

ASRS and ISSB Readiness Assessments

Results and analysis

Results and analysis of data set (26 April 2024)

A total of 187 ASRS specific surveys have been analysed. The average result firmed to 3.1. The survey has been designed so that an achievement of 3 means that you are likely to be ready to report for the FY24/25 with the understanding that there will be limited assurance on scope 3, transition plans, and physical risk assessments.

Table 1: Breakdown of 187 responder readiness results

Average level	3.1
Number at level 1	17
Number at level 2	30
Number at level 3	73
Number at level 4	44
Number at level 5	23
Total	187

This result still indicates that 75% of the companies taking the survey are ready to report.

Of the 187 companies, 100 (53%) are NGER reporters.

Table 2: Breakdown of responder readiness of NGER and non-NGER reporters

Average score	
NGER	3.5
Not NGER	2.7

This shows that companies that report to NGER are well placed to report in line with ASRS requirements for the first year of reporting.

The companies self-declared which ASRS group they fall into. The readiness to report across the groups is interesting.

Table 3: Breakdown of responder ASRS reporting groups

Group	Number	% of total	Average score
Group 1	89	48%	3.4
Group 2	32	17%	3.1
Group 3	31	17%	2.7
Unsure	35	19%	2.9

This shows that Group 1 and even Group 2 companies are well placed to report in line with the requirements of the first ASRS reporting year.

The readiness of different sectors can also be inferred. This table shows that the energy sector, financial services, mining and built environment sectors are more likely to be ready to report. The results for agriculture and government are not surprising as they have not been captured by mandatory programs previously and are less well prepared as they don't have reporting processes in place.

Table 4: Breakdown of responder readiness across sectors

Sectors	Number	Average	Level 5 companies
Financial services	16	3.5	3
Energy	12	3.3	1
Mining and manufacturing	42	3.2	6
Built environment	68	3.1	12
Transport and infrastructure	21	3.0	-
Agriculture	11	2.8	-
Government, health and education	16	2.7	-
Total	187		

The number of companies at Level 5 achievement is included in this table. A score of 5 means that the company is likely to be able to report in line with the majority of what will be required in a compliant report when reasonable assurance is in place for all aspects of the report.

The Figure 1 below illustrates the results for the entire data set. The order of these responses has not changed relative to our previous review. This shows that, in the main, companies are doing well with respect to:

- Estimation of scope 1 and scope 2 emissions, and
- Identifying a person responsible for climate outcomes.

In general companies have:

- Processes in place to identify and prioritise climate risks and opportunities
- Established a board committee to oversee climate risk in the company
- Identified emissions reductions opportunities, and
- Started to integrate the management of climate risk into risk management systems.

Across the data set attention needs to be paid to:

- Scope 3 emissions reporting, and
- Upskilling the executive and linking the performance of individuals to climate outcomes.

The biggest gaps with respect to meeting mandatory reporting requirements are:

- Stress testing the business strategy relative to different climate scenarios to test climate resilience and transition risks and opportunities
- Assessing the financial and strategic impacts of climate change on its business and value chain
- Developing a detailed transition plan including scope 1, 2 and 3 targets and delivery processes, and

- Integrating allocations for climate transition into the capital plan.

Given these gaps it is unsurprising that the lowest scoring question was the one relating to having a detailed climate transition plan including responses to risks and opportunities and addressing broader considerations of the Just Transition.

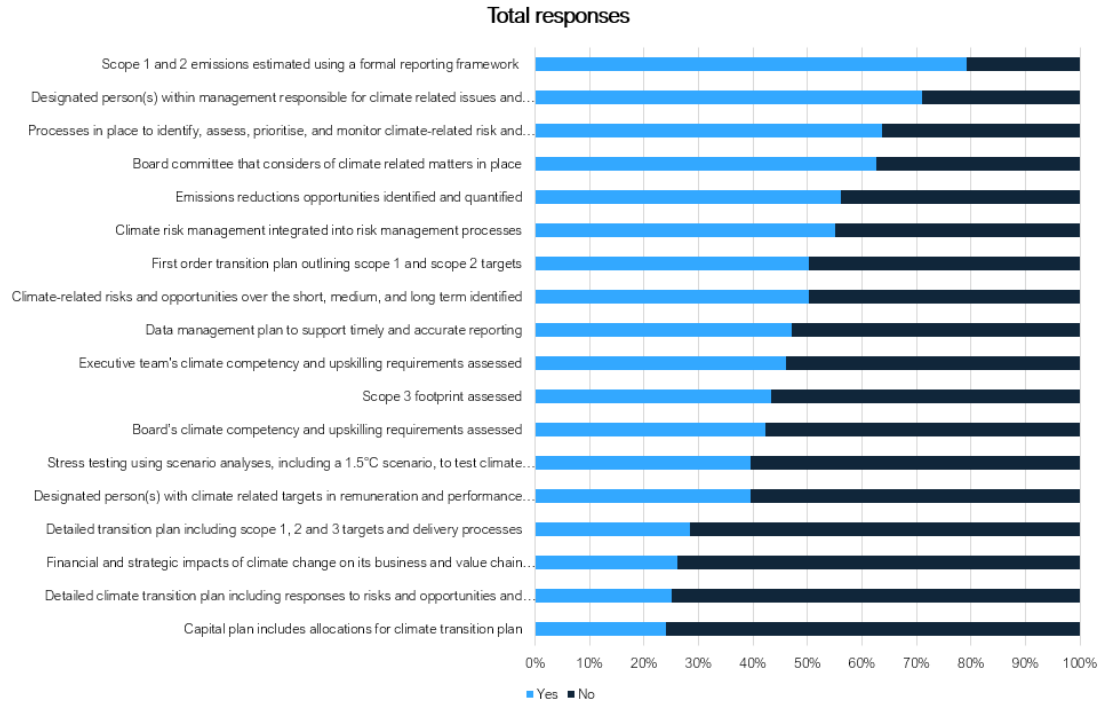


Figure 1: Reporter readiness - Breakdown of results by question

Figure 2 below maps the average of NGER reporter responses onto the total data set which shows that NGER reporters are significantly better placed across all survey areas. Stand out areas of difference relate to governance aspects as well as the identification of emissions reductions opportunities.

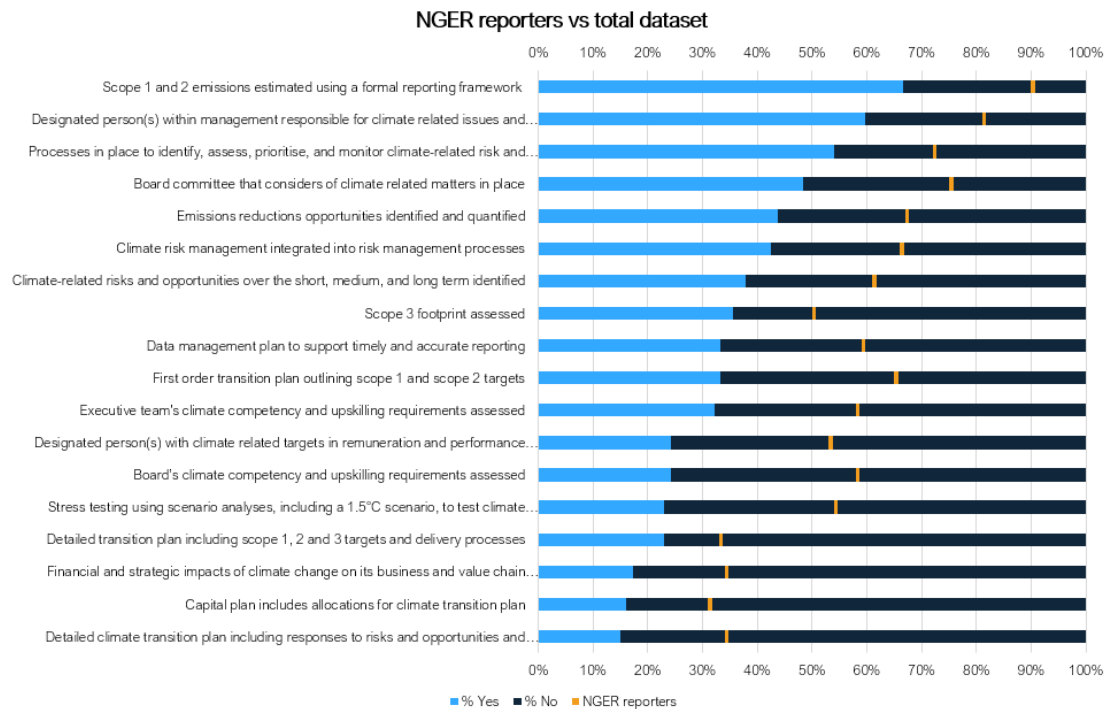


Figure 2: NGER reporters readiness compared to entire data set

As seen in Figure 3, Group 1 reports are not as far ahead of the average as the NGER reporters are. Further, they are actually behind the average with respect to transition planning and assessing the impact of climate on their business model and value chain.

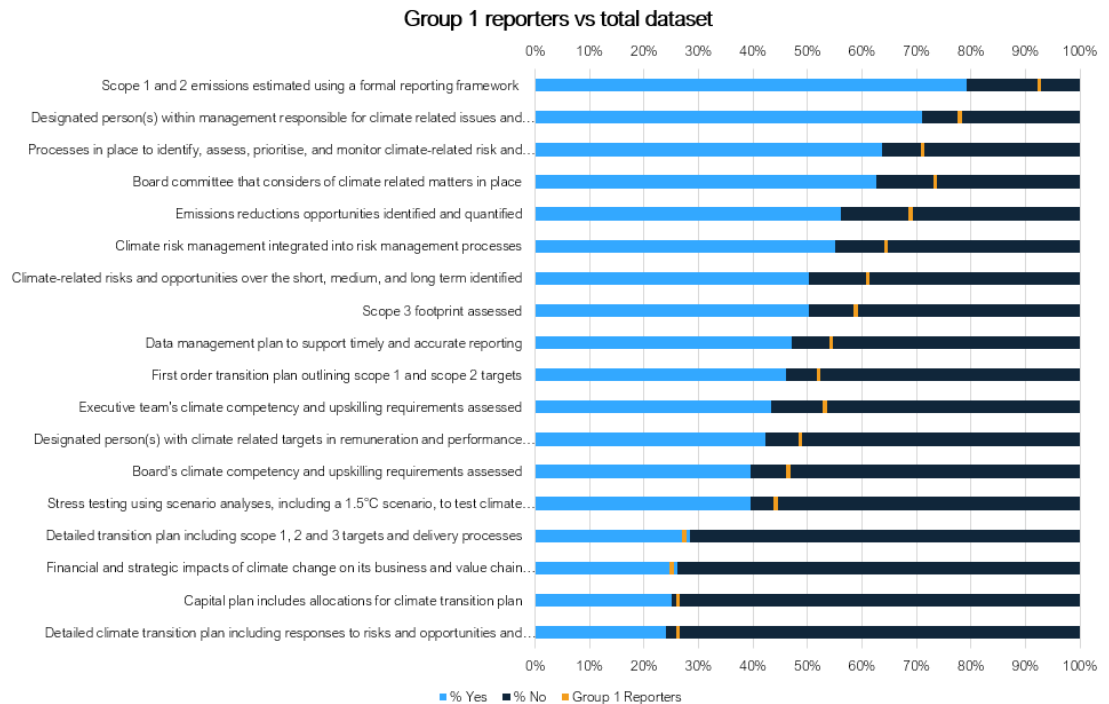


Figure 3: ASRS Group 1 reporters readiness compared to total data set

We have analysed these results across the four reporting themes. The average result across the four themes is listed below. This result is an indication of the percentage of companies that indicated that they have aspects of these themes in place.

- Governance: 52%
- Risk management: 59%
- Metrics and targets: 51%
- Strategy: 33%

This shows that companies are best prepared to meet the risk management aspects of the reporting framework. Their preparation for the governance and the metrics and targets themes is similar. Strategy is fairly poorly addressed by most companies. This result focuses where policy attention should be placed, as well as corporate development.

We have also published a survey that assessed readiness to report to generic ISSB reporting requirements. We have had 12 responses to this survey which means that results are not necessarily statistically significant. The average score for these 12 companies is 3.5 which is higher than the ASRS reporters. 83% of the companies recorded a score of 3 or more. Average performance for ISSB aligned reporters is contrasted with ASRS reporters for interest. It would appear that there are distinctly different areas of good performance and gaps between the two reporting groups. We will watch how this evolves.

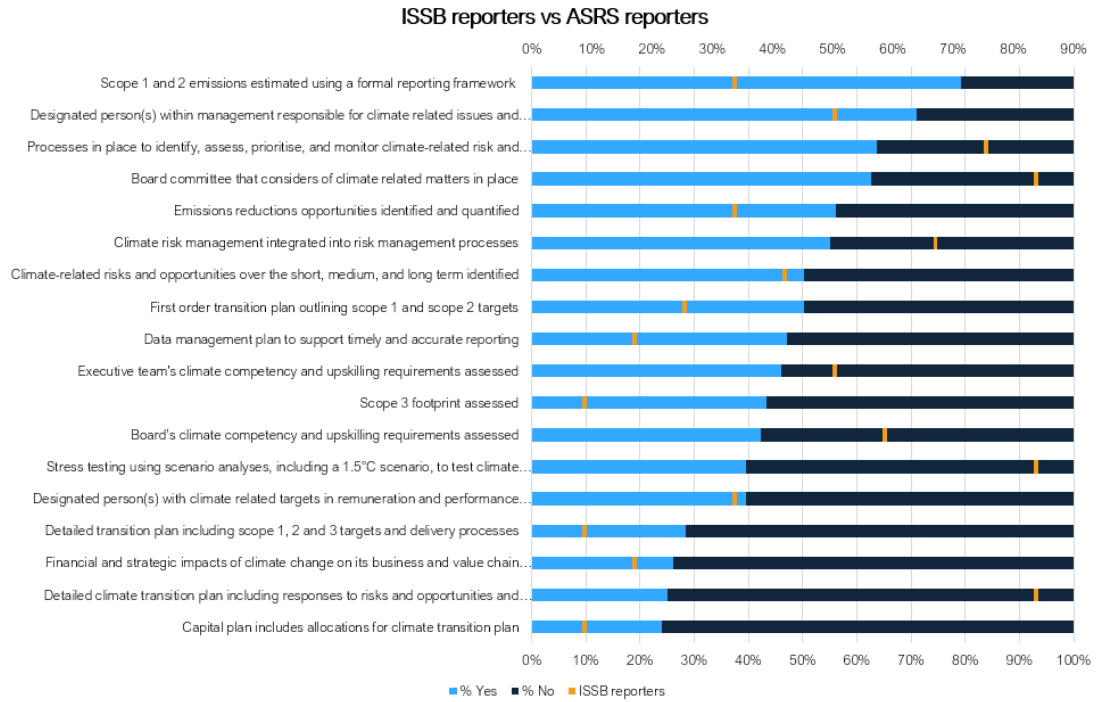


Figure 4: International reporters (ISSB) readiness compared to entire ASRS data set

Of interest is contrasting the performance in the four reporting themes between the two groups of reporters.

	Governance	Risk management	Metrics and targets	Strategy
ISSB reporters	55%	71%	21%	47%
ASRS reporters	52%	59%	51%	33%

This result shows that the ISSB reporters are better placed to meet the Strategy and Risk management aspects of the frameworks, while ASRS reporters are better placed to meet the Metrics and targets requirements. The Metrics and targets result may be due to the rigours of NGER and its impact on disclosure in Australia. I will be interesting to unpack these results going forward to assess what Australian registered companies have to learn from their international counterparts.

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ENERGET1°C5

Unite for a 1.5°C world

Sydney

Cammeraygal Country

Level 7, 5 Blue St
North Sydney NSW 2060

PO Box 294
North Sydney NSW 2059

Melbourne

Wurundjeri Country

Level 14, 356 Collins St
Melbourne VIC 3000

Brisbane

Turrbal Country

Level 12, 410 Queen St
Brisbane Qld 4000

Perth

Whadjuk Nyoongar Country

Level 8, 182 St Georges Tce
Perth WA 6000

+61 2 9929 3911 | info@energetics.com.au | energetics.com.au