

# Supporting sustainability readiness

Check and challenge questions for building on your governance, strategy, and risk foundations

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## Governance – ensuring oversight

**Consider the following to address any gaps between your current governance processes and the reporting requirements under AASB S2:**

**Have we considered?**

Have you clearly identified who is accountable for climate-related risks and opportunities (CRROs)?

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Is oversight embedded within formal governance documents, such as board or committee charters, and reflected in meeting schedules?

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How frequently and through what mechanisms is climate information reported to the board or relevant committee?

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Do decision-makers possess the necessary expertise to understand and respond to CRROs? If not, what training is required?

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Are responsibilities formally documented, with clearly defined roles between operational and strategic oversight?

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## Climate strategy – moving from high-level to detailed planning

**Questions to ask when considering your climate strategy:**

**Have we considered?**

Are the risks and opportunities clearly defined and linked to your core strategy and operations?

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Is there a robust method for assessing their likelihood and potential financial impact?

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Are time horizons defined (short, medium, long-term), and are these applied consistently across disclosures?

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Is a transition plan in place, and does it include measurable actions, timelines, and resource requirements?

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How are decarbonisation commitments integrated into your business model, and how are progress and performance tracked?

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Are the current and anticipated climate impacts on your value chain quantified and reflected in financial planning?

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Do any of these impacts require disclosure in your financial statements under existing accounting standards?

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## Risk management – embedding climate risk into enterprise processes

**Consider these questions to help embed climate risk into your entity's overall risk management processes:**

**Have we considered?**

Is there a defined process for identifying, assessing, and prioritising CRROs?

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How are these risks managed, monitored, and mitigated in practice?

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Have climate risks been embedded into your enterprise risk management processes and internal controls?

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Are there feedback loops between operational risk assessments and board oversight of climate risks?

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## Climate metrics and targets

**Consider these questions to identify gaps and support disclosure-readiness:**

**Have we considered?**

How will you manage the different reporting due dates?

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How will you quantify and disclose assets and business activities that are vulnerable to transition or physical climate risks?

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How will your entity set its climate-related targets, including any that are legally or regulatory required? Consider how you will engage with shareholding Minister's offices and central agencies.

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Will you set an internal carbon price? If so, what approach will you take in setting it?

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What unique challenges do you expect to face in relation to reporting on Scope 3?

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