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Claire LaBouchardiere
Senior Executive Leader
Companies & Small Business
Australian Securities & Investments Commission
GPO Box 9827
MELBOURNE VIC 3001
(via email: sustainable.finance@asic.gov.au)

Re: Consultation Paper 380 – Sustainability Reporting

Dear Ms LaBouchardiere

Sportsbet welcomes the opportunity to provide feedback to the Australian Securities & Investments Commission (**ASIC**) regarding the new sustainability reporting framework (**the Framework**) introduced into the *Corporations Act 2001* (**Corporations Act**) following the enactment of the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024*.

As a leader in the online wagering industry, Sportsbet fully supports the new Framework and its objectives of improving the quality, consistency and comparability of climate-related financial disclosures of reporting entities. We seek to provide suggestions for ASIC to consider that we believe could better meet the intent of the Framework, focused on improving and clarifying the regulatory guidance for entities required to prepare sustainability reports.

Primarily, we recommend ASIC outline (within their regulatory guidance for industry) the specific criteria or conditions under which consolidated group exemptions can be granted. This includes detail to assist entities understand what constitutes comprehensive coverage by an international parent company's sustainability report.

About Sportsbet and Flutter

Sportsbet is a leading Australian digital e-commerce business in the online wagering sector bringing excitement to over 2.2 million Australian customers. Representing approximately 42% of Australia's online wagering market, Sportsbet employs over 1,200 staff nationally. In FY2022, Sportsbet generated an economic contribution to Australia of \$3.59 billion, including \$1.26 billion in direct taxation, levies and fees, including State and Federal Taxes and product fees to Australian racing and sporting bodies. We also support over 32,000 jobs as a wider industry. Together with other online wagering operators and the industry body Responsible Wagering Australia, Sportsbet is committed to working with all governments to ensure Australian policy settings support a viable, responsible and sustainable online wagering industry.

Sportsbet is part of the Flutter Group (**Flutter**), the world's largest listed online sports betting and iGaming company operating in over 40 regulated markets, with 12.3 million average monthly players worldwide in 2023. Flutter's brands in markets found across the world include Sportsbet, Sky Betting & Gaming, Sisal, Pokerstars, Paddy Power, and BetFair.

Since 2023, Flutter has published an annual standalone Sustainability Report, available on the Flutter website. The Sustainability Report is published in accordance with requirements imposed by the Global Reporting Initiative, Sustainability Accounting Standards Board, and Taskforce on Climate-related Financial

Disclosures (**TCFD**). In 2024, TCFD responsibilities were transferred to the International Sustainability Standards Board (**ISSB**), who in turn directed the publication of the IFRS S1 (General Requirements for Disclosure of Sustainability) related Financial Information and S2 (Climate Related Disclosures). Flutter's Sustainability Report for FY2024 will be prepared in accordance with the requirements of IFRS S1 and S2. Additionally, by 2026, Flutter will also be subject to further reporting obligations under the Corporate Sustainability Reporting Directive.

As a result, Flutter's Sustainability Reporting covers a broad range of topics not limited to the potential impacts of climate change including general disclosures, material topics, safer gambling, jobs skills and DE&I, community investment, and other required disclosures.

Parallels with international requirements, and application to Sportsbet

As ASIC is aware, the Framework essentially requires reporting entities such as Sportsbet to maintain sustainability records, prepare a sustainability report (containing the matters prescribed by the Australian Accounting Standards Board's (**AASB**) Climate Reporting Standards and the Corporations Act) and to have its sustainability report audited. We understand that the AASB's Climate Reporting Standards were developed using the ISSB's sustainability disclosure standards (**IFRS**) and that ASRS 1 and 2 are largely replications of IFRS S1 and S2 respectively. To that end, ASIC itself has published a helpful markup comparing these documents on its website which demonstrates the alignment between the standards.

Unsurprisingly therefore, there are substantial parallels between the Framework (which Sportsbet is subject to) and the UK Sustainability Reporting regimes (which Flutter reports against). Notably, in circumstances where ASRS 1 is voluntary (which is not the position with respect to IFRS S1) the UK Regime is sufficiently broader in that it requires reporting on a greater range of sustainability matters than simply climate related financial risk.

In our view, at least as it relates to Sportsbet, the only aspect of the Framework which appears to be more prescriptive than the UK regime relates to the specificity of climate scenario analysis required under the Corporations Act, whereby Sportsbet is required to undertake at least two specific climate scenario analysis and resilience disclosures (1.5°C above pre-industrial levels and at least 2.5°C above pre-industrial levels).

As a result, essentially all of the matters required to be included in Sportsbet's Sustainability Report, prepared in accordance with the Framework, will already have been canvassed in Flutter's Sustainability Report.

Supporting the proposed reforms and further suggestions for improvement

Sportsbet fully supports the new sustainability reporting regime and its objectives of improving the quality, consistency and comparability of climate-related financial disclosures of reporting entities. As a corporate bookmaker and an entity classified as a Group 1 Reporting Entity, Sportsbet's submission is limited to areas we believe Sportsbet (and other entities in similar consolidated group structures) may benefit from further guidance from ASIC.

Consolidated group exemptions

As outlined above, Flutter presently reports against UK requirements in-line with the Framework, and Sportsbet contributes data and insights through internal reporting mechanisms to Flutter for that purpose. Despite the significant parallels in the Australian and UK regimes, there is unfortunately no exemption from the requirement to prepare a Sustainability Report in circumstances where an Australian entity's overseas parent company is required to and does prepare a Sustainability Report.

We recommend ASIC outline, within their regulatory guidance for industry, the specific criteria or conditions under which consolidated group exemptions can be granted. This includes detail to assist entities understand what constitutes comprehensive coverage by an international parent company's sustainability report (as in the case of Flutter).

Sportsbet further seeks detailed guidance on defining reporting boundaries for consolidated groups, and the requirements for third-party assurance of sustainability reports within a consolidated group (including whether Flutter's assurance can cover the entire group or if subsidiaries need separate assurance).

Cross-referencing

Given Flutter's existing Sustainability Reporting under ISSB standards, Sportsbet seeks ASIC's guidance as part of their regulatory guidance for industry, on the extent to which a local entity (such as Sportsbet) can rely on and utilise an international parent company's (such as Flutter) Sustainability Report for reporting requirements under the Framework. Sportsbet seeks to understand how this will work in practice.

As noted above, we understand Sportsbet is required to undertake at least two specific climate scenario analysis and resilience disclosures (which are more prescriptive requirements than the regime that applies to Flutter). For ASIC's visibility, Flutter is prepared to undertake this required analysis on Sportsbet's behalf.

Proportionality of Reporting Efforts

We note the principle, as outlined in ASIC's Regulatory Guide, that reporting efforts should not be "out of all proportion to the value of the resultant disclosure."¹ Whilst Sportsbet supports the Framework including reporting requirements, given the information outlined above in relation to Flutter's existing reporting requirements, Sportsbet seeks ASIC feedback and guidance on the ways to balance reporting efforts with the value of disclosures. This is particularly pertinent where requirements between those reported against by Flutter, and those Sportsbet will need to report against under the Framework, overlap.

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Sportsbet is committed to playing our role in providing quality, consistent and comparable climate-related financial disclosures. We believe our suggestions for further guidance as set out above would further benefit other entities in similar consolidated group structures. Sportsbet looks forward to working closely with ASIC to achieve its objectives as outlined above.

We would welcome the opportunity to discuss these issues in more detail. If you have any questions with respect to our submission, please do not hesitate to contact me directly at [REDACTED], or my colleague [REDACTED] (Sportsbet's Senior Legal Counsel – Customer & Regulatory) at [REDACTED].

Kind Regards,

[REDACTED]
David Jancik
Head of Public Policy & Reputation

¹ Australian Securities and Investments Commission, *Regulatory Guide 43: Financial reports and audit relief*, May 2011, available at: <https://download.asic.gov.au/media/5689742/rg43-published-27-may-2011-20200727.pdf>