



ASIC
Australian Securities &
Investments Commission

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Committee Secretary
Senate Standing Committees on Environment
and Communications
PO Box 610
Parliament House
Canberra ACT 2600

12 September 2025

Dear Committee Secretary

Environment and Communications References Committee – Inquiry into Greenwashing

We refer to the inquiry into greenwashing re-referred to the Environment and Communications References Committee on 31 July 2025. We wish to update the inquiry with regulatory developments and our program of work since our original submission on 8 June 2023.

ASIC continues to prioritise greenwashing as a strategic enforcement priority, as part of our mandate to promote fair and efficient markets, and the confident and informed participation by investors in the financial system.

This work generally aligns with the Australian Government's vision, as outlined in [the Sustainable Finance Roadmap](#), to implement key sustainable finance reforms and measures to help investors and companies have the confidence and certainty required to invest and manage climate and sustainability related risks.

Sustainable Finance Roadmap

Released in June 2024, the Sustainable Finance Roadmap aims to ensure that investors have access to high quality, credible and comparable information, in relation to climate and sustainability. Key components of this are:

- September 2024 – Mandatory climate related financial disclosure was introduced, and the Australian Accounting Standards Board (AASB) issued the [Australian Sustainability Reporting Standard AASB S2 Climate Related Disclosures](#). ASIC has a key role in administering the regime. Further details are provided below;
- June 2025 – The Australian Sustainable Finance Institute (ASFI) released [the Sustainable Finance Taxonomy](#). The Council of Financial Regulators Climate

Working Group played a role in overseeing ASFI's governance processes in developing the taxonomy. The taxonomy offers financial institutions and businesses a robust, voluntary framework to assess the green claims of economic activities and confidently invest in projects that advance net zero;

- July 2025 – Treasury released a consultation paper on [Sustainable investment product labels](#) which notes how ASIC's greenwashing enforcement action will continue to play a vital role in protecting Australian investors from being misled;
- August 2025 – Treasury released a consultation paper on [Climate-related transition planning guidance](#).

We continue to engage on matters related to climate change and the financial system through [the Council of Financial Regulators Climate Working Group](#).

ASIC's Enforcement and Surveillance Outcomes

In relation to the laws ASIC administers, there are currently no legislative provisions that specifically prohibit greenwashing. Instead, there are general prohibitions against misleading and deceptive statements and conduct.

ASIC sustainability-related cases

Signalling ASIC's commitment to protecting investors and consumers, ASIC has been active in relation to greenwashing surveillance and enforcement. The Federal Court has imposed a combined \$34.7 million in civil penalties for three greenwashing cases we have initiated.

In August 2024, Mercer Superannuation (Australia) Ltd was fined \$11.3 million by the court [\(24-173MR\)](#). A month later, Vanguard Investments Australia was fined \$12.9 million [\(24-213MR\)](#) and in March 2025, Active Super received a penalty of \$10.5 million [\(25-042MR\)](#).

Greenwashing surveillance and findings: 2024-25

During 2024-25, as part of ASIC's general supervision, we reviewed representations made by companies and trustees about their sustainability claims and credentials.

Our key concerns were entities making:

- unsubstantiated claims about the viability or feasibility of sustainability-related strategies, products or business models;
- claims about commitments to sustainability unsupported by identified specific actions, policies or processes; and
- inadequate disclosures about environmental and climate-related physical and transition risks, particularly for companies in highly exposed sectors such as mining and resources and consumer staples.

As a result of our interventions, 15 companies and 4 superannuation trustees removed, retracted or revised statements about their sustainability claims and credentials across a range of disclosures. This included prospectuses, websites, promotional materials and market announcements.

Greenwashing surveillance and findings: 2023 – 24

In August 2024, ASIC released a report [\(REP 791\)](#) outlining our regulatory interventions made between 1 April 2023 and 30 June 2024 in relation to concerns about greenwashing claims.

Interventions were made across a range of sectors and entities, spanning listed companies, investment managers, superannuation trustees and responsible entities. These included commencement of 2 civil penalty proceedings, finalising 1 civil penalty proceeding, obtaining 37 corrective disclosure outcomes and issuing 8 infringement notices.

Mandatory climate related financial disclosure regime

Establishment of sustainability reporting requirements

In September 2024, the Australian Parliament passed Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024 (Cth), introducing sustainability reporting requirements under the Corporations Act 2001 (Corporations Act).

Under the Corporations Act, entities that are required to prepare an annual financial report are required to prepare a sustainability report where the entity meets one of the following thresholds: the corporate size threshold, the emissions threshold or the value of assets threshold.

The sustainability report must contain climate-related financial information required under the Corporations Act and AASB S2 Climate-related disclosures. It is the fourth report required as part of these entities' annual reporting obligations, alongside the financial report, directors' report and auditor's report.

Sustainability reports prepared in accordance with the law help maintain and promote confidence and integrity in Australia's capital markets. They also help users of the information to make informed decisions.

Phased implementation and support for the regime

Sustainability reporting requirements are being phased in over three years across three groups of reporting entities, with the first reporting cohort required to prepare sustainability reports for financial years commencing on or after 1 January 2025.

The second and third reporting cohorts are required to prepare sustainability reports for the financial years commencing on or after 1 July 2026 and 1 July 2027 respectively.

[ASIC is providing support to the regime through increased stakeholder engagement, provision of guidance, relief, and capacity building.](#) We have indicated we intend to take a pragmatic and proportionate approach to our supervision and enforcement of the sustainability reporting obligations during the phasing-in period.

Regulatory and educational material

We have published guidance to explain how we interpret the law and the principles we apply, and to provide practical support to assist entities to comply with their obligations. [\(see RG 280\)](#). Further, ASIC's sustainability reporting and audit relief decisions are now available on the [sustainability reporting and audit relief decisions register](#). We publish the decisions made under ASIC's exemption powers in the Corporations Act that relate to sustainability reporting and auditing matters.

Separately, ASIC and the Australian Accounting Standards Board (AASB) are partnering with the University of Technology Sydney, and Sydney-based educational design agency Studio 3 Learning to develop educational materials explaining the core concepts underlying sustainability reporting in the Corporations Act.

We also publish a reporting and audit update newsletter to stakeholders to keep them abreast of these developments.

Yours sincerely

Claire LaBouchardiere

Senior Executive Leader – Sustainability, Financial Reporting and Audit