

**National Australia Bank**

395 Bourke Street
Melbourne, VIC 3000

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Claire LaBouchardiere
Senior Executive Leader
Companies & Small Business
Australian Securities and Investments Commission
GPO Box 9827
Melbourne, VIC, 3001

Dear Ms LaBouchardiere

National Australia Bank (NAB) welcomes the opportunity to respond to the Australian Securities and Investments Commission's (the Commission) Consultation Paper 380 on Sustainability Reporting and the associated draft Regulatory Guide 000: Sustainability Reporting. As a member of the Australian Banking Association, NAB also contributed to and supports its submission on the consultation paper.

NAB supports the creation of a rigorous, internationally aligned and credible climate disclosure regime for Australia through the Australian Sustainability Reporting Standard AASB S2 (the Standard). NAB endorses the phased implementation approach, which takes account of an entity's size and resources. Many of NAB's customers are Group 2 and 3 entities and it is appropriate that these entities benefit from lessons learned through Group 1 implementation, and are otherwise supported to meet their reporting obligations in a manner appropriate to their size and complexity.

Timely and pragmatic regulatory guidance is critical to rapid and effective implementation of the Standard, and to achieving the objective of improving the quality, consistency and comparability of climate-related financial disclosures for primary users of that information. We have identified a number of areas where we believe further clarity or guidance would enhance the achievement of this aim.

Protected statements

NAB encourages the Commission to consider extending regulatory guidance on the application of the modified liability settings, in particular RG 000.63 - RG 000.65, to other common contexts in which an entity may be required by law to repeat disclosures from its sustainability report. For example, this could include responding to shareholder questions at an annual general meeting, or responding to questions at a Parliamentary hearing (such as Senate or House committee hearings).

Limiting the application of the modified liability settings to exclude statements 'voluntarily' reproduced outside a sustainability report, including in contexts such as an investor presentation released proximate in time to the sustainability report, diminishes the practical value of these provisions for entities who are already providing substantial engagement to their sophisticated and institutional investment communities on sustainability, including climate-related, matters.

Enforcement approach

The Commission has acknowledged the scale of the proposed mandatory disclosure regime, and in recent public commentary has spoken of taking a "proportionate and pragmatic approach" to enforcement. This is also reflected in RG 000.24.

It would be helpful for the Commission to reiterate its “proportionate and pragmatic” enforcement approach in other key places throughout the guidance. This could include, for example, in relation to the modified liability settings, including where disclosures are repeated in ‘voluntary’ settings such as investor presentations given proximate in time to the release of the sustainability report. Noting that internal capabilities, data quality, availability and methodologies continue to develop for climate-related information, this would provide helpful reassurance to reporting entities (many of whom are NAB customers) during a period of significant change and uplift.

Opportunities for industry / cross-industry and/or national collaboration

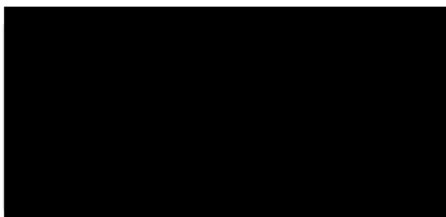
NAB supports the Commission using the lessons learned through implementation by Group 1 reporting entities to provide guidance and assistance to Group 2 and 3 entities. We acknowledge that Group 2 and 3 entities, including many NAB customers, may not be as well-resourced. Providing these entities with appropriate support will be important for uplifting the skills and capability of the wider business community and ensuring the quality of the resulting reporting.

The Commission will gain a unique perspective of the implementation needs and challenges of reporting entities across the economy. NAB encourages the Commission to consider the ways in which it could play a leading role in facilitating collaboration between reporting entities on issues of common concern, in particular in areas where collaborating to develop solutions has the potential to reduce complexity and/or compliance costs for individual reporting entities, or for their customers and suppliers who may be impacted by the information requirements of the Standard.

Next steps

Thank you again for the opportunity to contribute to the consultation. We look forward to ongoing engagement with the Commission as it finalises regulatory guidance for mandatory sustainability reporting and would be happy to discuss any aspect of our response with you.

Yours sincerely



Jacqueline Fox
Chief Climate Officer
National Australia Bank