

# Meaningful Climate Reporting in Australia

An analysis of Australian asset managers'  
and owners' readiness for climate reporting







**With weather events such as flooding and wildfires dominating our news feeds, it's right that Australian asset owners and managers understand their climate risks and take steps to address them.**

This report shows where progress is underway and where critical gaps remain. Forward-looking strategy, scenario analysis, and climate-related metrics and targets are among the most common shortfalls. These aren't just technical requirements. They are essential tools for managing climate risk, enabling resilience, and strengthening long-term value in the financial sector.

**Fiona Reynolds**

Independent Director, Chair UN Global Compact Network Australia, Board Member Australian Sustainable Finance Institute

## Executive Summary

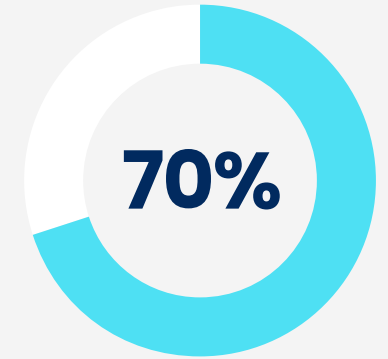
### Australia is entering a new phase of corporate reporting.

The Australian Sustainability Reporting Standards (ASRS) represent a fundamental shift from voluntary climate-related disclosures to mandatory reporting for Australia's largest asset managers and asset owners. The ASRS offers a systematic approach for transparency while connecting sustainability risk management to strategic planning and long-term value in a changing economy.

This report analyses the preparedness of Australian asset owners and asset managers (referred to as 'entities' throughout) for the disclosure requirements under the ASRS. It identifies key gaps in current practices and offers practical, targeted recommendations to support credible and actionable alignment. Using a methodology that combines Canbury's sustainability and technology expertise, we identified a representative sample of 39 of the country's asset managers and asset owners, collectively representing approximately 70% of professionally managed assets under management (AUM) in Australia. Twenty percent of those selected had not published substantive climate-related disclosures and were excluded from our analysis. A detailed explanation of our methodology is provided in the Methodology appendix on page 13.

Encouragingly, we found several examples of strong early preparation. Overall, the foundations of climate reporting are often in place; however, what is often missing is the level of detail now required under the new standards. For areas of low alignment, this report provides practical Australian-specific guidance to support entities preparing for their first mandatory disclosures on page 8.

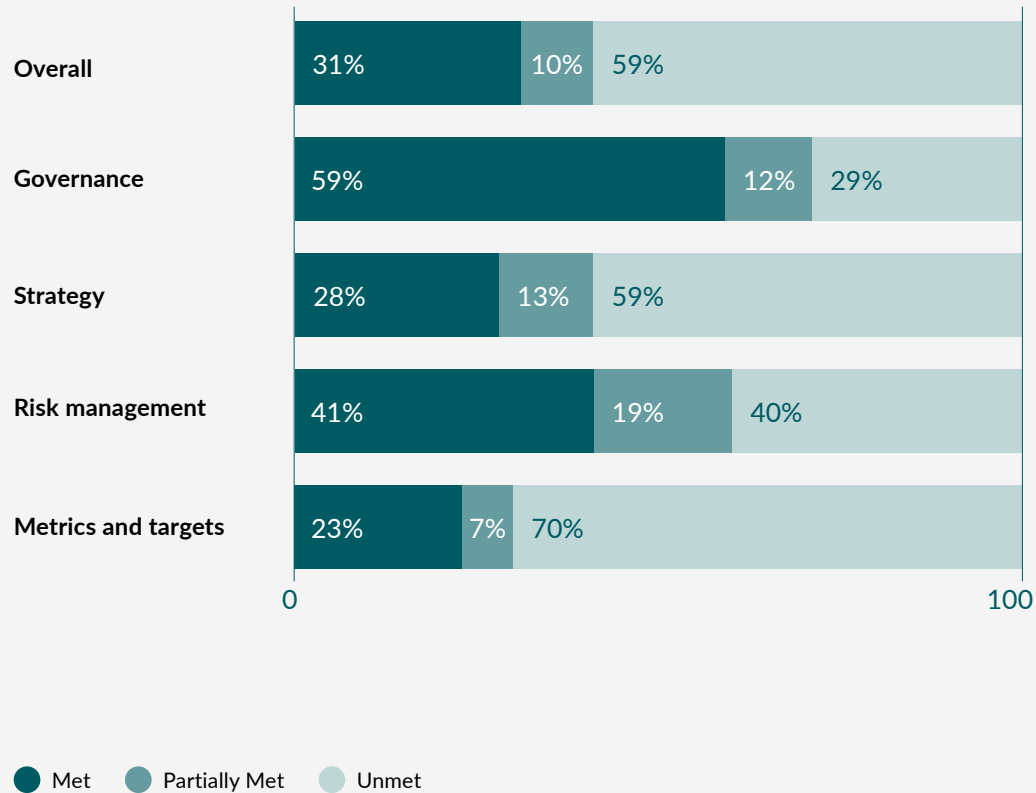
This analysis is focused on the Australian Accounting Standards Board Climate-related Disclosures (AASB S2), the mandatory climate specific disclosure within ASRS. AASB S2 is structured around four core pillars: Governance, Strategy, Risk Management and Metrics and Targets. The chart below summarises the level of alignment observed overall and across each pillar for the 31 entities from our sample that had published a climate statement recently.



This research is based on a representative sample of 39 of the country's asset managers and asset owners, collectively representing approximately 70% of professionally managed AUM in Australia.



## AVERAGE AASB S2 ALIGNMENT



## OUR KEY INSIGHTS:

- 1. Mid-Sized Entities Lead:** Entities with \$10B-\$50B in AUM show the highest disclosure alignment rates, meeting 36% of requirements on average.
- 2. Governance First, Data Later:** Most entities disclose governance structures and high-level strategy as a first step, but few include AASB S2 compliant targets or emissions data.
- 3. Asset Owners' & Managers' Unique Strengths:** Asset owners tend to provide more comprehensive narrative disclosures, whereas asset managers sometimes excel in governance but lag in strategy detail.
- 4. Common Strengths:** Most frequently met requirements include disclosing: (a) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities; (b) delegation of climate responsibilities to management or to a committee; and (c) the objective of each climate-related target and the business segment it applies to.
- 5. Common Gaps:** Most frequently unmet requirements include disclosing the: (a) percentage of executive management remuneration that is linked to climate-related considerations; (b) availability of financial resources to respond to climate scenarios; and (c) amount and percentage of assets or activities vulnerable to physical climate risks.

Leveraging our global experience preparing climate reports for disclosure regimes across the United Kingdom, Europe and New Zealand, we position this report as both a readiness assessment and practical guide. We see the ASRS as a timely and ambitious framework that can align Australian organisations with global best practice. Our hope is that this report enables readers to respond to a defining economic challenge of our time with strategic clarity, credible action, and a long-term outlook that enables resilience and sustained competitiveness in a rapidly changing economy.



# Summary of ASRS

Australia recently introduced the ASRS, requiring in-scope entities to report on climate-related risks and opportunities as part of their annual reporting.

ASRS is based on the International Sustainability Standards Board’s two Sustainability Disclosure Standards, and builds on the framework established by the Task Force on Climate-related Financial Disclosures (TCFD).

ASRS comprises two different reporting standards, AASB S1 and AASB S2. S1 is a general sustainability disclosure, and S2 is the mandatory climate specific disclosure regime with over 100 different disclosure requirements. In practice, this means entities must report how the actual or anticipated effects of climate change impacts their business model, strategy, and financial performance; how climate risks are governed and managed; and key metrics such as greenhouse gas (GHG) emissions (Scopes 1, 2, and 3) and climate targets.

## ELIGIBILITY CRITERIA

The following table summarises who is required to report under the ASRS, and when:

GROUP	WHEN	WHO (MUST MEET AT LEAST TWO CRITERIA WITHIN A GROUP):
Group 1	FY commencing on or after 1 Jan 2025	<ul style="list-style-type: none"><li>• \$500 million+ consolidated revenue</li><li>• \$1 billion+ consolidated assets</li><li>• 500+ employees</li></ul> <p>OR NGER registered <b>and</b> above publication threshold</p>
Group 2	FY commencing on or after 1 July 2026	<ul style="list-style-type: none"><li>• \$200 million+ consolidated revenue</li><li>• \$500 million+ consolidated assets</li><li>• 250+ employees</li></ul> <p>OR All other NGER-Registered reporters</p> <p>For managed investment schemes: More than \$5 billion AUM</p>
Group 3	FY commencing on or after 1 July 2027	<ul style="list-style-type: none"><li>• \$50 million+ consolidated revenue</li><li>• \$25 million+ consolidated gross assets</li><li>• 100+ employees</li></ul>



## Four pillars: Governance, Strategy, Risk Management, and Metrics & Targets

The new standards set clear expectations in each area:

### GOVERNANCE

Boards and executives must disclose how they oversee climate-related risks and opportunities. Entities should disclose the board's oversight and management's role in assessing and addressing climate risks. Regulators expect climate to be treated as a core financial risk, meaning governance structures and director duties now extend to climate risk management.

### STRATEGY

Companies need to report how climate change (physical risks like extreme weather and transition risks like policy changes) affects their strategy and financial planning. This includes describing climate-related opportunities and then considering the resilience of the business under different climate scenarios. Australian rules mandate scenario analysis using at least two scenarios: a low-emissions (1.5°C) scenario and a high-warming ( $\geq 2.5^{\circ}\text{C}$ ) scenario. Entities are also expected to provide information about their strategy to meet its transition plan if it has one.

### RISK MANAGEMENT

Entities must disclose their processes for identifying, assessing, and managing climate risks, and how these are integrated into overall risk management. APRA has already issued guidance ([CPG 229](#)) for banks, insurers, and super funds on embedding climate risk into risk management frameworks. The move to mandatory reporting signals that climate risk should no longer be siloed in sustainability teams, but integrated into enterprise risk processes and overseen like other material financial risks.

### METRICS & TARGETS

Entities need to report metrics such as GHG emissions across Scope 1 and 2 (from the first reporting year) and Scope 3 emissions (from the second year onward), as well as any climate-related targets and progress against them. Additional climate-related metrics (like carbon intensity, or industry-specific figures) should align with international standards (ISSB's IFRS S2 guidance) to ensure comparability.



# Key Insights

The reports we analysed complied with an average of 31% of the relevant requirements within AASB S2.

While this number may appear low initially, given these reports pre-date the introduction of the ASRS it is not surprising. Instead, further analysis of the subsections of the AASB S2 often demonstrates strong foundations for the implementation of ASRS. Below are key insights across each of the four pillars.

## GOVERNANCE

**59% of requirements were met, with governance requirement, with a further 12% partially met. This is the highest level of alignment across all AASB S2 pillars.**

- Nearly all entities disclosed management responsibility for climate risk and oversight at board or executive level, but only 10% explained how climate-related skills are assessed or developed at board level, suggesting that capability-related detail is still emerging.
- The vast majority disclosed how boards monitor progress against climate-related targets. This is an important indicator of genuine board oversight and capability under ASRS S2.
- Most entities disclosed board committee structures with defined climate responsibilities and reporting lines.

This analysis suggests that some entities are already well-positioned to meet AASB S2 governance requirements, with existing frameworks that align closely with the new standard.

## STRATEGY

**28% of strategy-related requirements were met, 13% partially met, and 59% unmet.**

- 58% of entities described climate-related risks and opportunities, meeting the core expectation under this pillar.
- Areas for development include transition planning (39% disclosed) and time horizons. Time horizons for climate-related risks and opportunities were rarely defined, despite being critical for understanding strategic impact.
- None of the entities fully quantified the financial impact of climate risks or opportunities. This highlights a key area where further capability development is needed to meet ASRS expectations.

These examples suggest early signs of strategic integration, but for most entities, forward-looking detail and decision-useful analysis remain limited.

## RISK MANAGEMENT

**41% of risk management requirements were met, 19% partially met, and 40% unmet.**

- 39% of entities acknowledged climate risks within existing enterprise frameworks, but few provided detail on how these risks are assessed or prioritised.
- 16% of entities described how they assess the magnitude or likelihood of climate-related risks and 6% disclosed active risk management processes.
- No entities demonstrated accurate integration of climate considerations into investment due diligence, nor did they require carbon risk disclosures from external fund managers.

These emerging practices show some early alignment but most entities have not disclosed a systematic, evidence-based approach to climate risk assessment and response. More granular disclosures on how risks are evaluated and managed are required for most entities to demonstrate that climate risk is being treated as a core business risk.

## METRICS AND TARGETS

**This was the least-aligned pillar, with 23% of requirements met, 7% partially met, and 70% unmet.**

- 26% of entities disclosed absolute gross Scope 1, 2 and 3 emissions.
- Financed emissions were disclosed in some form by more than half of the entities.
- 19% of entities linked executive remuneration to climate outcomes.

Several entities disclosed that emissions metrics are under development, a signal that the sector recognises the compliance gap and is beginning to address it. This also reflects the groundwork that is being laid across this pillar by reporting entities.



## Cross-Cutting Insights:

- 1. Mid-Sized Entities Lead:** Entities in the medium AUM category (\$10B-\$50B) demonstrated the highest overall rate of disclosure. Medium entities on average met 36% of all requirements and left 51% unmet, outperforming both smaller and larger peers. In contrast, small entities (<\$10B) met 18% on average and large entities(>\$50B) met 33% of disclosures.
- 2. Governance First, Data Later:** Financial institutions have focused on governance and high-level strategy acknowledgment as a first step in climate reporting. However, there are gaps where data is required. Few have set or disclosed robust climate targets, measured all their emissions, or demonstrated the financial impacts of climate change.
- 3. Asset Owners' and Asset Managers' Unique Strengths:** In general, asset owners (largely super funds) tended to provide more comprehensive narrative disclosures (especially around forward-looking climate strategy and scenario analysis) likely due to stakeholder expectations and their long-term horizons whereas asset managers sometimes excelled in governance but lagged in strategy detail.
- 4. Common Strengths:** The requirements most frequently met relate to disclosing: (a) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities; (b) delegation of climate responsibilities to management or to a committee; and (c) the objective of each climate-related target and the business segment it applies to. The governance or process-oriented disclosures can often be the 'easy wins' of climate reporting. They do not require complex data, only internal clarity. Similarly, naming the objective of each climate target and which parts of the business they apply to typically draws on information that entities are likely to have on hand in sustainability strategies or internal plans. The near-universal meeting of these requirements is a positive sign that organisational awareness is in place.
- 5. Common Gaps:** The requirements most frequently unmet relate to disclosing the: (a) percentage of executive management remuneration that is linked to climate-related considerations; (b) availability of financial resources to respond to climate scenarios; and (c) amount and percentage of assets or activities vulnerable to physical climate risks. These gaps reflect the challenge of connecting climate issues to core financial levers. While more complex to address, these disclosures are essential to demonstrate accountability and measurable outcomes.

# 18%

alignment for small entities (<\$10B)

# 36%

alignment for medium entities (\$10B-\$50B)

# 33%

alignment for large entities (>\$50B)



# Reporting Guidance

We identified a set of AASB S2 requirements that had low levels of compliance based on our analysis, and are important for credible and decision-useful reporting. This section provides practical guidance for approaching these disclosure requirements.

## Governance

### BOARD SKILLS AND COMPETENCIES S2.06A-II

*"How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities."*

#### FINDING

In our review 10% met this requirement in full, and 26% of disclosures partially addressed it.

#### INSIGHT

Most entities described climate oversight in generic terms, without showing how the board assesses its own readiness, which creates compliance and credibility risk. Boards that can demonstrate climate competence are better placed to challenge management assumptions, approve credible transition plans, and maintain strategic focus in a shifting regulatory environment.

## Strategy

### CLIMATE-RELATED RISKS AND OPPORTUNITIES S2.10A

*"Describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects."*

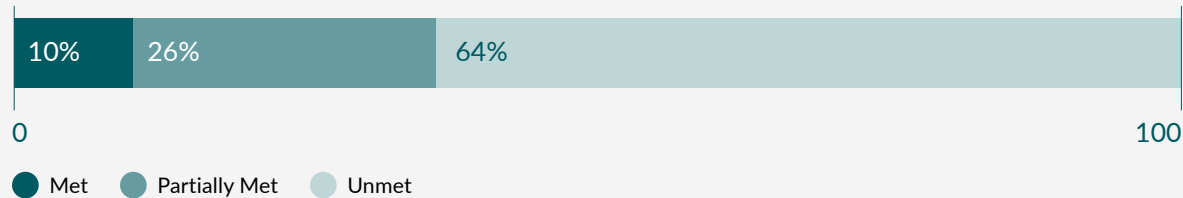
#### FINDING

In our analysis, 58% met this requirement, however many did not use clear time horizons to explain when risks are expected to materialise or how time horizons might affect the financial or strategic direction.

#### INSIGHT

Framing climate factors in financial and time-bound terms creates a clearer link between environmental and enterprise risk, and enables boards to prioritise action based on exposure and opportunity windows. This strategic framing supports entities to understand how climate is shaping both the entity's own business and its investment exposure.

#### S2.06A-II – ALIGNMENT



#### PRACTICAL RECOMMENDATIONS

- ☐ Conduct a board skills matrix or capability review that explicitly includes climate oversight
- ☐ Disclose how gaps are identified and addressed, e.g., director training, and update board and committee charters to reflect formal climate-related responsibilities
- ☐ Include examples of how the board has engaged with climate issues, e.g., scenario briefings, transition plan approval
- ☐ Describe how the board's climate capabilities are reviewed, e.g., annual performance review, third-party governance assessment

#### S2.10A – ALIGNMENT



#### PRACTICAL RECOMMENDATIONS

- ☐ Identify and assess material transition and physical risks across both the business and any investment portfolios
- ☐ Categorise risks and opportunities by short-, medium- and long-term time horizons and define the time horizons and the rationale for why they were chosen
- ☐ Explain how each risk or opportunity could reasonably be expected to affect an entity's prospects, e.g., how a policy shift may affect asset values or how rising reporting costs may influence digital infrastructure budgets





## Strategy continued

### TRANSITION PLAN ASSUMPTIONS AND DEPENDENCIES S2.14A–IV

*“Any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity’s transition plan relies.”*

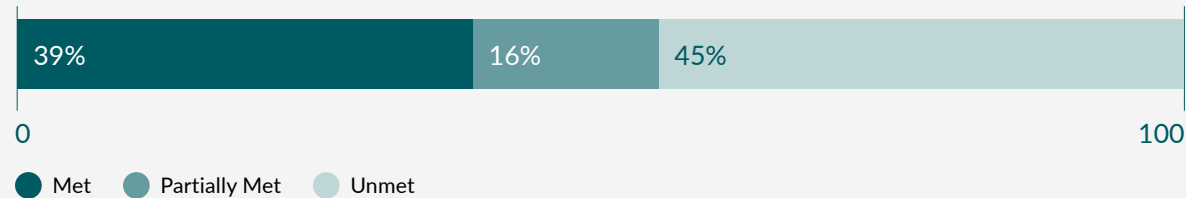
#### FINDING

Many entities in our sample disclosed climate targets or actions and 39% clearly articulated the assumptions and dependencies underpinning their transition plans. Most disclosures focused on intentions rather than the conditions required to achieve those targets.

#### INSIGHT

Without explaining the scenarios, technologies, policies, or behavioural shifts transition plans depend on, it is difficult for entities or regulators to assess credibility. Clear transition assumptions help stakeholders evaluate whether the plan is plausible, aligned with science, and responsive to uncertainty, and **protect companies** from the growing risk of greenwashing.

#### S2.14 ALIGNMENT



#### PRACTICAL RECOMMENDATIONS

- ☐ Build your transition plan on risk assessment and GHG emissions data, tailoring approaches to your entity’s specific value chain characteristics
- ☐ Identify and assign specific board and management roles with explicit responsibility for designing, implementing, and overseeing the transition plan
- ☐ Disclose the key assumptions underlying your transition plan, e.g., future carbon prices, energy mix, investee decarbonisation rates
- ☐ Where uncertainty exists, describe what would happen if those assumptions do not hold, e.g., delayed action, portfolio rebalancing

### FINANCIAL EFFECTS OF CLIMATE-RELATED RISKS AND OPPORTUNITIES S2.15A

*“The effects of climate-related risks and opportunities on the entity’s financial position, financial performance and cash flows for the reporting period (current financial effects).”*

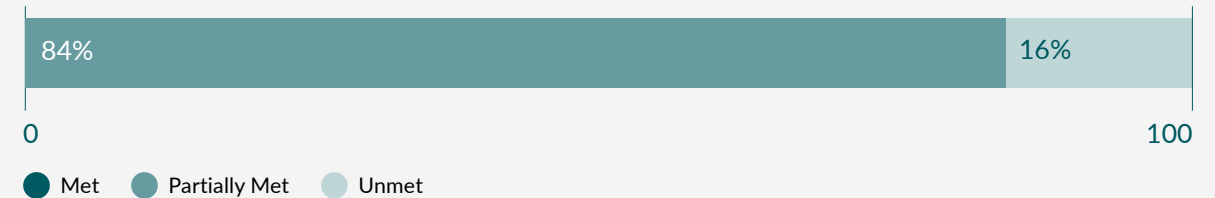
#### FINDING

No entities in our analysis met this requirement in full. The vast majority made qualitative references and 16% made no disclosure at all.

#### INSIGHT

This finding suggests some entities are still developing the internal capability to link climate exposure to balance sheet, income statement, or cash flow metrics. This is one of the most consequential clauses under AASB S2, because it connects sustainability to the core of financial reporting. Disclosing actual or estimated impacts, even if immaterial or uncertain, strengthens trust, improves investor relevance, and reduces greenwashing risk.

#### S2.15A ALIGNMENT



#### PRACTICAL RECOMMENDATIONS

- ☐ Quantify climate impacts where possible, e.g., asset write-downs due to climate risk, operating cost changes, revenue growth linked to low-carbon offerings
- ☐ If quantification is not possible, provide a qualitative explanation and describe plans to improve data or analysis
- ☐ Coordinate across finance, risk, and sustainability teams to align assumptions
- ☐ Consider early engagement with auditors to validate approach and financial reporting alignment



## Strategy continued

### SCENARIO ANALYSIS AND RESILIENCE S2.22A-I

*"The implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis."*

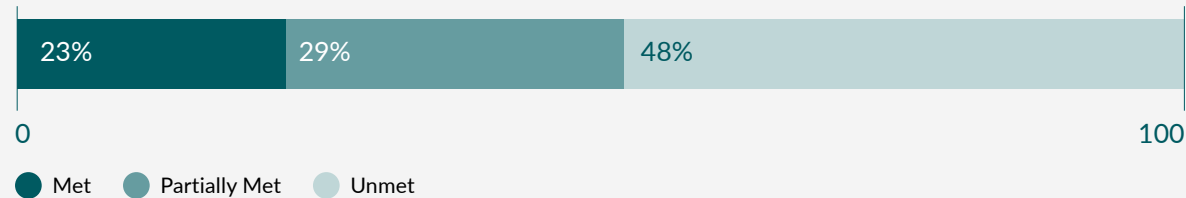
#### FINDING

Twenty-three percent of entities disclosed how their climate scenario analysis informed strategy or business model decisions. While many mentioned using scenarios, few connected these to strategic implications or specified which climate pathways were used, and even fewer explained the assumptions behind the scenarios themselves.

#### INSIGHT

AASB S2 regulations require at least two scenarios, a low warming scenario and a high warming scenario. Scenario analysis supports portfolio resilience. It allows the asset owner or asset manager to understand how their portfolios would respond in each scenario – it provides insight into potential disruptions, stress tests key assumptions, and shows that the entity is preparing for plausible futures.

#### S2.22A-I ALIGNMENT



#### PRACTICAL RECOMMENDATIONS

- ☐ Use multiple scenarios, including at least one aligned with a 1.5°C or below pathway and one higher-risk, e.g., 3°C pathway and clearly describe the assumptions in each scenario, such as carbon prices, technology availability, climate impacts, policy shifts
- ☐ Tailor the scenario analysis by identifying how each scenario affects the entity's strategy, business model, or key sectors of its portfolio
- ☐ Disclose specific implications for resilience, e.g., capital allocation changes, risk appetite shifts, investment tilts
- ☐ Be transparent about limitations, uncertainties, or gaps and how these are being addressed
- ☐ Use recognised sources such as the IEA, IPCC, or NGFS to support scenario credibility

## Risk Management

### RISK ASSESSMENT CRITERIA S2.25A-III

*"How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria)."*

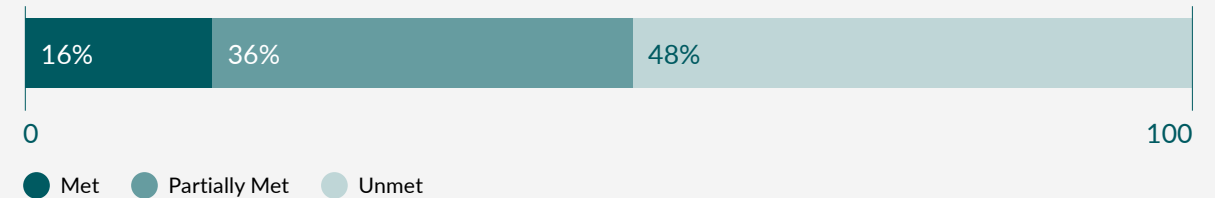
#### FINDING

Less than 20% of entities explained how they assess the scale or probability of climate-related risks. While many listed risks or noted their inclusion in enterprise risk management frameworks, most did not describe how those risks are prioritised, modelled, or monitored over time.

#### INSIGHT

Climate risks should be treated with the same discipline as financial or operational risks. Disclosing the criteria used to evaluate risk, such as thresholds for materiality, scoring systems, or scenario-linked triggers, signals that climate is integrated into core risk management and allows stakeholders to understand how decisions are made.

#### S2.25A-III ALIGNMENT



#### PRACTICAL RECOMMENDATIONS

- ☐ Engage across the organisation, including finance, operations and procurement, to build a coordinated risk management process
- ☐ Tailor likelihood determination methods to your entity
- ☐ Define magnitude thresholds and metrics, including key financial indicators
- ☐ Show how these criteria fit into existing enterprise risk frameworks, e.g., board risk appetite, internal reporting protocols, and disclose the frequency of risk reassessment and who is accountable for the process



## Metrics & Targets

### GREENHOUSE GAS EMISSIONS S2.29A-I

*"Absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO<sub>2</sub> equivalent – Scope 1, Scope 2, Scope 3."*

#### FINDING

Twenty-six percent in our dataset disclosed gross Scope 1, 2, and 3 emissions and the rest disclosed either partial gross data or did not provide the required disclosure across all scopes. Some entities reported GHG intensity or financed emissions in isolation, but did not provide absolute emissions figures.

#### INSIGHT

AASB S2 requires full Scope 1 and 2 disclosure in the first reporting year and Scope 3 in the second. While it is not yet reflected in reporting, entities that are collecting emissions data, even for voluntary disclosures, are beginning to align their reporting boundaries, methodologies, and categories with AASB S2. Robust emissions disclosure builds a foundation for financed emissions reporting, target setting, and assurance readiness, which are central to future credibility.

### FINANCED EMISSIONS S2.B61A

*"Does the entity disclose its absolute gross financed emissions, disaggregated by Scope 1, Scope 2 and Scope 3 greenhouse gas emissions."*

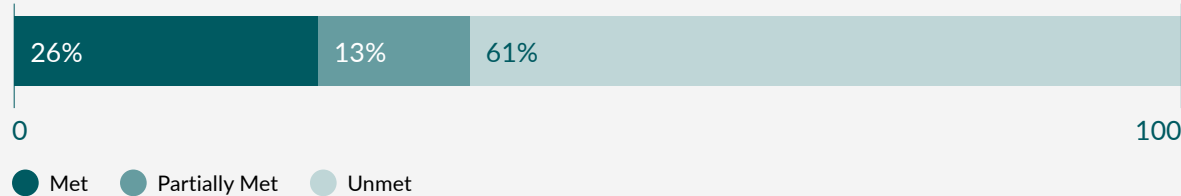
#### FINDING

Ten percent of entities in our analysis disclosed absolute gross financed emissions.

#### INSIGHT

Given the complexity of calculating financed emissions, entities may strategically utilise the available transition relief period to build necessary capabilities and data systems for comprehensive disclosure. For asset managers, financed emissions typically constitute most of their total footprint, making this category particularly material. Transparent disclosure of financed emissions provides stakeholders with critical insights into portfolio climate risks, alignment with net-zero commitments, and progress towards financing the low-carbon transition.

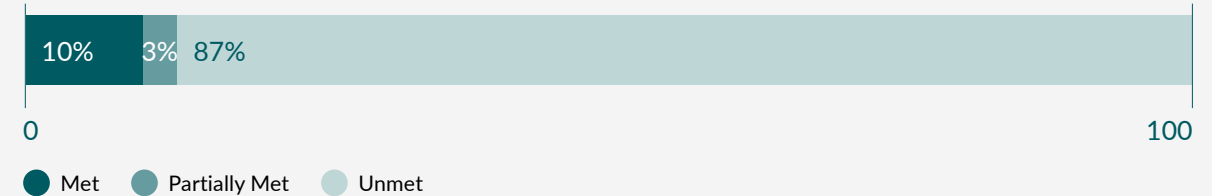
#### S2.29A-I ALIGNMENT



#### PRACTICAL RECOMMENDATIONS

- ☐ Report Scope 1 and 2 emissions in tonnes CO<sub>2</sub>e using GHG Protocol methodology
- ☐ Use Scope 2 location-based GHG emissions in line with AASB S2 and, where relevant, disclose market-based Scope 2 emissions as part of best practice reporting
- ☐ Establish comprehensive Scope 3 reporting boundaries, develop GHG Protocol-aligned calculation methodologies, and map relevant emission categories
- ☐ Explain calculation methods, estimation techniques, and any data limitations
- ☐ Where emissions are immaterial or not reported, disclose the reason and plans for future coverage

#### S2.B61A ALIGNMENT



#### PRACTICAL RECOMMENDATIONS

- ☐ Categorize holdings by asset class, establish clear organisational boundaries, and adopt industry-standard calculation approaches with documented attribution methods for investment type
- ☐ Develop processes to gather emissions data from portfolio companies and create estimation methodologies for addressing data gaps
- ☐ Compute both absolute financed emissions (tCO<sub>2</sub>e) and relative metrics (such as emissions per million invested) across asset classes, documenting all assumptions and limitations
- ☐ Use analysis as the basis for disclosure requirements and integrate into wider strategies and targets



# About Us

## Canbury

Canbury is a technology-enabled sustainability consultancy applying AI tools to thoroughly, effectively and cost-efficiently deliver reporting, research, data and training. Canbury combines global expertise and local delivery to support Australian organisations to find value in sustainability.



### SUSTAINABILITY LED, TECH ENABLED

We bring both the extensive sustainability experience of our team and the potential of AI to corporate sustainability, for more valuable, comprehensive, and cost-effective sustainability reporting, strategy development, and ESG insights.



### GLOBAL EXPERTISE, LOCAL DELIVERY

With both a head office in London and an Australian-based team, we are well positioned to assist with Australian domestic disclosures and international frameworks such as CSRD, TCFD and TNFD. Our global team works closely across regions, providing a cohesive and agile service for global companies.



### PROVEN EXPERIENCE IN SUSTAINABILITY REPORTING

Our team has successfully delivered major reports for organisations such as PRI, Storebrand, and JO Hambro, offering reporting and strategic development that aligns with evolving ESG regulations.



Flag is a trusted global sustainability agency with 25 years of experience helping leading businesses to navigate the evolving reporting landscape.

Our team of in-house consultants, copywriters and designers translate complex sustainability content into accessible and engaging storytelling and credible disclosure. With robust ISO 9001-accredited quality processes and deep knowledge of global and national reporting standards, we provide tried and tested, affordable and efficient support with your reporting and communications.

Flag is delighted to have designed and produced this report for Canbury. Get in touch if you need support with your next sustainability report:

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# Appendix: Methodology

This report is based on an analysis of the disclosures of 39 Australian financial institutions that were publicly available as at 1 April 2025.

The primary objective of this analysis was to evaluate the extent of alignment between their current climate reporting practices and the requirements of the AASB S2 climate-related Disclosures.

The analytical process involved several key steps:

- 1. Firm Selection:** A random sample of financial institutions was chosen to reflect the distribution of AUM across the Australian investment landscape. The selection included superannuation funds, sovereign wealth entities, large asset managers, and boutique institutions, and collectively represents approximately 70% of professionally managed AUM in Australia. 22 were asset owners, and 17 were asset managers. 46% are large entities (\$50B+ AUM), 36% were medium (\$10B-\$50B AUM), and 18% were small (\$0-\$10B AUM).
- 2. Data Sourcing:** The most recent and publicly available corporate disclosures were collected for each of the selected entities. These typically included annual reports, sustainability reports, TCFD reports, or dedicated climate reports. Eight of the 39 entities had no climate-related disclosures within their publicly available disclosures and were therefore excluded from this analysis. All disclosures pre-date the mandatory application of AASB S2, thus providing a baseline of existing practices.
- 3. Framework Application:** Each of these reports was then systematically reviewed against each specific disclosure requirement within AASB S2, using a combination of Canbury's sustainability experts and Large Language Model Gemini 2.5 Pro. This analysis is focused on climate-related disclosures contained in AASB S2 that are relevant to asset managers, and includes the specific financed emissions disclosure requirements. The analysis does not include the requirements of Appendix D of AASB S2.
- 4. Gap Analysis and Categorization:** For each AASB S2 requirement, an assessment of 'Met', 'Partially Met', or 'Unmet' was determined for each firm based on the proportion of each requirement that was disclosed.
- 5. Data Analysis:** This data was then analysed to identify themes across AASB S2 pillars and entities. These themes then formed the basis of the insights and recommendations within this report, highlighting both areas of progress and gaps for Australian entities.

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As part of individual preparations for reporting, in-scope entities will need to review all ASRS requirements to ensure compliance against all requirements relevant to them, including those within Appendix D of AASB S2.

For more information about Canbury and our research methodologies, please visit our website or contact us directly.

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