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Mandatory Climate Reporting

Preparing for the Transition



Upcoming Mandatory Reporting

This year, the Australian Government has released draft legislation to bring in mandatory climate-related reporting. In one of the biggest changes in a generation, organisations will now have to report on the risks and opportunities they face as the world focuses on decarbonisation.

While large businesses and financial institutions will be the first to report, impacts will also be felt by small and medium sized organisations.

What

Climate-related risks & opportunities that may impact business.

This will include greenhouse gas emissions (scope 1, 2 & 3), climate transition plans, and corresponding reduction targets.

Who & When

Companies meeting **at least two** of these criteria must report:

	Group 1 Jan 2025	Group 2 Jul 2026	Group 3 Jul 2027
# of employees	500+	250+	100+
Assets	\$1B	\$500M	\$25M
Annual Revenue	\$500M	\$200M	\$50M

Assurance

An independent third-party, such as an auditor or a consultant will check data and disclosure for accuracy. Assurance will be phased in over time.

Based on

The International Sustainability Standards Board (ISSB).

Organisations will have to show how they have incorporated climate-related risks and opportunities into their business model. Reporting will focus on four areas:

Governance

The organisation's governance around climate-related risks and opportunities.

Board oversight & management involvement.

Strategy

The actual and potential impact of these risks & opportunities on your businesses, strategy, and financial planning. Short, medium, and long-term.

Risk Management

The processes used to identify, assess, and manage the risks within the organisation.

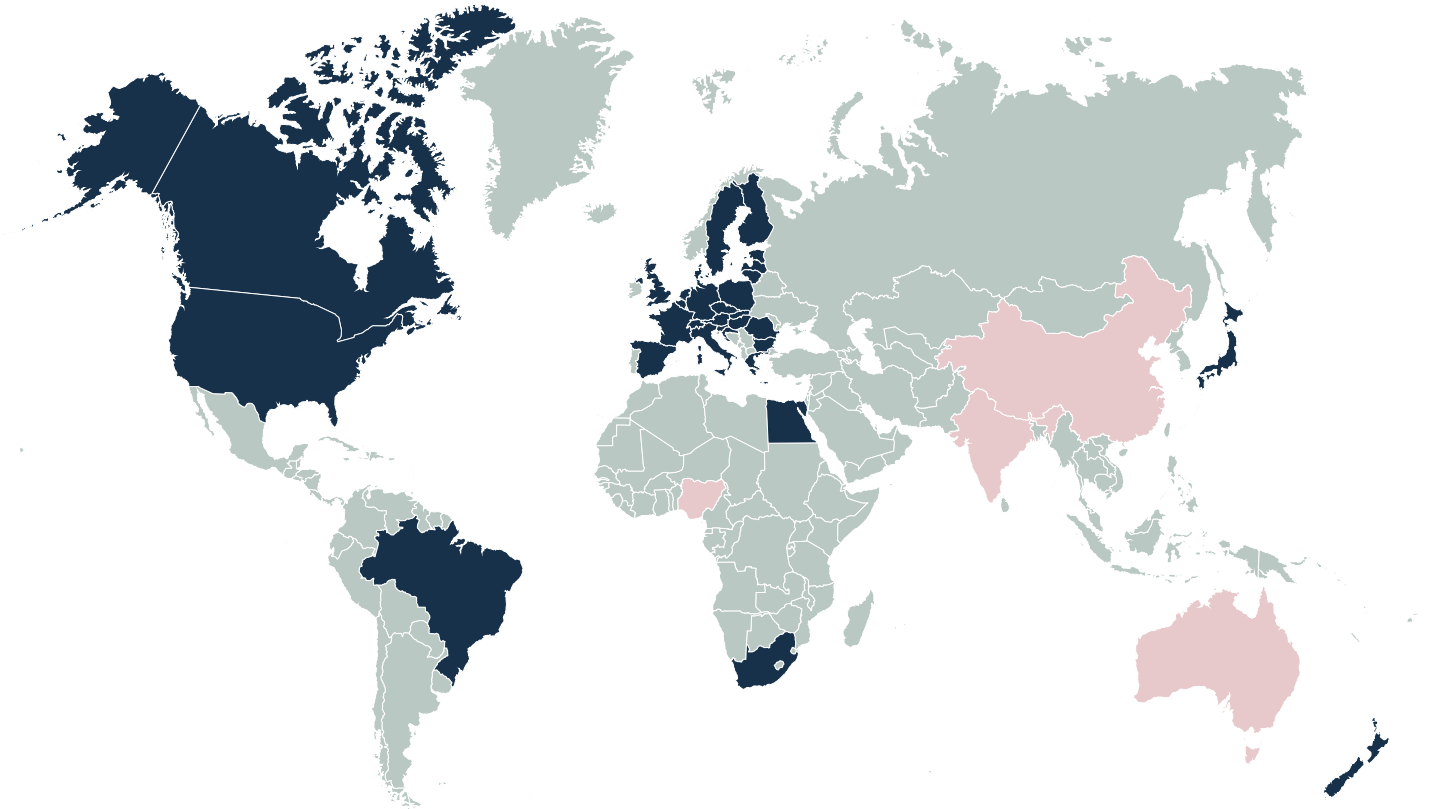
Physical, transitional & legal.

Metrics & Targets

The measurement used to assess and manage relevant climate-related risks and opportunities.

How Did We Get Here?

Rising expectations from stakeholders has supercharged the desire for mandatory, comparable reporting. Companies competing for investment globally are examining their entire supply chains. There is similar legislation in place or being implemented in many areas of the world, including New Zealand, Japan, Singapore, the European Union, United States, Canada and South Africa.

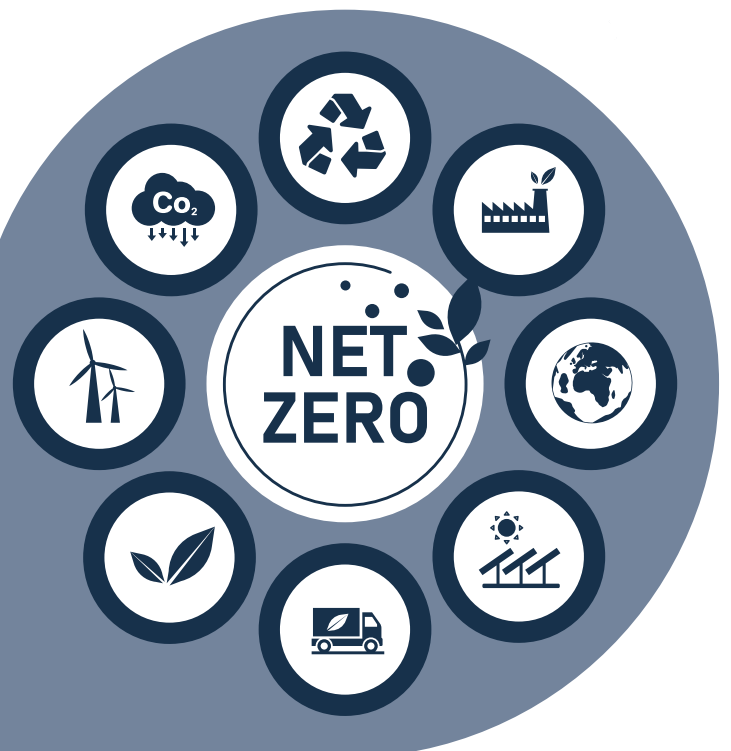


Proposal Announced

Current Requirement or Legislation

Australia is moving toward decarbonisation, with a goal to become Net Zero by 2050, and reduce emission levels by 43% by 2030 (from 2005 levels).

Following calls for international comparability, environmental, social and governance (ESG) disclosure has become more consolidated. Many countries who have introduced mandatory reporting have based it on the ISSB, which is beginning to emerge as the 'Global Baseline.'



What This Means For Your Business

Whether or not you are required to report, it's time to understand your impact.

Not required to report (yet)

While your company may not meet the criteria for mandatory reporting yet, some of your customers and suppliers may.

To account for their entire supply chain, they will need you to collect and report data (like emissions and waste). The regulations are also expected to expand over time, so it is likely you will be required to report in the future.

We Recommend:

Examine your organisation's sustainability desire, commitments and current systems. Stay current with evolving regulations and decide how you want to start integrating climate resilience into your business model.

Reporting soon

There are steps you can take now to make the transition easier. Setting up a roadmap will make sure your company is prepared for changes and to use ESG integration as a strategic advantage.

Your company may also be asked to provide data to customers and suppliers, so the disclosure may need to happen sooner than you think.

We Recommend:

Understanding your current data management and policy gaps will give your organisation time to upskill and resource appropriately. Consider the tools you'll need, including data management software or carbon accounting platforms, like **Climate Zero**.

climatezero.

Reporting now

If your company meets the threshold to report, it is essential you understand the state of sustainability at your organisation.

While full regulations are yet to be released, the government is expected to base Australia's climate-related reporting on the work of the ISSB.

We Recommend:

Examine the status of sustainability at your organisation, including available data and resources. Begin creating a roadmap and gap analysis to determine what needs to be done by when.

Access to reliable climate data is paramount. How will your climate data be captured, measured and reported? Who will be responsible for collecting, analysing and verifying it?

Far-Reaching Impacts

Decarbonisation and climate-related reporting will have widespread impacts on organisations of all sizes in Australia and around the globe. Some of the biggest factors include:

Implementation

Regulatory requirements are changing fast, and the implementation will be swift.

Future-Proofing

This is an opportunity to address climate-related risks and opportunities, but also a chance to create a resilient, sustainable business strategy.

Supply Chain

Large organisations who are required to report will need smaller suppliers to account for risks throughout their supply chain, which will include emissions data.

Reputational

Stakeholders are seeking more transparency on the impact of their investments and purchases.

Investment

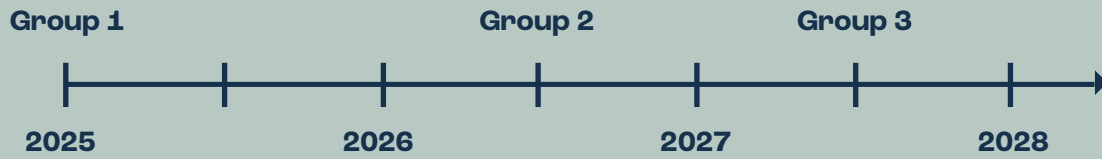
Long term commercial success will depend on investor confidence in climate resilience and preparedness.

Employees

The attraction of potential employees and retention of current workers is affected by the company's ESG strategy.

Timeline

Organisations who qualify in Group 1 will likely begin collecting data in January 2025 and will be expected to report every year thereafter. Final dates are yet to be confirmed.



While specific data requirements have not yet been released, we expect the regulations to include:

- Disclosure of climate-related risks and opportunities, plans to actively mitigate risk and progress towards these activities
- Climate resilience both in business strategy and operations using scenario analysis
- Reporting on scope 1, 2 and 3 emissions (scope 3 will be phased)
- Disclosure of any climate-related transition plans, targets and offsets
- Third-party assurance (phased implementation)

What You Need To Do

We don't collect or report any climate-related information

There are things you can action today to prepare for reporting and to integrate sustainability into your business strategy.

Start by researching local requirements and mapping out what you need to do, by when.

Take stock of the resources in your team to accomplish these tasks and engage an expert if needed.

Do some market comparison - see what your peers and competitors are doing and decide if you want to become a market leader.

We Recommend:

Establishing a roadmap, resources and expertise to develop an ESG and data management strategy.

An external consultant like Rewild Agency can help you understand where you'll need help and the next steps toward a sustainability strategy.

We already collect and report data

ESG strategy may already be integrated into your business model and systems are set up to measure progress.

Those who already use TCFD as a guideline are well-positioned for incoming changes, but the incoming legislation will have Australia-specific requirements.

Ensure your data collection and management systems are robust. Mandatory external assurance is coming, and your data needs to be reliable.

As an early mover, ensure you're making the most of your efforts with an effective communications strategy.

We Recommend:

Explore data management software or carbon accounting platforms like Climate Zero.

Reporting is continually evolving, and regular policy and governance reviews are recommended.

Expanding disclosure beyond climate-related impacts to cover social and nature-related.

Our Approach & End to End Service

Each organisation is at a different point on their sustainability journey. While some businesses have completely integrated sustainability into their business model, others have not yet begun thinking of their impact.

A robust ESG strategy is essential for all organisations today, regardless of size. Yes, mandatory reporting is coming. But that's not the only reason you should consider ESG in your business operations.

It is no longer enough to provide exceptional goods and services – customers, investors, employees and community members want to understand your business' impacts and how you plan to address them now and in the future.

Next Steps

Learn about the reporting you need to do, and when it needs to be done by.

For Australian and international operations, customers and suppliers.

Figure out the resources you already have available, and what assistance you may need.

This includes time, money, the processes and system you will use to collect and manage data.

Create a roadmap and seek expertise.

Perform a gap analysis, identify topics that will be relevant to your business, develop an ESG strategy and data management plan.

Readiness Assessment

Topics material to your company, including climate-related risks and opportunities



Data Collection & Management

Example: Greenhouse Gas (GHG) emissions scope 1, 2, 3



Reporting

Ensuring compliance in all your business locations and areas of operations



Materiality Assessment, ESG Strategy

Setting the long-term priorities and strategy, personalised to your organisation

Systems Based Reporting

Climate Zero Software

- Centralised auditable data collection, calculations and reporting
- Training

Framework Selection & Stakeholder Sustainability Communications Strategy

Our Expertise

Our team at Rewild Agency is made up of experts who are passionate about helping businesses do better for society and the environment. We help you understand the impacts of your business and guide our clients in making positive changes that make sense for your organisation.

Our aim is to remove barriers, saving you time and effort, so you can concentrate on what you do best while advancing your sustainability goals.

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For over 12 years, our partners at Impact Sustainability have been experts in managing business data and tracking carbon emissions. Their emissions software, Climate Zero, makes it easy for businesses to store data, calculate carbon emissions, set targets and produce dynamic reports.

Connect with us to learn more hello@rewild.agency