

## CLIMATE AND SUSTAINABILITY ASSURANCE REQUIREMENTS APPROVED

The Auditing and Assurance Standards Board (AUASB) yesterday approved the adoption of international standard ISSA 5000 *General Requirements for Sustainability Assurance Engagements* in Australia.

ISSA 5000 was formally launched by the International Auditing and Assurance Standards Board on 27 January 2025.

As well as contributing to greater international alignment of assurance over climate and other sustainability information the new standard will support confidence in information disclosed in the annual reports of Australia's largest companies from years commencing 1 January 2025.

AUASB standard ASSA 5000 *General Requirements for Sustainability Assurance Engagements* will apply to sustainability assurance engagements for reporting periods beginning on or after 1 January 2025.

### Phasing of assurance for mandatory climate reporting

For mandatory climate reporting under the *Corporations Act 2001* (the Act), ASSA 5000 will be subject to the phasing in of limited and reasonable assurance under AUASB standard ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001*, which the AUASB formally approved yesterday.

There were no changes to the assurance phasing model previously approved at the AUASB's 16 December 2024 meeting.

Mandatory reporting under the Act commences at different times for each of three groups of entities

Under the Act, the auditor of an entity's financial report also provides assurance over the mandatory climate information in an annual report. The following table shows the phasing in of limited and reasonable assurance over the information required by AASB S2 *Climate-related Disclosures* for each of the three groups of entities (earlier assurance permitted).

Years commencing	Year 1*	Year 2	Year 3	Year 4**	Year 5	Year 6
Group 1	1/1/25 to 30/6/26	1/7/26 to 30/6/27	1/7/27 to 30/6/28	1/7/28 to 30/6/29	1/7/29 to 30/6/30	1/7/30 to 30/6/31
Group 2	1/7/26 to 30/6/27	1/7/27 to 30/6/28	1/7/28 to 30/6/29	1/7/29 to 30/6/30	1/7/30 to 30/6/31	1/7/31 to 30/6/32
Group 3	1/7/27 to 30/6/28	1/7/28 to 30/6/29	1/7/29 to 30/6/30	1/7/30 to 30/6/31	1/7/31 to 30/6/32	1/7/32 to 30/6/33
Governance	Limited	Limited	Limited	Reasonable	Reasonable	Reasonable
Strategy – Risks and Opportunities ***	Limited****	Limited	Limited	Reasonable	Reasonable	Reasonable
Climate Resilience Assessments/ Scenario Analysis	None	Limited	Limited	Reasonable	Reasonable	Reasonable
Transition Plans	None	Limited	Limited	Reasonable	Reasonable	Reasonable
Risk Management	None	Limited	Limited	Reasonable	Reasonable	Reasonable
Scope 1 and 2 Emissions	Limited	Limited	Limited	Reasonable	Reasonable	Reasonable
Scope 3 Emissions	N/A	Limited	Limited	Reasonable	Reasonable	Reasonable
Climate-related Metrics and Targets	None	Limited	Limited	Reasonable	Reasonable	Reasonable

\* Group 1 entities with years commencing 1 January to 30 June will be subject to the Year 1 provisions twice (e.g. years commencing 1/1/25 and 1/1/26). Reporting of Scope 3 emissions is required for years commencing 1/1/26 to 30/6/26 for these Group 1 entities.

\*\* Years commencing from 1/7/30 to 30/6/31 for Group 3 entities. From that time reasonable assurance is required by the Act for all mandatory climate disclosures.

\*\*\* The phasing for assurance on statements that there are no material climate-related risks and opportunities would be the same as for 'Strategy – Risks and Opportunities'.

\*\*\*\* Only subparagraphs 9(a), 10(a) and 10(b) of AASB S2.



## Other matters

In Australia, ASSA 5000 will prohibit the use of direct assistance by internal auditors in sustainability assurance engagements. This is consistent with an existing prohibition for audits of financial reports in Australia.

Consistent with international standards, AUASB standard ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements* will continue to apply until reporting periods commencing 15 December 2026 for separate emissions reporting where required under Australia's *National Greenhouse and Energy Reporting Act 2007*.

## Final AUASB standards

The final versions of ASSA 5000 and ASSA 5010 will be published on the AUASB website ([www.auasb.gov.au](http://www.auasb.gov.au)) next week.

## About the AUASB

The AUASB is an independent, non-corporate Commonwealth entity of the Australian Government, responsible for developing, issuing and maintaining auditing and assurance standards in Australia.

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