

Australian Accounting Standards Board (AASB)

Greenhouse Gas Emissions Measurement and Disclosure Workshops

During October to November 2026, the AASB, CA ANZ and CPA Australia partnered to host a series of practical in-person workshops across Australia to support the implementation of AASB S2 *Climate-related Disclosures*.

The workshops focused on measuring and disclosing greenhouse gas (GHG) emissions under AASB S2. They were limited to individuals from Group 1 to 3 corporate reporting entities involved in the internal preparation of GHG emissions measurement or disclosure. Further details are available in the AASB's News and the online Registration form.

Australian Securities & Investments Commission (ASIC)

ASIC observes improved sustainability reporting and notes areas for further development

In September 2026, ASIC released Report 839 *ASIC's review of sustainability reports lodged for 31 December 2025.* The review found that the quality, quantity, and consistency of climate-related financial information has increased with the introduction of statutory sustainability reporting requirements. ASIC also outlined eight practical action items for entities to consider when preparing sustainability reports, building upon its early observations on sustainability reporting published in May 2026.

In 2026-27, ASIC will review a sample of Group 1 sustainability reports for financial years ending 30 June 2026, and continue engaging with large audit firms to understand their sustainability assurance methodologies. Further details are available in ASIC's Media Release.

Sustainability reporting relief decisions register update

In September 2026, ASIC added recent decisions to its sustainability reporting and audit relief decisions register and introduced a key issues taxonomy to help prospective applicants identify decisions involving similar circumstances.

Recent decisions have considered issues including reporting boundaries, group and consolidated reporting, changes in reporting status following acquisitions and restructures, and joint venture and other complex group structures. Entities considering relief should consult the register and apply well before the relevant statutory deadline to allow ASIC sufficient time to consider the application. Further details are available in ASIC's News.

ASIC launches sustainability reporting video series

In August 2026, ASIC, in partnership with the AASB, the University of Technology Sydney and Studio 3 Learning, released a series of eight sustainability reporting videos.

- Module 1: Corporations Act and climate-related disclosure requirements
- Module 2: Introduction to climate change
- Module 3: Climate-related physical risks
- Module 4: Climate-related transition risks

- Module 5: Climate-related opportunities
- Module 6: Emissions accounting
- Module 7: Scenario analysis
- Module 8: Governance and risk management

The videos complete the educational materials package to help companies understand the foundational concepts behind sustainability reporting requirements, and cover the same key topics presented in the ASIC and AASB sustainability reporting webinar series. Further details are available in ASIC's News.

Treasury

Consultation on raising the reporting thresholds for proprietary companies

On 19 October 2026, Treasury issued a consultation paper on draft legislation to raise the reporting thresholds for large proprietary companies. The proposed changes will raise the revenue threshold to $100 million (from $50 million) and the asset threshold to $50 million (from $25 million). The updated regulations will reduce the number of companies that must prepare yearly financial, directors' and sustainability reports while maintaining accountability and transparency requirements for larger firms. Further details are available in the Treasurer's media release.

Recommendation

That the Board note the update on sustainability-related developments.

Authors: Jacinta Hanrahan
Ann Chang
Disna Dharmasekara

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