

A practical guide

To Greenhouse Gas ("GHG") Reporting

Overview

Certain companies are being required to report annually their total GHG emitted directly or indirectly as a result of all of their activities¹.

Who has to report?

| Relevant Businesses | Exempt Businesses |
|--|---------------------------|
| All large companies or groups which lodge audited financial reports with ASIC | Small companies |
| | ACNC companies |
| | Incorporated associations |
| | Trust structures |

What needs to be reported?

- Total GHG emitted directly or indirectly by the company as a result of all of its activities
- Detailed narrative disclosures on Governance, Strategy and Risk Management related to emitting and reporting GHG

Reporting Timetable for Relevant Businesses²

| | Revenue | Assets | Employees | First year of reporting |
|---------|-----------------|-----------------|-----------|-------------------------|
| Group 1 | > \$500 million | > \$1 billion | > 500 | 1 January 2025 |
| Group 2 | > \$200 million | > \$500 million | > 250 | 1 July 2026 |
| Group 3 | > \$50 million | > \$20 million | > 100 | 1 July 2027 |

Next steps

For more information or assistance on Greenhouse Gas reporting contact Daniel Gill or Chris King on +61 7 3023 1300.

¹ AASB S2 *Climate-related Disclosures*. There is also a voluntary AASB S1 General Requirements for Disclosure of Sustainability-related *Financial Information*.

² Relevant Businesses must meet at least 2 of the 3 criteria.

Different Types of Reportable GHG Emissions

| Type | Simplified Definition | Example |
|---------|--|--|
| Scope 1 | GHG emitted directly by you | Company-owned or leased vehicles, machinery or power plants |
| Scope 2 | GHG emitted to produce the electricity your business uses | Your electricity bills |
| Scope 3 | All indirect GHG emissions caused by the activities of your business | <ul style="list-style-type: none"> • Transport of goods in & out of your warehouse • Business travel • Employee commuting |

Key Challenge

Developing compliant, best-practice and practicable policies, procedures and systems for identifying climate-related risks and opportunities and estimating and reporting emissions, especially Scope 3.

Future Developments

- Development of accessible data-sets and methodologies to assist in estimating Scope 3 emissions
- Increased availability and functionality of specialised carbon or sustainability software
- Pressure to provide data to suppliers & customers, bankers & investors who are in Group 1 or 2 prior to 1 July 2027
- The independent audit of GHG reporting to be phased in incrementally until all GHG reporting is audited by the year ending 30 June 2033.

Next steps

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³ Relevant Businesses are exempt from reporting Scope 3 emissions for 1 year after GHG reporting becomes mandatory for them.